

SHAW COMMUNICATIONS INC

Form SUPPL

December 02, 2010

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The information in this Prospectus Supplement is not complete and may be changed. This Prospectus Supplement and the accompanying Prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to
General Instruction II. L. of Form-10
File No. 333-170416

SUBJECT TO COMPLETION, DATED DECEMBER 2, 2010

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 18, 2010)

Cdn\$
SHAW COMMUNICATIONS INC.
% Senior Notes due
% Senior Notes due

The senior notes (the **Notes**) of Shaw Communications Inc. (**Shaw** or the **Corporation**) will bear interest at the rate of % per year. Shaw will pay interest on the Notes on and of each year, beginning , 2011. The Notes will mature on , . The senior notes (the **Notes** and, together with the Notes, the **Notes**) of Shaw will bear interest at the rate of % per year. Shaw will pay interest on the Notes on and of each year, beginning , 2011. The Notes will mature on , .

Shaw may redeem some or all of the Notes and the Notes at any time at the relevant redemption prices described in this Prospectus Supplement. Shaw may also redeem all of either or both series of Notes at any time if certain changes affecting Canadian taxation occur. Upon a Change of Control and a Rating Event (each, as defined herein) in respect of a series of Notes, the Corporation will be required to make an offer to repurchase such Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See Description of Notes Repurchase upon Change of Control Triggering Event . The Notes do not have the benefit of any sinking fund.

The Notes will be unsecured obligations of Shaw and will rank equally with all other unsecured senior indebtedness of Shaw.

Investing in the Notes involves risks. See Risk Factors beginning on page 24 of the Prospectus.

	Price to the Public⁽¹⁾	Agents Commission	Net Proceeds to the Corporation⁽²⁾
Per Note:	%	%	%
Total ⁽³⁾ :	Cdn\$	Cdn\$	Cdn\$
Per Note:	%	%	%
Total ⁽³⁾ :	Cdn\$	Cdn\$	Cdn\$

Notes:

- (1) Plus accrued interest from December , 2010 in the case of the Notes, if settlement occurs after that date, and plus accrued interest from in the case of the Notes.
- (2) Before deducting expenses of the offering, estimated at Cdn\$800,000, payable by the Corporation.
- (3) Assumes the maximum aggregate principal amount of each series of Notes offered pursuant to this Prospectus Supplement is sold.

Neither the United States Securities and Exchange Commission (the SEC) nor any state securities regulator has approved or disapproved the Notes, or determined if this Prospectus Supplement or the Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

This offering is made by Shaw, a foreign private issuer, which is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this Prospectus Supplement and the Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Shaw prepares its financial statements in accordance with Canadian generally accepted accounting principles, and such financial statements are subject to Canadian auditing and auditor independence standards. Thus, Shaw's financial statements may not be comparable to financial statements of United States companies.

Owning the Notes may have tax consequences in both the United States and Canada. This Prospectus Supplement and the Prospectus may not describe these tax consequences fully. Please read the section titled Certain Income Tax Considerations in this Prospectus Supplement.

Enforcement of civil liabilities under United States federal securities laws may be affected adversely by the fact that Shaw is incorporated in Alberta, Canada, most of its officers and directors and some or all of the Agents and experts named in this Prospectus Supplement and the Prospectus are residents of Canada, and all or a substantial portion of the assets of Shaw and said persons are located in Canada or other jurisdictions outside the United States.

There is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus Supplement. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. Closing of the offering and delivery of the Notes in book-entry form only through CDS Clearing and Depository Services Inc. (CDS) is expected to occur on or about December , 2010, but in any event not later than December , 2010.

The Agents (as defined herein) are affiliates of lenders (Lenders) to Shaw to which Shaw is currently indebted. Consequently, Shaw may be considered to be a connected issuer of each of the Agents for the purposes of Canadian securities laws. The net proceeds from the sale of the Notes will be used to reduce indebtedness of Shaw to the Lenders. Because each of the Lenders will receive more than 5% of the net proceeds of the offering, the offering will be conducted in accordance with Rule 2720(a)(1) of the NASD Conduct Rules of the Financial Industry Regulatory Authority, Inc. See Relationship Between Shaw and the Agents and Conflict of Interest and Use of Proceeds .

TD SECURITIES

SCOTIA CAPITAL

CIBC World Markets

RBC Capital Markets

The date of this Prospectus Supplement is _____, 2010

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of each series of Notes being offered. The second part, the Prospectus, gives more general information, some of which may not apply to the Notes being offered.

If the description of the Notes varies between this Prospectus Supplement and the Prospectus, you should rely on the information in this Prospectus Supplement.

You should rely on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. (the Agents) are not, making an offer to sell Notes in any jurisdiction where the offer or sale is not permitted by law.

This Prospectus Supplement and the Prospectus are part of a registration statement (the U.S. Registration Statement) on Form F-10 that we filed with the United States Securities and Exchange Commission (the SEC) relating to our debt securities and certain of our other securities.

In this Prospectus Supplement, all capitalized terms and acronyms used and not otherwise defined herein have the meanings provided in the Prospectus. All financial information included and incorporated by reference in this Prospectus Supplement and the Prospectus is determined using generally accepted accounting principles which are in effect from time to time in Canada (**Canadian GAAP**), which may differ from generally accepted accounting principles which are in effect from time to time in the United States (**U.S. GAAP**). Therefore, the consolidated financial statements of Shaw incorporated by reference in this Prospectus Supplement and the Prospectus and any other documents incorporated by reference herein and therein may not be comparable to financial statements prepared in accordance with U.S. GAAP. You should refer to our reconciliation of Canadian GAAP to U.S. GAAP for our audited consolidated balance sheets as at August 31, 2010 and 2009 and statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the years ended August 31, 2010, 2009 and 2008, for a discussion of the principal differences between our financial results and financial condition as determined under Canadian GAAP and U.S. GAAP, respectively. See Documents Incorporated by Reference.

Unless otherwise specified, all dollar amounts contained herein are expressed in Canadian dollars, and references to dollars , Cdn\$ or \$ are to Canadian dollars and references to US\$ are to United States dollars.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the offering of the Notes.

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces of Canada and under the multijurisdictional disclosure system adopted by the United States and Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus Supplement and the Prospectus. Copies of the

documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Shaw Communications Inc., Suite 900, 630 4 Avenue S.W., Calgary, Alberta, T2P 4L4 (telephone (403) 750-4500) or by accessing those disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which may be accessed at www.sedar.com or on the website maintained by the SEC which may be accessed at www.sec.gov.

The following documents, which were filed with the securities commission or other similar authority in each of the provinces of Canada and filed with or furnished to the SEC are specifically incorporated by reference in, and form an integral part of, this Prospectus Supplement and the Prospectus:

- (a) the annual information form of Shaw dated November 5, 2010, excluding the section entitled Ratings under the heading Capital Structure, Dividends and Related Matters ;
- (b) the audited consolidated balance sheets of Shaw as at August 31, 2010 and 2009 and the statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive

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income (loss), and statements of cash flows for the years ended August 31, 2010, 2009 and 2008, together with the notes thereto and the auditors' report thereon;

- (c) management's discussion and analysis of the financial condition and operations of Shaw with respect to the year ended August 31, 2010;
- (d) the management proxy information circular dated November 24, 2009 relating to the annual general meeting of shareholders of the Corporation held on January 14, 2010;
- (e) reconciliation of Canadian GAAP to U.S. GAAP for the audited consolidated balance sheets of Shaw as at August 31, 2010 and 2009 and statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the years ended August 31, 2010, 2009 and 2008; and
- (f) auditors' report on the reconciliation of Canadian GAAP to U.S. GAAP for the audited consolidated balance sheets of Shaw as at August 31, 2010 and 2009 and statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the years ended August 31, 2010, 2009 and 2008.

Any documents of the type referred to in the preceding paragraph or similar material, including all annual information forms, all information circulars, all financial statements and management's discussion and analysis relating thereto, all material change reports (excluding confidential material change reports, if any), all business acquisition reports, and all updated earnings coverage ratio information filed by us with securities commissions or similar authorities in the relevant provinces of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of any offering under this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement. Shaw also incorporates by reference into this Prospectus Supplement and the U.S. Registration Statement, of which this Prospectus Supplement and the Prospectus form a part, any information Shaw files with or furnishes to the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act except (i) that any section of any annual information form, filed as an exhibit to an Annual Report on Form 40-F, entitled "Ratings" or another similar caption shall not be deemed incorporated by reference into this Prospectus Supplement and the U.S. Registration Statement of which this Prospectus Supplement forms a part, and (ii) that any Report on Form 6-K shall be so incorporated only if and to the extent expressly provided in such Report.

Any statement contained in this Prospectus Supplement or the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus Supplement or the Prospectus to the extent that a statement contained in this Prospectus Supplement or the Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus modifies or supersedes such prior statement. Any statement or document so modified or superseded shall not, except to the extent so modified or superseded, be incorporated by reference and constitute a part of this Prospectus Supplement and the Prospectus. 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 required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made.

FORWARD LOOKING STATEMENTS

Certain statements included and incorporated by reference herein may constitute forward-looking statements within the meaning of applicable securities laws, including the U.S. *Private Securities Litigation Reform Act of 1995*. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, the words anticipate, believe, expect, plan, intend, estimate, target, guideline, goal and other similar expressions generally identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), financial guidance for future performance, business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Shaw's business and operations, plans and references to Shaw's future success. These forward-looking statements are based on certain assumptions and analyses made by Shaw in light of Shaw's experience and perception of historical trends, current conditions and expected future developments, as well as other factors Shaw believes are

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appropriate in the circumstances. These assumptions include but are not limited to general economic and industry growth rates, currency exchange rates, technology deployment, content and equipment costs, industry structure and stability, government regulation and the integration of recent acquisitions.

Shaw cannot guarantee future results, levels of activity, performance or achievements. Many factors, including those not within Shaw's control, could cause Shaw's actual results, performance or achievements to be materially different from the views expressed or implied by such forward-looking statements, including, but not limited to:

general economic, market or business conditions and industry trends;

opportunities (or lack thereof) that may be presented to and pursued by Shaw;

Shaw's ability to execute its strategic plans;

changes in the competitive environment in the markets in which Shaw operates and from the development of new markets for emerging technologies;

changing conditions in the entertainment, information and communications industries;

changes in laws, regulations and decisions by regulators that affect Shaw or the markets in which it operates in both Canada and the United States;

Shaw's status as a holding company with separate operating subsidiaries;

risks associated with the economic, political and regulatory policies of local governments and laws and policies of Canada and the United States;

other risks and uncertainties described from time to time in Shaw's reports and filings with Canadian and U.S. securities regulatory authorities; and

additional risks described under "Risk Factors" in the Prospectus.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, Shaw's actual results, performance or achievements may vary materially from those described herein. Consequently, all of the forward-looking statements made in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein or therein are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Shaw will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Shaw.

You should not place undue reliance on any such forward-looking statements. The Corporation provides certain financial guidance for future performance incorporated by reference herein as the Corporation believes that certain investors, analysts and others utilize such information in order to assess the Corporation's expected operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. The Corporation's financial guidance may not be appropriate for other purposes.

The forward-looking statements (and such risks, uncertainties and other factors) contained in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein and therein are made only as of the date of such document and Shaw expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any of the forward-looking statements contained herein to reflect any change in expectations with regard

to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. New factors affecting Shaw emerge from time to time, and it is not possible for Shaw to predict what factors will arise or when. In addition, Shaw cannot assess the impact of each factor on its business or the extent to which any particular factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of each series of Notes, see Description of Notes in this Prospectus Supplement and Description of Debt Securities in the Prospectus. References to Shaw or the Corporation in this summary refer only to Shaw Communications Inc. and its successors, and not to any of its subsidiaries.

Issuer	Shaw Communications Inc.
Notes Offered	Up to \$ aggregate principal amount of % Senior Notes due (the Notes).
	Up to \$ aggregate principal amount of % Senior Notes due (the Notes and, together with the Notes, the Notes).
Price to the Public	For the Notes, % of the principal amount plus accrued interest from December , 2010, if settlement occurs after that date.
	For the Notes, % of the principal amount plus accrued interest from .
Interest Rate and Interest Payment Dates	We will pay interest on the Notes at a rate of % per annum, in arrears, in equal semi-annual installments on and of each year, commencing on , 2011. The initial coupon payment on the Notes will be in the amount of \$.
	We will pay interest on the Notes at a rate of % per annum, in arrears, in equal semi-annual installments on and of each year, commencing on , 2011. The initial coupon payment on the Notes will be in the amount of \$.
Maturity	The Notes will mature on .
	The Notes will mature on .
Ranking	The Notes will be senior unsecured obligations of Shaw and will rank equally and ratably with all existing and future senior unsecured indebtedness of Shaw. The Notes will effectively rank behind all existing and future indebtedness and other liabilities, including trade liabilities, of Shaw's subsidiaries. See Description of Notes General .
Additional Amounts	Any payments with respect to the Notes made by Shaw will be made without withholding or deduction for Canadian taxes, unless required by law or the interpretation or administration thereof, in which case Shaw will pay such additional amounts as may be necessary so that the net amount received by holders of the Notes (other than certain excluded holders) after such withholding or deduction will not be less than the amount that would

have been received in the absence of such withholding or deduction. See Description of the Debt Securities Payment of Additional Amounts in the Prospectus.

Redemption

Shaw may redeem some or all of the Notes at any time at the relevant redemption prices described in this Prospectus Supplement. Shaw may also redeem all of either or both series of Notes at any time if certain changes affecting Canadian taxation occur. See Description of Notes Optional Redemption and Description of Notes Redemption for Changes in Canadian Tax Law in this Prospectus Supplement.

Change of Control

Upon a Change of Control and a Rating Event (each, as defined herein) in respect of a series of Notes, the Corporation will be required to make an offer to repurchase such Notes at a price equal to 101% of their principal amount

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plus accrued and unpaid interest to the date of repurchase. See Description of Notes Repurchase upon Change of Control Triggering Event .

Sinking Fund

None.

Certain Covenants

The Indentures (as defined herein) will restrict the ability of the Corporation and its subsidiaries to incur liens, enter into sale and leaseback transactions and consolidate, merge or transfer all or substantially all of Shaw's assets and the assets of its subsidiaries on a consolidated basis. In addition, the Indentures will limit Shaw's subsidiaries' ability to incur additional indebtedness. These covenants are subject to important qualifications and limitations. See Description of Debt Securities Certain Covenants in the Prospectus.

Use of Proceeds

The net proceeds from the sale of the Notes offered hereby, after payment of expenses of the offering and the Agents' commission, are estimated to be \$ (assuming that the maximum number of each series of Notes offered pursuant to this Prospectus Supplement are sold). The net proceeds of this offering will be used for repayment of debt. See Use of Proceeds .

Risk Factors

Investing in Notes involves certain risks. You should carefully consider the information in the Risk Factors section of the Prospectus.

Governing Law

The Notes and the Indentures will be governed by the laws of the Province of Alberta.

Relationship Between Shaw and the Agents and Conflict of Interest

The Agents are affiliates of lenders (**Lenders**) to Shaw to which Shaw is currently indebted. Consequently, Shaw may be considered to be a connected issuer of each of the Agents for the purposes of Canadian securities laws. The net proceeds from the sale of the Notes will be used to reduce indebtedness of Shaw to the Lenders. Because each of the Lenders will receive more than 5% of the net proceeds of the offering, the offering will be conducted in accordance with Rule 2720(a)(1) of the NASD Conduct Rules of the Financial Industry Regulatory Authority, Inc. See Relationship Between Shaw and the Agents and Conflict of Interest and Use of Proceeds .

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SHAW COMMUNICATIONS INC.

Shaw is a diversified communications and media company, providing consumers with broadband cable television, High-Speed Internet, Home Phone, telecommunications services (through Shaw Business), satellite direct-to-home services (through Shaw Direct) and engaging programming content (through Shaw Media). Shaw Media operates one of the largest conventional television networks in Canada, Global Television, and 19 specialty networks including HGTV Canada, Food Network Canada, History Television and Showcase. Shaw's total revenue for the years ended August 31, 2010 and 2009 was approximately \$3.7 billion and \$3.4 billion, respectively. As at August 31, 2010, Shaw had assets of approximately \$10.2 billion.

On October 27, 2010, Shaw closed its purchase (the **Canwest Acquisition**) of 100% of the over-the-air and specialty television businesses of Canwest Global Communications Corp. (**Canwest**), including all of CW Investments Co., the company that owned the specialty television channels acquired from Alliance Atlantis Communications Inc. in 2007 (the **CW Media Group**). The aggregate purchase price for the Canwest broadcasting assets, including the amounts paid prior to closing to acquire certain shares of CW Investments Co. from affiliates of Goldman Sachs Capital Partners and the debt assumed at the CW Media Group level, was approximately \$2 billion.

On November 17, 2010, Bradley S. Shaw was appointed as Chief Executive Officer of the Corporation, replacing Jim Shaw who will continue as Vice Chair and a member of the Board of Directors of the Corporation. Bradley S. Shaw will continue as a member of the Board of Directors.

For further information relating to the business of Shaw, please refer to Shaw's annual information form incorporated by reference into this Prospectus Supplement. Shaw's executive offices are at Suite 900, 630 3rd Avenue S.W., Calgary, Alberta, Canada, T2P 4L4; telephone number (403) 750-4500.

USE OF PROCEEDS

The net proceeds from the sale of the Notes offered hereby, after payment of estimated expenses of the offering and the Agents' commission, are estimated to be \$ (assuming that the maximum number of each series of Notes offered pursuant to this Prospectus Supplement are sold). The net proceeds of this offering will be used for repayment of debt incurred under Shaw's credit facility to complete the Canwest Acquisition and effect a subsequent related debt refinancing.

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The following table summarizes the consolidated cash and short term investments and the consolidated capitalization of Shaw as at August 31, 2010, both actual and as adjusted to give effect to the issuance of the Notes (assuming that the maximum number of each series of Notes offered pursuant to this Prospectus Supplement are sold), the application of the net proceeds thereof as described under *Use of Proceeds* and for other significant changes described below in cash and short term investments and in capitalization that have occurred since August 31, 2010, as though the issuance of such Notes and such changes had occurred on August 31, 2010. The information presented below has been derived from the annual audited consolidated financial statements of the Corporation and should be read in conjunction with the financial statements of the Corporation incorporated by reference herein, as described under *Documents Incorporated by Reference* in this Prospectus Supplement. The Corporation's interest in CW Media Group as at August 31, 2010 was accounted for on an equity basis in the audited consolidated financial statements of the Corporation as at August 31, 2010 and, accordingly, the assets and liabilities of CW Media Group are not consolidated in such financial statements.

Designation	August 31, 2010	
	Actual	As Adjusted⁽¹⁾
	(in thousands of dollars)	
Cash and short term investments⁽¹⁾	216,735	
Long-term debt		
Corporate:		
Bank loans ⁽¹⁾⁽³⁾		
Senior Notes due November 16, 2012 ⁽³⁾	447,749	447,749
Senior Notes due November 20, 2013 ⁽³⁾	347,129	347,129
Senior Notes due June 2, 2014 ⁽³⁾	594,941	594,941
Senior Notes due May 9, 2016 ⁽³⁾	292,978	292,978
Senior Notes due March 2, 2017 ⁽³⁾	396,124	396,124
Senior Notes due October 1, 2019 ⁽³⁾	1,240,673	1,240,673
Senior Notes due November 9, 2039 ⁽³⁾	641,684	641,684
Senior Notes due offered hereby		
Senior Notes due offered hereby		
Other subsidiaries:		
Burrard Landing Lot 2 Holdings Partnership ⁽³⁾	20,950	20,950
Senior notes due 2015 of CW Media Holdings Inc. ⁽¹⁾		347,305
Total long-term debt⁽²⁾	3,982,228	
Shareholders' equity		
Class A shares and Class B non-voting shares ⁽¹⁾	2,250,498	2,268,498
Contributed surplus	53,330	53,330
Retained earnings	457,728	457,728
Accumulated other comprehensive income	8,976	8,976
Total shareholders' equity	2,770,532	2,788,532

Total capitalization

6,752,760

Notes:

- (1) Subsequent to August 31, 2010 the following significant changes in cash and short term investments and capitalization have occurred:
 - (i) cash and short term investments decreased as a result of cash generated from operations and the issuance of Class B shares on exercise of stock options being more than offset by the payment of cash taxes and other current liabilities;
 - (ii) the Corporation borrowed approximately \$1.0 billion on its credit facility to complete the Canwest Acquisition on October 27, 2010 and effect a subsequent related debt refinancing; and
 - (iii) as a result of the completion of the Canwest Acquisition, an obligation of approximately US\$338 million aggregate principal amount of 13.5% senior notes due 2015 of CW Media Holdings Inc. became a liability of the Corporation on a consolidated basis (the U.S. dollar amount of these notes has been translated into Canadian dollars based on the closing rate of exchange as reported by the Bank of Canada on November 30, 2010, being US\$1.00 = Cdn.\$1.0266). These notes are obligations solely of CW Media Holdings Inc. and certain of its subsidiaries and they are not obligations in any manner of Shaw Communications Inc. or any other subsidiaries thereof.
- (2) Includes current portion of long-term debt of \$0.6 million.
- (3) The general terms and respective priorities of the indebtedness set out in the table above are detailed in note 9 to the Corporation's annual audited consolidated financial statements incorporated by reference herein.

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DESCRIPTION OF NOTES

The following descriptions of each series of Notes offered hereby supplements the description of the general terms of the Debt Securities set forth in the Prospectus under "Description of Debt Securities" and should be read in conjunction with that description. The descriptions of each series of Notes herein shall prevail to the extent of any inconsistency.

The Notes offered hereby will be issued under a trust indenture dated February 26, 2007 as amended and restated as of November 5, 2010 (the "Trust Indenture") and as further supplemented by a fifth series supplement (together with the Trust Indenture, the "Indenture") to be dated the date of closing of this offering between the Corporation and Computershare Trust Company of Canada, as trustee (the "Trustee"), providing for, among other things, the creation and issue of the Notes.

The Notes offered hereby will be issued under the Trust Indenture as further supplemented by the series supplement (together with the Trust Indenture, the "Indenture" and, together with the Indenture, the "Indentures") dated between the Corporation and the Trustee providing for, among other things, the creation and issue of the Notes.

For the purposes of the following description only, the term "Corporation" refers to Shaw Communications Inc. and not to any of its subsidiaries. Other capitalized terms used herein that are not defined in this Prospectus Supplement or the Prospectus are defined in the applicable Indenture.

General

The Notes will mature on . The Notes will bear interest at % per annum from December , 2010, or from the most recent date to which interest has been paid or duly provided for, payable semi-annually in arrears in equal installments on each and (the "Notes Interest Payment Dates"), commencing on , 2011, to the persons in whose names the Notes are registered at the close of business on or (the "Notes Regular Record Dates"), as the case may be, immediately prior to such Notes Interest Payment Dates, regardless of whether any such Notes Regular Record Date is a business day. For any interim period, interest will be computed on the basis of a 365-day year based on the number of days elapsed in the period. The initial coupon payment for the Notes will be the amount of \$.

The Notes will mature on . The Notes will bear interest at % per annum from , or from the most recent date to which interest has been paid or duly provided for, payable semi-annually in arrears in equal installments on each and (the "Notes Interest Payment Dates" and "Interest Payment Dates" shall refer to Notes Interest Payment Dates or Notes Interest Payment Dates, as applicable to the relevant series of Notes), commencing on , 2011, to the persons in whose names the Notes are registered at the close of business on or (the "Notes Regular Record Dates"), as the case may be, immediately prior to such Notes Interest Payment Dates, regardless of whether any such Notes Regular Record Date is a business day. For any interim period, interest will be computed on the basis of a 365-day year based on the number of days elapsed in the period. The initial coupon payment for the Notes will be the amount of \$.

The Corporation may from time to time, without the consent of the holders of Notes, create and issue additional securities under the Indentures in addition to the Notes.

The Notes will be unsecured and unsubordinated obligations of the Corporation and will rank *pari passu* in right of payment with all existing and future unsecured, unsubordinated obligations of the Corporation. The Indentures will

not limit the ability of the Corporation to incur additional indebtedness.

Substantially all of Shaw's business activities are operated by its subsidiaries. As a holding company, the Corporation's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries, together with proceeds raised by the Corporation through the issuance of equity and the incurrence of debt, and from the proceeds from the sale of assets.

In addition, because the Corporation is a holding company, the Notes are effectively subordinated to all existing and future liabilities, including trade payables and other indebtedness, of the Corporation's subsidiaries, except to the extent the Corporation is a creditor of such subsidiaries. As at August 31, 2010 (prior to completion of the Canwest Acquisition), indebtedness and other liabilities of Shaw's subsidiaries totalled approximately \$684 million, excluding intercompany liabilities, deferred credits and future income taxes.

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The Notes will be issued in fully registered form only in denominations of \$1,000 and integral multiples thereof. The Notes in each series of Notes will initially be issued as global notes (the **Global Notes**). Beneficial interests in a Global Note representing Notes of a series will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its participants. However, in certain limited circumstances described herein, Notes may be issued in certificated non-book-entry form in exchange for a Global Note. See Description of Notes The Depository, Book-Entry and Settlement .

Payments on Notes issued as a Global Note will be made to CDS or a successor depository. In the event that Notes are issued in certificated non-book-entry form, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes in other denominations of a like aggregate principal amount at the corporate trust office of the Trustee, 600, 530 8 Avenue S.W., Calgary, Alberta, T2P 3S8 (telephone number: (403) 267-6800) or its designated agent. Payment of principal and interest will be effected, in respect of Notes represented by Global Notes, by wire transfer of immediately available funds to the account or accounts specified by CDS or the successor depository or, in respect of a Note issued in certificated non-book entry form, either by wire transfer of immediately available funds to the account specified by the holder thereof in accordance with the provisions of the applicable Indenture or by cheque mailed not later than five days prior to the applicable Interest Payment Date, redemption date or maturity date, as applicable, to the holder's registered address.

Optional Redemption

Each series of Notes will be redeemable, in whole or in part, at the option of the Corporation at any time and from time to time at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Notes to be redeemed, or
- (2) the Canada Yield Price (as defined below);

plus, in each case, accrued interest on the outstanding principal amount of each Note called for redemption to the date of redemption. Neither series of Notes will be subject to redemption at the election of the holders thereof.

Canada Yield Price means in respect of any redemption of a series of Notes, a price, as determined by the Independent Investment Banker (as defined below), equal to the sum of the present values of the remaining scheduled payments of principal and interest on such Notes (not including any portion of the payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 365-day year) at the Government of Canada Yield for the Notes, plus basis points in the case of the Notes and at the Government of Canada Yield for the Notes, plus basis points in the case of the Notes.

Government of Canada Yield means, with respect to any redemption date for a series of Notes, the arithmetic average, as determined by the Independent Investment Banker, of the yield to maturity on the third business day preceding the redemption date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued in Canadian Dollars in Canada, at 100% of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of such Notes from such day as quoted by the Independent Investment Banker at 5:00 p.m. on such day.

Independent Investment Banker means TD Securities Inc. or its successors, provided, however, that if it shall cease to be a primary Canadian Government securities dealer in Toronto, Ontario, the Corporation shall substitute for it another primary Canadian Government securities dealer in Toronto, Ontario.

Notice of any such redemption will be given at least 15 days, but not more than 60 days, before the redemption date to each holder of the Notes to be redeemed.

Unless the Corporation defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on those Notes called for redemption.

Purchase for Cancellation

Provided an Event of Default is not continuing, the Corporation will have the right to purchase any Notes in the market or by tender or private contract at prices that are negotiated between the Corporation and willing holders of Notes. Notes so purchased by the Corporation will be cancelled and will not be reissued.

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Repurchase upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs in respect of a series of Notes, unless the Corporation has exercised any optional right it has to redeem all of the Notes of such series as described above, the Corporation will be required to make an offer to repurchase all or, at the option DER-TOP: medium none; BORDER-RIGHT: medium none; WIDTH: 96%; VERTICAL-ALIGN: top; BORDER-BOTTOM: medium none; BORDER-LEFT: medium none"> have any responsibility or liability for the administration, management or marketing of the notes; and

consider the needs of the notes or the owners of the notes in determining, composing or calculating the Index or have any obligation to do so.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise) in connection with the notes or their performance.

STOXX does not assume any contractual relationship with the purchasers of the notes or any third parties.

Specifically,

The Sponsor, Deutsche Börse Group and their licensors, research partners or data providers do not make any warranty, express or implied and disclaim any and all warranty about:

the results to be obtained by the notes, the owner of the notes or any other person in connection with the use of the

Index and the data included in the Index;

the accuracy, timeliness, and completeness of the Index or its data;

the merchantability and the fitness for a particular purpose or use of the Index or its data; and

the performance of the notes generally.

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STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the Index or its data; and under no circumstances will Deutsche Börse Group and their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the Index or its data or generally in relation to the notes, even in circumstances where the Sponsor Deutsche Börse Group and their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing agreement between BNS and STOXX is solely for their benefit and not for the benefit of the owners of the notes or any other third parties.

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Supplement to the Plan of Distribution

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount.

We may deliver the notes against payment therefor in New York, New York on a date that is greater than two business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than two business days from the pricing date, purchasers who wish to trade the notes more than two business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units. If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices, and these prices will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Index and the remaining term of the notes. However, none of us, MLPF&S, or any of our respective affiliates is obligated to purchase your notes at any price or at any time, and we cannot assure you that we, MLPF&S or any of our respective affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement produced by MLPF&S will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of its affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions, and other considerations, as mentioned above, and will include transaction costs.

At certain times, this price may be higher than or lower than the initial estimated value of the notes.

The distribution of the Note Prospectus in connection with these offers or sales will be solely for the purpose of providing investors with the description of the terms of the notes that was made available to investors in connection with their initial offering. Secondary market investors should not, and will not be authorized to, rely on the Note Prospectus for information regarding BNS or for any purpose other than that described in the immediately preceding sentence.

An investor's household, as referenced on the cover of this term sheet, will generally include accounts held by any of the following, as determined by MLPF&S in its discretion and acting in good faith based upon information then available to MLPF&S:

the investor's spouse (including a domestic partner), siblings, parents, grandparents, spouse's parents, children and grandchildren, but excluding accounts held by aunts, uncles, cousins, nieces, nephews or any other family relationship not directly above or below the individual investor;

a family investment vehicle, including foundations, limited partnerships and personal holding companies, but only if the beneficial owners of the vehicle consist solely of the investor or members of the investor's household as described above; and

a trust where the grantors and/or beneficiaries of the trust consist solely of the investor or members of the investor's household as described above; provided that, purchases of the notes by a trust generally cannot be aggregated together with any purchases made by a trustee's personal account.

Purchases in retirement accounts will not be considered part of the same household as an individual investor's personal or other non-retirement account, except for individual retirement accounts ("IRAs"), simplified employee pension plans

("SEPs"), savings incentive match plan for employees ("SIMPLEs"), and single-participant or owners only accounts (i.e., retirement accounts held by self-employed individuals, business owners or partners with no employees other than their spouses).

Please contact your Merrill Lynch financial advisor if you have any questions about the application of these provisions to your specific circumstances or think you are eligible.

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Structuring the Notes

The notes are our unsecured senior debt securities, the return on which is linked to the performance of the Index. As is the case for all of our debt securities, including our market-linked notes, the economic terms of the notes reflect our actual or perceived creditworthiness at the time of pricing. The internal funding rate we use in pricing the market-linked note is typically lower than the rate we would pay when we issue conventional fixed-rate debt securities of comparable maturity. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, typically results in the initial estimated value of the notes on the pricing date being less than their public offering price.

At maturity, we are required to pay the Redemption Amount to holders of the notes, which will be calculated based on the performance of the Index and the \$10 per unit principal amount. In order to meet these payment obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of its affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our creditworthiness, interest rate movements, the volatility of the Index, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately \$0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers.

For further information, see “Risk Factors—General Risks Relating to LIRNs” beginning on page PS-6 and “Use of Proceeds and Hedging” on page PS-16 of product prospectus supplement EQUITY INDICES LIRN-1.

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Summary of Canadian Federal Income Tax Consequences

An investor should read carefully the description of principal Canadian federal income tax considerations under “Canadian Taxation” in the accompanying prospectus relevant to a holder (as defined on page 19 of the prospectus) owning debt securities, and the description of principal Canadian federal income tax considerations under “Supplemental Discussion of Canadian Federal Income Tax Consequences” in the applicable product prospectus supplement.

Summary of U.S. Federal Income Tax Consequences

The following is a general description of certain U.S. federal tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are residents for tax purposes and the tax laws of the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date. We urge you to read the more detailed discussion in the “Supplemental Discussion of U.S. Federal Income Tax Consequences” section beginning on page PS-28 of product prospectus supplement EQUITY INDICES LIRN-1.

No statutory, regulatory, judicial or administrative authority directly discusses how the notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the notes are uncertain. Accordingly, we urge you to consult your tax advisor as to the tax consequences of your investment in the notes (and of having agreed to the required tax treatment of your notes described below) and as to the application of state, local or other tax laws to your investment in your notes and the possible effects of changes in federal or other tax laws.

We will not attempt to ascertain whether any entity the stock of which is included in the Index would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). If any such entity were so treated, certain adverse U.S. federal income tax consequences might apply to U.S. holders upon the taxable disposition (including cash settlement) of the notes. You should refer to information filed with the SEC or an equivalent governmental authority by such entities and consult your tax advisor regarding the possible consequences to you if such entity is or becomes a PFIC.

Pursuant to the terms of the notes, BNS and you agree, in the absence of a statutory or regulatory change or administrative or judicial ruling to the contrary, to characterize your notes as a pre-paid derivative contract with respect to the Index. If your notes are so treated, you should generally recognize long-term capital gain or loss if you hold your notes for more than one year (and otherwise, short-term capital gain or loss) upon the taxable disposition of your notes in an amount equal to the difference between the amount you receive at such time and the amount you paid for your notes. The deductibility of capital losses is subject to limitations.

In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, it would be reasonable to treat your notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the notes, it is possible that your notes could alternatively be treated for tax purposes as a single contingent payment debt instrument or pursuant to some other characterization, such that the timing and character of your income from the notes could differ materially from the treatment described above.

Possible Change in Law. In 2007, the Internal Revenue Service (the “IRS”) released a notice that may affect the taxation of holders of the notes. According to the notice, the IRS and the U.S. Treasury Department (the “Treasury”) are actively considering whether a holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments.

Medicare Tax on Net Investment Income. U.S. holders that are individuals or estates and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income,” or “undistributed net investment income” in

the case of an estate or trust, which may include any income or gain with respect to the notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), \$125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. holders should consult their advisors with respect to the 3.8% Medicare tax.

Specified Foreign Financial Assets. U.S. holders may be subject to reporting obligations with respect to their notes if they do not hold their notes in an account maintained by a financial institution and the aggregate value of their notes and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds an applicable threshold. Significant penalties can apply if a U.S. holder is required to disclose its notes and fails to do so.

Backup Withholding and Information Reporting. The proceeds received from a sale, exchange, redemption or maturity of the notes will be subject to information reporting unless you are an “exempt recipient” and may also be subject to backup withholding at the rate

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specified in the Code if you fail to provide certain identifying information (such as an accurate taxpayer number, if you are a U.S. holder) or meet certain other conditions.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

Non-U.S. Holders. This section applies only if you are a non-U.S. holder. For these purposes, you are a non-U.S. holder if you are the beneficial owner of the notes and are, for U.S. federal income tax purposes:

· a non-resident alien individual;

· a foreign corporation; or

· an estate or trust that, in either case, is not subject to U.S. federal income tax on a net income basis on income or gain from the notes.

If you are a non-U.S. holder, subject to Section 871(m) of the Code and FATCA, discussed below, you should generally not be subject to generally applicable information reporting and backup withholding requirements with respect to payments on your notes if you comply with certain certification and identification requirements as to your foreign status including providing us (and/or the applicable withholding agent) a properly executed and fully completed applicable IRS Form W-8. Subject to Section 871(m) of the Code, discussed below, gain from the taxable disposition generally will not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by you in the U.S. or (ii) you are a non-resident alien individual and are present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied, (iii) you fail to provide the relevant correct, completed and executed IRS Form W-8, or (iv) you have certain other present or former connections with the U.S.

Section 871 (m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“delta one specified equity-linked instruments”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

Based on our determination that the notes are not “delta-one” with respect to the Index or any U.S. Index components, our counsel is of the opinion that the notes should not be delta-one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the notes. If withholding is required, we will not make payments of any additional amounts.

Nevertheless, after issuance, it is possible that your notes could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the Index or Index components or your notes, and following such occurrence your notes could be treated as delta-one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the notes under these rules if a non-U.S. holder enters, or has entered, into certain other transactions in respect of the Index or Index components or the notes. A non-U.S. holder that enters, or has entered, into other transactions in respect of the Index or Index components or the notes should consult its tax advisor regarding the application of Section 871(m) of the Code to its notes in the context of its other transactions.

Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the notes, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the notes.

U.S. Federal Estate Tax Treatment of Non-U.S. Holders. A note may be subject to U.S. federal estate tax if an individual non-U.S. holder holds the note at the time of his or her death. The gross estate of a non-U.S. holder

domiciled outside the U.S. includes only property situated in the U.S. Individual non-U.S. holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the notes at death.

FATCA. The Foreign Account Tax Compliance Act (“FATCA”) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on “withholdable payments” (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and “passthru payments” (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account at the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA will generally apply to certain “withholdable payments” made on or after July 1, 2014, certain gross proceeds on a sale or disposition occurring after December 31, 2018, and certain foreign passthru payments made after December 31, 2018 (or, if later, the date that

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final regulations defining the term “foreign passthru payment” are published). If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions (or if they hold their notes through a non-U.S. entity) under the FATCA rules.

Both U.S. and non-U.S. holders should consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the notes, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction (including that of the issuers of the stocks included in the Index and BNS).

Where You Can Find More Information

We have filed a registration statement (including a product prospectus supplement, a prospectus supplement, a prospectus addendum and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the Note Prospectus, including this term sheet, and the other documents that we have filed with the SEC, for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-800-294-1322.

Market-Linked Investments Classification

MLPF&S classifies certain market-linked investments (the “Market-Linked Investments”) into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

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