

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 May 17, 2023 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated May 17, 2023 from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Canadian Banc Corp. at its head and registered office located at 200 Front Street West, Suite 2510, Toronto, Ontario, M5V 3K2 telephone: (416) 304-4443, and are also available electronically at www.sedar.com.

NEW ISSUE

MAY 18, 2023

**PROSPECTUS SUPPLEMENT
TO THE SHORT FORM BASE SHELF PROSPECTUS DATED MAY 17, 2023**



CANADIAN BANC CORP.

**\$70,000,000 Preferred Shares
\$70,000,000 Class A Shares**

This prospectus supplement (the “**Prospectus Supplement**”) and the accompanying short form base shelf prospectus dated May 17, 2023 (the “**Shelf Prospectus**”) and together with the Prospectus Supplement, the “**Prospectus**”) qualifies for distribution (the “**Offering**”) preferred shares (the “**Preferred Shares**”) having an aggregate market value of up to \$70,000,000 and Class A Shares (“**Class A Shares**” and collectively with the Preferred Shares, “**Shares**”) having an aggregate market value of up to \$70,000,000, of Canadian Banc Corp. (the “**Company**”). Preferred Shares and Class A Shares are issued only on a basis that an equal number of Preferred Shares and Class A Shares (referred to as a “**Unit**”) will be outstanding at all material times.

The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario that invests in an actively managed portfolio of common shares (the “**Portfolio**”) which primarily includes shares of the following publicly traded Canadian banks (the “**Portfolio Companies**”), each of whose shares will generally represent no less than 5% and no more than 20% of the net asset value of the Company (the “**Net Asset Value**”):

Bank of Montreal

Canadian Imperial Bank of Commerce
Royal Bank of Canada

The Bank of Nova Scotia

National Bank of Canada

The Toronto-Dominion Bank

The Preferred Shares and the Class A Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbols “BK.PR.A” and “BK”, respectively. On May 17, 2023 (the last trading day prior to announcement of the Offering), the closing price on the TSX of the Preferred Shares was \$10.07 and of the Class A Shares was \$13.11. As at May 15, 2023 (the last date prior to the date hereof on which the net asset value of the Company (“**Net Asset Value**”) was calculated), the Net Asset Value per Unit was \$20.17. The TSX has conditionally approved the listing of the additional Preferred Shares and Class A Shares offered under this Prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

The Company has entered into an equity distribution agreement dated May 18, 2023 (the “**Distribution Agreement**”) with National Bank Financial Inc. (the “**Agent**”) pursuant to which the Company may distribute Preferred Shares and Class A Shares from time to time through the Agent, as agent, in accordance with the terms of the Distribution Agreement. Sales of Preferred Shares and Class A Shares, if any, under this Prospectus are anticipated to be made in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 *Shelf Distributions* (“**NI 44-102**”), including sales made directly on the TSX or on any other existing trading market for the Preferred Shares or Class A Shares, as applicable, in Canada. The Preferred Shares and Class A Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices at which Preferred Shares and Class A Shares are sold may vary as between purchasers and during the period of any distribution. In accordance with paragraph 9.3(2)(a) of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), the issue price of the Preferred Shares and/or Class A Shares will not (a), as far as reasonably practicable, be a price that causes dilution of the Net Asset Value of the Company’s other outstanding securities at the time of issue and (b) be a price that is less than 100% of the most recently calculated Net Asset Value per Unit. **There is no minimum amount of funds that must be raised under this Offering. This means that the Offering may terminate after raising only a portion of the Offering amount set out above, or none at all. See “Plan of Distribution”.**

The Company will pay the Agent compensation for its services in acting as agent in connection with the sale of Preferred Shares and Class A Shares pursuant to the Distribution Agreement of up to 2.5% of the gross sales price per Preferred Share sold and up to 2.5% of the gross sales price per Class A Share sold (the “**Commission**”).

As agent, the Agent will not engage in any transactions to stabilize or maintain the price of the Preferred Shares or Class A Shares. No Agent, or underwriter of the at-the-market distribution, and no person or company acting jointly or in concert with such Agent or underwriter may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Preferred Shares or Class A Shares or securities of the same class as the Preferred Shares and/or Class A Shares distributed under this Prospectus Supplement, including selling an aggregate number or principal amount of Preferred Shares and/or Class A Shares that would result in the Agent or underwriter creating an over-allocation position in the Preferred Shares and/or Class A Shares. See “*Plan of Distribution*”.

An investment in the Preferred Shares or the Class A Shares involves a degree of risk. It is important for prospective purchasers to consider the risk factors under “*Additional Information – Risk Factors*” in the Current AIF (as defined herein). **The earnings coverage ratio for the Company is less than 1:1. See “Earnings Coverage Ratios”.**

The independent review committee of the Company, each member of which is independent of the Company and Quadravest Capital Management Inc. (“**Quadravest**”), is of the opinion that the Offering achieves a fair and reasonable result for the Company.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING SHORT FORM BASE SHELF PROSPECTUS

This document is in two parts. The first part is the Prospectus Supplement, which describes certain terms of the Preferred Shares and Class A Shares that the Company is offering and also adds to and updates certain information contained in the Shelf Prospectus and the documents incorporated by reference herein and therein. The second part is the Shelf Prospectus, which provides more general information.

If the description of the Preferred Shares and Class A Shares varies between this Prospectus Supplement and the Shelf Prospectus, you should rely on the information in this Prospectus Supplement.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Agent, the Preferred Shares and the Class A Shares, if issued on the date hereof, would each be a qualified investment under the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) for trusts governed by registered retirement savings plans (“**RRSP**”), registered education savings plans (“**RESP**”), registered retirement income funds (“**RRIF**”), deferred profit sharing plans, registered disability savings plans (“**RDSP**”), first home savings accounts (“**FHSA**”) and tax-free savings accounts (“**TFSA**”) (collectively, “**Registered Plans**”).

Notwithstanding the foregoing, if the Preferred Shares or Class A Shares are a “prohibited investment” for the purposes of a TFSA, RRSP, RRIF, RDSP, FHSA or RESP, the holder of such TFSA, FHSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Preferred Shares and the Class A Shares will not be a prohibited investment for a TFSA, RRSP, RRIF, RDSP, FHSA or RESP provided the holder, annuitant or subscriber thereof, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Company. Generally, a holder, annuitant or subscriber will have a significant interest in the Company if the holder, annuitant or subscriber and/or persons or partnerships not dealing at arm’s length with the holder, annuitant or subscriber own directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Company or any corporation related to the Company within the meaning of the Tax Act. In addition, Preferred Shares and Class A Shares, as the case may be, will not be a “prohibited investment” if such Shares are “excluded property” (as defined in the Tax Act) for trusts governed by a TFSA, RRSP, RRIF, RDSP, FHSA or RESP. Prospective purchasers who intend to hold Preferred Shares or Class A Shares in a TFSA, RRSP, RRIF, RDSP, FHSA or RESP are advised to consult their personal tax advisors.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Company or QuadraVest. Forward-looking statements are not historical facts but reflect the current expectations of the Company and QuadraVest regarding future results or events. Such forward-looking statements reflect the Company’s and QuadraVest’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described in the Current AIF (as defined herein) under “*Additional Information – Risk Factors*”. Although the forward-looking statements contained in this Prospectus are based upon assumptions that the Company and QuadraVest believe to be reasonable, neither the Company nor QuadraVest can assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared

for the purpose of providing investors with information about the Company and may not be appropriate for other purposes. Neither the Company nor Quadravest assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Shelf Prospectus, solely for the purpose of the Offering. Other documents are also incorporated by reference into the Shelf Prospectus and reference should be made to the Shelf Prospectus for full particulars.

The following documents, filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the Company's annual information form dated February 23, 2023 for the year ended November 30, 2022 (the "**Current AIF**");
- (b) the Company's audited annual financial statements, together with the accompanying report of the auditor, for the financial year ended November 30, 2022; and
- (c) the Company's annual management report of fund performance in respect of its financial year ended November 30, 2022.

All documents of the type referred to above, as well as any other documents of the type described in Item 11.1 of Form 44-101F1 to National Instrument 44-101 *Short Form Prospectus Distributions*, filed by the Company with the securities regulatory authorities after the date of this Prospectus and during the term of this Prospectus shall be deemed to be incorporated by reference into and form an integral part of this Prospectus. In addition, pursuant to Companion Policy 44-102CP *Shelf Distributions*, if the Company disseminates a news release in respect of previously undisclosed information that, in the Company's determination, constitutes a "material fact" (as such term is defined under applicable Canadian securities laws), the Company will identify such news release as a "designated news release" for the purposes of the Prospectus in writing on the face page of the version of such news release that the Company files on SEDAR (any such news release, a "**Designated News Release**"), and any such Designated News Release shall be deemed to be incorporated by reference into the Prospectus only for the purposes of the Offering.

Any statement contained in this Prospectus Supplement, the Shelf Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Shelf Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement and the Shelf Prospectus to the extent that a statement contained in this Prospectus Supplement, or in any subsequently filed document which is or is deemed to be incorporated by reference in this Prospectus Supplement or the Shelf Prospectus, modifies or supersedes that 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 shall not 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 is required to be stated or that is 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 constitute a part of this Prospectus Supplement or the Shelf Prospectus except as so modified or superseded.

When the Company files a new annual information form, audited annual financial statements and related management report of fund performance with, and where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus Supplement is valid, the previous

annual information form, audited annual financial statements and related management report of fund performance and all unaudited semi-annual financial statements and related management reports of fund performance for such periods filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated by reference in this Prospectus Supplement for purposes of future offers and sales of Preferred Shares and Class A Shares under this Prospectus Supplement.

DETAILS OF THE OFFERING

This Prospectus qualifies for distribution Preferred Shares having an aggregate market value of up to \$70,000,000 and Class A Shares having an aggregate market value of up to \$70,000,000 (the “**Offering**”). Preferred Shares and Class A Shares are issued only on the basis that an equal number of Preferred Shares and Class A Shares (referred to as a “**Unit**”) will be issued and outstanding at all material times. A Unit consists of one Preferred Share with a termination value of \$10.00 (the “**Preferred Share Repayment Amount**”) and one Class A Share. The Preferred Shares and Class A Shares are listed on the TSX under the symbols “BK.PR.A” and “BK”, respectively. Preferred Shares and Class A Shares trade separately in the market based on supply and demand considering factors such as term, interest rates, asset coverage, leverage, volatility, and credit quality among other considerations. The attributes of the Shares are described under “*Description of the Shares of the Company*” in the Shelf Prospectus.

Sales of Preferred Shares and Class A Shares, if any, under this Prospectus are anticipated to be made in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the TSX or on any other existing trading market for the Preferred Shares or Class A Shares, as applicable, in Canada. The Preferred Shares and Class A Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices at which Preferred Shares and Class A Shares are sold may vary as between purchasers and during the period of any distribution.

Based on the most recently calculated Net Asset Value per Unit of \$20.17, the asset coverage ratio based on the Preferred Share Repayment Amount of \$10.00 is 202% and the Downside Protection is 50.42%. “**Downside Protection**” refers to the percentage that the Portfolio would have to decline in value before holders of the Preferred Shares would be in a first-dollar loss position.

Rating

The Preferred Shares have been rated Pfd-3 by DBRS as of November 30, 2022. Each of the rating categories used by DBRS for preferred shares is denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. According to DBRS, preferred shares rated Pfd-3 are of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Pfd-3 ratings generally correspond with companies whose senior bonds are rated in the higher end of the BBB category. 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. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by DBRS. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating agency at any time if in its judgment circumstances so warrant. Customary fee payments were made, and may reasonably be made, by the Company to DBRS in connection with the rating assigned to the Preferred Shares, including the confirmation of such rating as of November 30, 2022. The Company did not make any payments to DBRS in respect of any other service provided to the Company by DBRS during the last two years.

CONSOLIDATED CAPITALIZATION

The Company is authorized to issue an unlimited number of Preferred Shares, an unlimited number of Class A Shares and 1,000 Class B Shares (the “**Class B Shares**”). The Preferred Shares and the Class A Shares are redeemable monthly at the option of the holder. Since November 30, 2022, no Preferred Shares and no Class A Shares have been redeemed in accordance with their terms.

There have been no material changes in the Company’s share and loan capital since November 30, 2022, other than the issuance of 3,960,600 Preferred Shares and 4,335,000 Class A Shares pursuant to the December 2022 ATM (as defined herein) and the issuance of 2,360,000 Preferred Shares and 1,560,000 Class A Shares pursuant to the January 2023 Offering (as defined herein).

As of May 17, 2023, 22,429,882 Preferred Shares 22,115,682 Class A Shares and 1,000 Class B Shares were issued and outstanding (based on issuances of Preferred Shares and Class A Shares under the December 2022 ATM up to May 17, 2023 and the January 2023 Offering).

The Company may from time to time during the period that the Offering remains in effect issue and sell Preferred Shares having an aggregate market value of up to \$70,000,000 and Class A Shares having an aggregate market value of up to \$70,000,000, under this Prospectus Supplement. See “*Plan of Distribution*”.

USE OF PROCEEDS

The net proceeds from the Offering are not determinable at this time. The net proceeds of any given distribution of Preferred Shares or Class A Shares through the Agent in an “at-the-market distribution” will represent the gross proceeds after deducting the applicable compensation payable to the Agent under the Distribution Agreement and the expenses of the distribution. See “*Plan of Distribution*”.

The Company intends to use the net proceeds of the Offering for investment purposes as described in the Shelf Prospectus under “*The Company – Investment Objectives and Strategy*”.

DIVIDEND HISTORY

Since the Company commenced investment operations on May 25, 2005, the aggregate dividends paid from the Company to Shareholders have been \$29.81 per Unit.

During the period from inception to December 1, 2018, the Company paid a monthly dividend on the Preferred Shares equal to the Prime Rate plus 0.75% with a minimum rate of 5.0%. The aggregate amount of dividends paid on the Preferred Shares during the period from inception to December 1, 2018, was \$7.11 per Preferred Share, representing 160 monthly dividends of, on average, \$0.0444 per Preferred Share. During the period from December 1, 2018 to May 10, 2023, the Company paid a monthly dividend on the Preferred Shares equal to the Prime Rate plus 1.5% with a minimum rate of 5.0% and a maximum rate of 8.0%. The aggregate amount of dividends paid on the Preferred Shares during the period from December 1, 2018 to May 18, 2023, has been \$2.46 per Preferred Share, representing 53 monthly dividends of, on average, \$0.046478 per Preferred Share.

Under the Company’s dividend distribution policy in respect of the Class A Shares, effective November 15, 2021, the monthly dividend payable on Class A Shares is determined by applying a 15% annualized rate on the VWAP (previously 10% effective September 17, 2013) of the Class A Shares over the last three trading days of the preceding month. Since inception, the Company has paid a total of \$20.24 in dividends for each Class A Share. Due to the subdivision of Class A Shares on a 1.180459885 for 1 basis on January 17, 2012 resulting from the rebalancing required after the special retraction, distributions on a per Class A Share basis over the life of the Company are not comparable. Class A Shares received aggregate dividends

of \$5.81 per Class A Share from inception to the subdivision and aggregate dividends of \$14.43 per Class A Share since the subdivision.

On May 18, 2023 the Company declared distributions of \$0.06667 per Preferred Share and \$0.16575 per Class A Share payable June 9, 2023 to Shareholders of record as at May 31, 2023.

EARNINGS COVERAGE RATIOS

The Company's dividend requirements on all of its Preferred Shares, after giving effect to the issue of the Preferred Shares in the December 2022 ATM, the January 2023 Offering, and this Offering (assuming the maximum Offering of Preferred Shares at a price of \$10.07 per Preferred Share (based on the closing price on the TSX of the Preferred Shares on May 17, 2023)) amounted to \$15,442,960 for the 12 month period ended November 30, 2022. For the 12 month period ended November 30, 2022, the Company's net income (loss) under International Financial Reporting Standards (IFRS) available for the payment of dividends on the Preferred Shares was \$2,597,136, which is 0.17 times the aggregate dividend requirements on the Preferred Shares, after giving effect to the December 2022 ATM, January 2023 Offering, and this Offering.

For the 12 month period ended November 30, 2022, the Company's dividend income net of total expenses, excluding gains and losses, available for the payment of dividends on the Preferred Shares was \$6,302,180, which is 0.41 times the aggregate dividend requirements on the Preferred Shares, after giving effect to the issue of Preferred Shares under the December 2022 ATM, the January 2023 Offering, and this Offering.

If the net cash proceeds of the December 2022 ATM, the January 2023 Offering, and this Offering had been invested since December 1, 2021, the Company's net income (loss) under IFRS available for the payment of dividends on the Preferred Shares (after giving effect to the issue of Preferred Shares under the December 2022 ATM, the January 2023 Offering, and this Offering) for the 12 month period ended November 30, 2022 would have been \$5,130,978, which is 0.33 times the aggregate dividend requirements on such Preferred Shares. **The Company would have needed to generate an additional \$10,311,982 in net income (loss) under IFRS, in respect of the period ended November 30, 2022 to have achieved an earnings coverage ratio of 1:1.**

If the net cash proceeds of the December 2022 ATM, the January 2023 Offering, and this Offering had been invested since December 1, 2021, the Company's dividend income net of total expenses, excluding gains and losses, available for the payment of dividends on the Preferred Shares (after giving effect to the issue of Preferred Shares under the December 2022 ATM, the January 2023 Offering, and this Offering) for the 12 month period ended November 30, 2022 would have been \$12,450,771, which is 0.81 times the aggregate dividend requirements on such Preferred Shares. **The Company would have needed to generate an additional \$2,992,189 in dividend income net of total expenses, excluding gains and losses, in respect of the period ended November 30, 2022 to have achieved an earnings coverage ratio of 1:1.**

PRIOR SALES

During the 12-month period preceding the date of this Prospectus Supplement, the Company issued an aggregate of 2,346,600 Preferred Shares and 2,495,800 Class A Shares under the Company's at-the-market distribution program pursuant to a prospectus supplement dated July 6, 2021 to the Company's short form base shelf prospectus dated June 22, 2021, as amended at an average issue price of \$10.0394 per Preferred Share and \$13.3351 per Class A Share, as set out in the chart below:

Month of Issue	Number of Preferred Shares Issued	Average Issue Price per Preferred Share	Number of Class A Shares Issued	Average Issue Price per Class A Share
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May 18-31, 2022	64,100	\$10.0130	67,700	\$13.9678
June 2022	362,100	\$9.9971	379,500	\$13.9270
July 2022	167,100	\$10.0707	359,500	\$13.2877
August 2022	331,400	\$10.0877	476,100	\$13.5024
September 2022	208,700	\$10.0586	114,600	\$13.2257
October 2022	884,500	\$10.0161	435,700	\$12.9935
November 2022	302,500	\$10.0799	602,300	\$13.0519
December 1-7, 2022	26,200	\$10.0472	60,400	\$13.3652

On June 8, 2022, the Company issued 1,167,000 Preferred Shares and 1,167,000 Class A Shares at a price of \$10.00 per Preferred Share and \$14.50 per Class A Share, pursuant to a prospectus supplement dated June 1, 2022 to the Company's short form base shelf prospectus dated June 22, 2021, as amended.

During the 12-month period preceding the date of this Prospectus Supplement, the Company issued an aggregate of 3,934,400 Preferred Shares and 4,274,600 Class A Shares under the Company's at-the-market distribution program pursuant to a prospectus supplement dated December 5, 2022 to the Company's short form base shelf prospectus dated June 22, 2021, as amended (the "**December 2022 ATM**") at an average issue price of \$10.08 per Preferred Share and \$13.3938 per Class A Share, as set out in the chart below:

Month of Issue	Number of Preferred Shares Issued	Average Issue Price per Preferred Share	Number of Class A Shares Issued	Average Issue Price per Class A Share
December 8-31, 2022	137,900	\$10.1036	321,600	\$13.2000
January 2023	761,700	\$10.0789	755,400	\$13.6224
February 2023	836,900	\$10.1154	598,800	\$13.6779
March 2023	950,300	\$10.0893	1,237,400	\$13.4289
April 2023	829,600	\$10.0369	845,000	\$13.2294
May 1-17, 2023	418,000	\$10.0676	516,400	\$13.0357

On January 31, 2023, the Company issued 2,360,000 Preferred Shares and 1,560,000 Class A Shares at a price of \$10.00 per Preferred Share and \$13.75 per Class A Share, pursuant to a prospectus supplement dated January 25, 2023 to the Company's short form base shelf prospectus dated June 22, 2021, as amended (the "**January 2023 Offering**").

TRADING PRICES AND VOLUMES

The following table sets forth the reported high and low sale prices and the trading volume for the Preferred Shares and the Class A Shares on the TSX for each of the months indicated.

Month	Class A Shares			Preferred Shares		
	High	Low	Volume	High	Low	Volume
May 2022	\$15.09	\$13.17	1,038,478	\$10.31	\$9.90	316,830
June 2022	\$14.31	\$13.07	1,387,720	\$10.11	\$9.97	975,139
July 2022	\$13.75	\$12.80	1,001,148	\$10.12	\$10.00	266,919
August 2022	\$13.92	\$13.08	1,002,768	\$10.17	\$10.02	277,439
September 2022	\$13.64	\$12.75	874,505	\$10.12	\$10.00	296,194
October 2022	\$13.45	\$12.13	1,239,710	\$10.10	\$9.98	645,127
November 2022	\$13.68	\$12.70	1,075,760	\$10.14	\$10.01	331,671
December 2022	\$13.49	\$12.96	905,902	\$10.15	\$10.05	163,355
January 2023	\$14.12	\$13.17	1,672,993	\$10.17	\$10.01	1,619,257
February 2023	\$13.95	\$13.45	1,315,627	\$10.18	\$10.07	889,118
March 2023	\$13.72	\$12.80	2,224,423	\$10.17	\$10.01	1,114,972
April 2023	\$13.48	\$12.95	1,109,816	\$10.13	\$10.01	766,959
May 1-17, 2023	\$13.26	\$12.78	957,741	\$10.10	\$10.05	362,772

On May 17, 2023 (the last day of trading prior to the date of this Prospectus Supplement), the closing prices of the Preferred Shares and the Class A Shares on the TSX were \$10.07 and \$13.11, respectively. As at May 15, 2023 (the last date prior to the date hereof on which the Net Asset Value was calculated), the Net Asset Value per Unit was \$20.17.

PLAN OF DISTRIBUTION

The Company has entered into the Distribution Agreement with the Agent under which the Company may issue and sell from time to time Preferred Shares having an aggregate market value of up to \$70,000,000 and Class A Shares having an aggregate market value of up to \$70,000,000 in each of the provinces of Canada. Sales of Preferred Shares and Class A Shares, if any, will be made in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made by the Agent directly on the TSX or on any other existing trading market for the Preferred Shares or Class A Shares, as applicable, in Canada. Subject to the pricing parameters in a placement notice, the Preferred Shares and Class A Shares will be distributed at the market prices prevailing at the time of the sale. As a result, the price may vary as between purchasers and during the period of distribution. The Company cannot predict the number of Preferred Shares or Class A Shares that the Company may sell under the Distribution Agreement on the TSX or any other existing trading market for the Preferred Shares or Class A Shares, as applicable, in Canada, or if any Preferred Shares or Class A Shares will be sold.

The Agent will offer the Preferred Shares and Class A Shares subject to the terms and conditions of the Distribution Agreement on a daily basis or as otherwise agreed upon by the Company and the Agent. The

Company will designate the maximum number of Preferred Shares and Class A Shares to be sold pursuant to any single placement notice to the Agent. In accordance with paragraph 9.3(2)(a) of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), the issue price of the Preferred Shares and/or Class A Shares will not (a), as far as reasonably practicable, be a price that causes dilution of the Net Asset Value of the Company’s other outstanding securities at the time of issue and (b) be a price that is less than 100% of the most recently calculated Net Asset Value per Unit. Subject to the terms and conditions of the Distribution Agreement, the Agent will use its commercially reasonable efforts to sell, on the Company’s behalf, all of the Preferred Shares and Class A Shares requested to be sold by the Company in a placement notice delivered to the Agent. The Company may instruct the Agent not to sell Preferred Shares or Class A Shares if the sales cannot be achieved at or above the price designated by the Company in a particular placement notice.

Either the Company or the Agent may suspend the Offering upon proper notice to the other party. The Company and the Agent each have the right, by giving written notice as specified in the Distribution Agreement, to terminate the Distribution Agreement in each party’s sole discretion at any time. Pursuant to the Distribution Agreement, the Offering will terminate upon the earlier of: (i) June 18, 2025; (ii) the issuance and sale of all of the Preferred Shares and Class A Shares subject to the Distribution Agreement; and (iii) the termination of the Distribution Agreement as permitted therein.

The Company will pay the Agent the Commission for its services in acting as agent in connection with the sale of Preferred Shares and Class A Shares pursuant to the Distribution Agreement. The amount of the Commission will be up to 2.5% of the gross sales price per Preferred Share sold and up to 2.5% of the gross sales price per Class A Share sold.

The Agent will provide written confirmation to the Company no later than 2:00 p.m. (Toronto time) on the trading day immediately following the trading day on which it has made sales of the Preferred Shares or Class A Shares under the Distribution Agreement. Each confirmation will include the number of Preferred Shares or Class A Shares, as applicable, sold on such day, the average price of the Preferred Shares or Class A Shares, as applicable, sold on such day, the gross proceeds, the Commission payable by the Company to the Agent with respect to such sales and the net proceeds payable to the Company. The Agent will also assist the Company with such other periodic reporting as may be reasonably requested by the Company with respect to the sales of Preferred Shares and Class A Shares.

The Company will disclose the number and average price of the Preferred Shares and Class A Shares sold under this Prospectus Supplement, as well as the gross proceeds, Commission and net proceeds from sales hereunder in the Company’s annual and semi-annual financial statements and management report of fund performance filed on SEDAR, for any periods in which sales of Preferred Shares or Class A Shares occur.

Settlement for sales of Preferred Shares and Class A Shares will occur, unless the parties agree otherwise, on the second trading day on the applicable exchange following the date on which any sales were made in return for payment of the net proceeds to the Company. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of Preferred Shares and Class A Shares will be settled through the facilities of CDS Clearing and Depository Services Inc. or by such other means as the Company and the Agent may agree.

The Company has agreed in the Distribution Agreement to provide indemnification and contribution to the Agent against certain liabilities. In addition, the Company has agreed to pay the reasonable expenses of the Agent in connection with the Offering, pursuant to the terms of the Distribution Agreement. The Agent and its affiliates will not engage in any prohibited transactions to stabilize or maintain the price of the Company’s Preferred Shares or Class A Shares in connection with any offer or sales of Preferred Shares or Class A Shares pursuant to the Distribution Agreement. No Agent, or underwriter of the at-the-market

distribution, and no person or company acting jointly or in concert with such Agent or underwriter may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Preferred Shares or Class A Shares or securities of the same class as the Preferred Shares and/or Class A Shares distributed under this Prospectus Supplement, including selling an aggregate number or principal amount of Preferred Shares and/or Class A Shares that would result in the Agent or underwriter creating an over-allocation position in the Preferred Shares and/or Class A Shares.

This Prospectus qualifies the distribution of the Preferred Shares and Class A Shares offered hereunder in each of the provinces of Canada.

The total expenses related to the commencement of the Offering to be paid by the Company excluding the Commission payable to the Agent under the Distribution Agreement, are estimated to be approximately \$100,000.

The TSX has conditionally approved the listing of the Preferred Shares and Class A Shares offered under this Prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

The Preferred Shares and the Class A Shares have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States or to U.S. persons. The distribution of this Prospectus and the offering and sale of the Preferred Shares and the Class A Shares are also subject to certain restrictions under the laws of certain jurisdictions outside of Canada. The Agent has agreed that it will not offer for sale or sell or deliver the Preferred Shares or the Class A Shares in any such jurisdiction except in accordance with the laws thereof.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Agent, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who acquire Preferred Shares or Class A Shares in the Offering and who, at all relevant times and for purposes of the Tax Act, are resident in Canada, deal at arm's length with the Company and the Agent and are not affiliated with the Company or the Agent, and hold their Preferred Shares and Class A Shares as capital property. Certain investors who might not otherwise be considered to hold their Preferred Shares or Class A Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act, the effect of which is to deem such Preferred Shares or Class A Shares and any other "Canadian security", as defined in the Tax Act, owned by such investor in the taxation year in which the election is made and in all subsequent taxation years, to be capital property.

This summary is based upon the facts set out in this Prospectus and the Current AIF, the provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available in writing prior to the date hereof, and relies as to certain factual matters on certificates of an officer of the Company, Quadravest and National Bank Financial.

This summary also takes into account specific proposals to amend the Tax Act announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is based on the assumptions that:

- (a) the Preferred Shares and the Class A Shares will at all times be listed on a designated stock exchange in Canada (which currently includes the TSX);
- (b) the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada;
- (c) the issuers of the securities held in the Portfolio will not be foreign affiliates of the Company or any holder of shares in the capital of the Company (“**Shareholder**”);
- (d) the investment objectives and restrictions applicable to the Company will at all relevant times be as set out in this Prospectus and the Current AIF and that the Company will at all times comply with such investment objectives and restrictions; and
- (e) the Company does not and will not invest in or hold (i) a share of, an interest in, or a debt of a non-resident entity, an interest in or a right or option to acquire such a share, interest or debt or an interest in a partnership which holds such a share, option or right, interest or debt that would cause the Company (or partnership) to include amounts in income under section 94.1 of the Tax Act, (ii) securities of a non-resident trust other than an “exempt foreign trust” as defined in subsection 94(1) of the Tax Act, or (iii) an interest in a trust that would require the Company to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act.

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal income tax considerations discussed herein. This summary does not address the deductibility of interest on any funds borrowed by an investor to purchase Preferred Shares or Class A Shares.

This summary does not apply to an investor (i) that is a “financial institution” as defined in section 142.2 of the Tax Act, (ii) an interest in which is a “tax shelter investment” as defined in subsection 143.2(1) of the Tax Act, (iii) which makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act, or (iv) which enters into a “derivative forward agreement” (a “DFA”), as such term is defined in the Tax Act, with respect to the purchase or sale of Preferred Shares or Class A Shares.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Investors are advised to consult their own tax advisors with respect to their individual circumstances.

Status of the Company

The Company qualifies, and intends at all relevant times to qualify, as a “mutual fund corporation” as defined in the Tax Act.

Tax Treatment of the Company

As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. The amount of the available refund to the Company in any taxation year is determined by a formula which is based in part on (i) the amount of the capital gains dividends (described below) paid by the Company to Shareholders, and (ii) the amount of the Company's "capital gains redemptions" (as defined in the Tax Act) for the year, which amount is determined in part by reference to the amount paid by the Company to Shareholders on the redemption of its Shares. As a mutual fund corporation, the Company maintains a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends ("**capital gains dividends**") which are treated as capital gains in the hands of Shareholders (see "*Canadian Federal Income Tax Considerations — Tax Treatment of Shareholders*"). In certain circumstances where the Company has recognized a capital gain in a taxation year on which tax would be payable by the Company, it may elect not to pay capital gains dividends in that taxation year in respect thereof and may instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions.

The Company will be required to include in computing its income for a taxation year all dividends received in the year. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations (which include the Portfolio Companies). Dividends received by the Company on other shares will, however, be included in computing the income of the Company, and will not be deductible in computing its taxable income.

The Company is a "financial intermediary corporation" (as defined in the Tax Act) and, as such, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on "taxable preferred shares" (as defined in the Tax Act). As a mutual fund corporation (which is not an "investment corporation" as defined in the Tax Act), the Company will generally be subject to a refundable tax of 38 1/3% under Part IV of the Tax Act on taxable dividends received during the year to the extent such dividends are deductible in computing the taxable income of the Company for the taxation year. This tax is fully refundable upon payment of sufficient dividends other than capital gains dividends ("**Ordinary Dividends**") by the Company.

The Company has purchased and will purchase shares in the Portfolio with the objective of earning dividends thereon over the life of the Company, and intends to treat and report transactions undertaken in respect of such shares on capital account. Generally, the Company will be considered to hold such shares on capital account unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Company has advised counsel that it has elected in accordance with the Tax Act to have each of its "Canadian securities" (as defined in subsection 39(6) of the Tax Act) treated as capital property.

In computing the adjusted cost base of any particular security held by the Company, the Company will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Company and held as capital property.

A loss realized by the Company on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Company, or a person "affiliated" with the Company (within the meaning of the Tax Act), acquires a property (a "**substituted property**") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Company, or a person affiliated with the Company, owns the substituted property 30 days after the original disposition. If a loss is suspended, the

Company cannot deduct the loss from the Company's capital gains until the substituted property is sold and is not reacquired by the Company, or a person affiliated with the Company, within 30 days before and after the sale.

The Company will write covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the common shares in the Portfolio. In accordance with the CRA's published administrative practice, a transaction undertaken by the Company in respect of such options will be treated and reported for purposes of the Tax Act on capital account, unless such transaction is considered to be a DFA. In general, the writing of a covered call option by the Company in the manner described in the Shelf Prospectus under the heading "*The Company – Investment Objectives and Strategy*" is not expected to constitute a DFA. It is not clear whether the writing of covered calls, if coupled with certain other transactions, could be considered to be DFAs.

Quadravest and the Company have advised counsel that the Company will not enter into a DFA the effect of which would be to materially increase the income tax payable by the Company (taking into account all DFAs entered into).

Premiums received on call options written by the Company (to the extent such call options relate to securities actually owned by the Company at the time the option is written and such securities are held on capital account as discussed above) will constitute capital gains of the Company in the year received, and gains or losses realized upon dispositions of securities owned by the Company (whether upon the exercise of call options written by the Company or otherwise) will generally constitute capital gains or capital losses of the Company in the year realized. Where a call option is exercised the premium received by the Company for the option will be included in the proceeds of disposition of the securities sold pursuant to the option and the premium will not give rise to a capital gain at the time the option is written.

If the Company sells a security under a DFA, the amount by which the proceeds of disposition exceed (or are less than) the fair market value of the security at the time the DFA is entered into will generally be recognized as ordinary income (or loss) realized upon the disposition of the security. The deductibility of any loss realized on the disposition of a security under a DFA may be restricted depending upon the particular circumstances. The adjusted cost base to the Company of any such security will be increased (or decreased) by the amount of income recognized (or loss that is deductible) because of the DFA, and the Company's capital gain (or capital loss) will be adjusted accordingly.

Generally, the Company will include gains and deduct losses on income account in connection with investments made through derivative securities (except where such derivatives are used to hedge Portfolio securities held on capital account and provided there is sufficient linkage), and will recognize such gains or losses for tax purposes at the time they are realized by the Company. The Company may also use derivative instruments for hedging purposes. Gains or losses realized on such derivatives hedging Portfolio securities held on capital account will be treated and reported for tax purposes on capital account (subject to adjustment for any ordinary income or loss recognized from the disposition of property pursuant to a derivative that constitutes a DFA), provided there is sufficient linkage.

To the extent that the Company earns net income (other than taxable dividends from taxable Canadian corporations and taxable capital gains) such as interest, dividends from corporations other than taxable Canadian corporations or certain gains from the disposition of a security under a DFA, the Company will be subject to income tax on such income and no refund will be available in respect thereof.

Tax Treatment of Shareholders

Shareholders must include in income Ordinary Dividends received from the Company. For individual Shareholders, Ordinary Dividends will be subject to the usual gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act. An enhanced gross-up and dividend tax credit is available on “eligible dividends” received or deemed to be received from a taxable Canadian corporation which are so designated by the corporation. Ordinary Dividends received by a corporation other than a “specified financial institution” (as defined in the Tax Act) will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Shareholder that is a corporation as a capital gain. Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances.

In the case of a Shareholder that is a specified financial institution, Ordinary Dividends received on a particular class of Shares will be deductible in computing its taxable income only if either (a) the specified financial institution did not acquire the Shares in the ordinary course of its business; or (b) at the time of the receipt of the dividends by the specified financial institution the Shares of that class are listed on a designated stock exchange in Canada, and dividends are received by (i) the specified financial institution, or (ii) the specified financial institution and persons with whom it does not deal at arm’s length (within the meaning of the Tax Act), in respect of not more than 10% of the issued and outstanding Shares of that class. For purposes of the exception in (b), a beneficiary of a trust will be deemed to receive the amount of any dividend received by the trust and designated to that beneficiary, effective at the time the dividend was received by the trust, and a member of a partnership will be deemed to have received that partner’s share of a dividend received by the partnership, effective at the time the dividend was received by the partnership.

Ordinary Dividends on Preferred Shares will generally be subject to a 10% tax under Part IV.1 of the Tax Act when such dividends are received by a corporation (other than a “private corporation” or a “financial intermediary corporation”, as defined in the Tax Act) to the extent that such dividends are deductible in computing the corporation’s taxable income. Such corporations should consult their own tax advisors with respect to whether Ordinary Dividends on the Class A Shares are subject to Part IV.1 tax when received by such corporations.

A Shareholder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 38 1/3% refundable tax under Part IV of the Tax Act on Ordinary Dividends received on Class A Shares or Preferred Shares, to the extent that such dividends are deductible in computing the corporation’s taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a particular corporation, the Part IV tax payable by such corporation on such dividend is reduced by 10% of the dividend. The tax payable by a Shareholder under Part IV of the Tax Act may be refunded in certain circumstances to the extent the Shareholder pays sufficient taxable dividends.

The amount of any capital gains dividend received by a Shareholder from the Company will be considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

The current policy of the Company is to pay monthly distributions and, in addition, to pay a special year-end dividend to holders of Class A Shares if any amounts remain available for the payment of dividends (provided that no special year-end dividends will be paid if after payment of such a dividend the Net Asset Value per Unit would be less than \$25.00). Therefore, a person acquiring Shares may become taxable on distributions derived from income and capital gains of the Company that accrued before such person acquired such Shares and on realized capital gains that have not been distributed before such time.

The Company may make returns of capital in respect of the Class A Shares. A return of capital in respect of a Class A Share will not be included in the income of the holder of the Class A Share, but will reduce the adjusted cost base of such Class A Share. To the extent that the adjusted cost base of a Class A Share would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Shareholder from the disposition of the Class A Share and the adjusted cost base will be increased by the amount of such deemed capital gain.

Upon the redemption, retraction or other disposition of a Share, a capital gain (or a capital loss) will be realized by the Shareholder to the extent that the proceeds of disposition of the Share exceed (or are less than) the aggregate of the adjusted cost base of the Share and any reasonable costs of disposition. If the Shareholder is a corporation, any capital loss arising on the disposition of a Share may in certain circumstances be reduced by the amount of any Ordinary Dividends received on the Share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. For purposes of computing the adjusted cost base of each Share of a particular class, a Shareholder must average the cost of such Share with the adjusted cost base of any Shares of that class already held as capital property.

One-half of a capital gain is included in computing a Shareholder's income as a taxable capital gain and one-half of a capital loss must generally be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. A Shareholder that is a Canadian-controlled private corporation will be subject to an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), which includes an amount in respect of taxable capital gains. The additional tax is refundable in certain circumstances to the extent the Shareholder pays sufficient taxable dividends. Proposed Amendments released on August 9, 2022, are intended to extend this additional tax and refund mechanism in respect of "aggregate investment income" to "substantive CCPCs" as defined in such Proposed Amendments. Shareholders are advised to consult their own tax advisors regarding the possible implications of these Proposed Amendments in their particular circumstances.

Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to an alternative minimum tax under the Tax Act.

Taxation of Registered Plans

Registered Plans, as holders of Shares, generally will be exempt from tax on any dividend or other income derived from such Shares and on any capital gain realized upon the sale, redemption or other disposition of such Shares. If and when cash or securities are withdrawn from a Registered Plan, other than from a TFSA (or in certain circumstances from an RDSP or RESP, or a FHSA), the holder of the Registered Plan generally will be liable to pay income tax based on the amount of cash or the fair market value of the securities withdrawn, unless the cash or securities are transferred to another Registered Plan in accordance with the Tax Act.

INTERNATIONAL INFORMATION REPORTING

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the "IGA") and related Canadian legislation in the Tax Act, the dealers through which Shareholders hold their Shares are required to report certain financial information (e.g. account balances) with respect to Shareholders, or their controlling persons, who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), certain other "U.S. Persons", as defined under the IGA, or who do not provide the requested information and indicia of U.S. or non-Canadian status are present, to the CRA (excluding "Registered Plans", as

defined under “*Eligibility for Investment*”, other than FHSAs). The CRA provides the information to the U.S. Internal Revenue Service.

Canada has also implemented the OECD Multilateral Competent Authority Agreement and Common Reporting Standard which provides for the automatic exchange of certain tax information between the tax authorities of participating jurisdictions. Affected investors are required to provide certain information including their tax identification numbers for the purpose of such information exchange.

The Tax Act does not currently address whether FHSAs would be treated in the same way as other Registered Plans for these purposes; however, the Department of Finance indicated in a "comfort letter" provided to the Investment Funds Institute of Canada in January 2023 that it is prepared to recommend that the Tax Act be amended to exempt FHSAs from the provisions of the Tax Act that implement the Common Reporting Standard, although no assurances can be given that this recommendation will be accepted.

RISK FACTORS

Shareholders should be aware of and carefully consider the risks and other considerations relating to an investment in Preferred Shares and Class A Shares set out in the Shelf Prospectus.

INTEREST OF EXPERTS

Certain legal matters in connection with this distribution have been passed upon on behalf of the Company by Blake, Cassels & Graydon LLP and on behalf of the Agent by Osler, Hoskin & Harcourt LLP. As of the date of this Prospectus Supplement, the partners and associates of Blake, Cassels & Graydon LLP as a group and the partners and associates of Osler, Hoskin & Harcourt LLP as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The following is a description of a purchaser's statutory rights in connection with any purchase of Preferred Shares or Class A Shares pursuant to the Offering, which supersedes and replaces the statement of purchasers' rights included in the Shelf Prospectus. A purchaser's rights and remedies under applicable securities legislation against the Agent will not be affected by the Agent's decision to effect the distribution directly or through a selling agent.

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Preferred Shares or Class A Shares distributed under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase Preferred Shares or Class A Shares and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to Preferred Shares or Class A Shares purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to Preferred Shares or Class A Shares purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102 *Shelf Distributions*.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Preferred Shares or Class

A Shares distributed under an at-the-market distribution by the Company may have against the Company or the Agent for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

CERTIFICATE OF THE COMPANY AND MANAGER

Dated: May 18, 2023

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement, as required by the securities legislation of each of the provinces of Canada.

(Signed) S. WAYNE FINCH
President and Chief Executive Officer

(Signed) SILVIA GOMES
Chief Financial Officer

On behalf of the Board of Directors of Canadian Banc Corp.

(Signed) PETER F. CRUICKSHANK
Director

(Signed) LAURA L. JOHNSON
Director

QUADRAVEST CAPITAL MANAGEMENT INC.

As Manager

(Signed) S. WAYNE FINCH
President and Chief Executive Officer

(Signed) SILVIA GOMES
Chief Financial Officer

On behalf of the Board of Directors

(Signed) PETER F. CRUICKSHANK
Director

(Signed) LAURA L. JOHNSON
Director

CERTIFICATE OF THE AGENT

Dated: May 18, 2023

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement, as required by the securities legislation of each province of Canada.

NATIONAL BANK FINANCIAL INC.

(Signed) GAVIN BRANCATO