

This pricing supplement, together with the short form base shelf prospectus dated December 13, 2016 (the “Prospectus”) to which it relates, as amended or supplemented, and each document incorporated by reference into the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to offer and sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The medium-term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered, sold or delivered within the United States of America or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Terms used in this pricing supplement and not defined herein have the meanings given to such terms in the Prospectus, the amended and restated master trust indenture dated as of July 20, 1999 and effective as of May 5, 1999, as amended (the “Principal Indenture”), or the forty-first supplemental indenture dated as of December 13, 2016 to the Principal Indenture, as the context requires.

PRICING SUPPLEMENT NO. 3 DATED SEPTEMBER 5, 2017

(to the short form base shelf prospectus dated December 13, 2016)

407 INTERNATIONAL INC.

SERIES 17-D1 SUBORDINATED MEDIUM-TERM NOTES

(secured)

CUSIP NO. 35085ZBR6

ISIN CA 35085ZBR60

SERIES:	Series 17-D1 Subordinated Medium-Term Notes (the “ Series 17-D1 Notes ”)
PRIORITY:	Subordinated Bonds
PRINCIPAL AMOUNT: \$300,000,000	DENOMINATIONS (if other than Cdn. dollars or Cdn. dollar denominations of Cdn. \$1,000): N/A
ISSUE PRICE: \$99.986 per \$100 principal amount	
AGENTS’ COMPENSATION: \$0.35 per \$100 principal amount	AGENT RELATIONSHIPS: The Company (as defined below) may be considered a “connected issuer” of BMO Nesbitt Burns Inc. (“BMONB”), RBC Dominion Securities Inc. (“RBCDS”) and CIBC World Markets Inc. (“CIBCWM”). As of September 5, 2017, the Canadian chartered bank affiliates of each of BMONB, RBCDS and CIBCWM have advanced, in the aggregate, \$700,000,000 to the Company pursuant to senior secured revolving credit facilities (the “Revolving Credit Facilities”) that are each secured by senior pledge bonds of the Company issued pursuant to the Principal Indenture, as supplemented.

NET PROCEEDS TO 407 INTERNATIONAL INC.
(the “Company”): \$298,908,000

SPECIFIED CURRENCY:
Canadian Dollars
 Yes
 No
Foreign Currency:
Exchange Rate Agent:

ANNOUNCEMENT DATE: September 5, 2017

ORIGINAL ISSUE DATE: September 8, 2017

STATED MATURITY: September 8, 2022

INTEREST RATE: 2.47% per annum

OFFERING YIELD: 2.473% per annum

INTEREST PAYMENT DATE(S):
Equal semi-annual payments in arrears on March 8
and September 8 in each year, commencing March 8,
2018 (or if such day is not a Business Day in
Toronto, on the next following Business Day in
Toronto).

PAYMENT OF PRINCIPAL AND ANY
PREMIUM AND INTEREST:
 Canadian Dollars
 Specified Currency

DAY COUNT CONVENTION:

30/360 for the period
from _____ to

Actual/360 for the period
from _____ to

Actual/365 for payments other than on an
interest payment date

OTHER PROVISIONS: See below

ADDENDUM ATTACHED:
 Yes
 No

REDEMPTION: See “Redemption” below

RATINGS: The Series 17-D1 Notes have been assigned a credit rating of “BBB” by each of
Standard & Poor’s Ratings Services and DBRS Limited

AGENTS: BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets
Inc., Casgrain & Company Limited, National Bank Financial Inc., Scotia Capital
Inc., and TD Securities Inc.

FORM: () Fully Registered
 (●) Book Entry Only

METHOD OF DISTRIBUTION:
(●) Agency
() Principal for Resale
() Direct

Redemption

Prior to August 8, 2022 (the “**Par Call Date**”), the Series 17-D1 Notes may be redeemed, in whole or in part, at the option of the Company at any time, upon not less than 30 days’ and not more than 60 days’ notice to the holders of the Series 17-D1 Notes to be redeemed, and upon deposit of the redemption price plus any accrued interest to, but excluding, the redemption date with the Trustee or CDS Clearing and Depository Services Inc., on the redemption date. The redemption price is calculated as the greater of: (i) the face amount of the Series 17-D1 Notes to be redeemed; and (ii) that price which will provide a yield to the Par Call Date equal to the average of the yields to maturity calculated by two investment dealers selected by the Company, on the business day preceding the day on which the notice of redemption is given, of a Government of Canada bond with a term to maturity that is similar to the remaining term of the Series 17-D1 Notes to the Par Call Date (calculated from the redemption date) plus 0.22%.

If less than all of the Series 17-D1 Notes are to be redeemed, the Series 17-D1 Notes to be redeemed shall be redeemed on a *pro rata* basis based on the principal amount of the Series 17-D1 Notes held by each holder.

On or after the Par Call Date (one month prior to the maturity date of the Series 17-D1 Notes), the Series 17-D1 Notes will be redeemable, in whole or in part, at the option of the Company at any time, at par, plus accrued interest to, but excluding, the redemption date.

Series Reserve Account

No Series Reserve Account in the Debt Service Reserve Fund (as both terms are defined in the Principal Indenture) will be established for the Series 17-D1 Notes.

Restrictions on Payments on the Series 17-D1 Notes

The Company is prohibited from making any payments of principal or interest on account of the Series 17-D1 Notes, other than principal or interest payments from the net proceeds of Subordinated Debt issued by the Company which, by its terms is fully subordinated to the indebtedness under the Series 17-D1 Notes and which, by its terms, does not require any payments of principal, interest or other amounts to be made in respect thereof at any time when monies are due or owing under the Series 17-D1 Notes, principal or interest payments from the net proceeds of the issue of any Bonds, or principal or interest payments from the net proceeds of the issue of any equity securities of the Company, unless the Company delivers to the Trustee the following certificates:

- (i) a certificate from the Consultant certifying that, as at the Determination Date, estimated Net Revenues, on the basis of reasonable and prudent projections, assumptions and hypotheses, for the next 12 calendar months will be at least equal to 135% of the Annual Senior Debt Service for such 12-month period;
- (ii) an Officers’ Certificate certifying that, as at the Determination Date, Net Revenues for the 12 calendar months most recently ended were at least equal to 135% of the Annual Senior Debt Service for such 12-month period; and

- (iii) an Officers' Certificate certifying that, as at the Determination Date, the Company is in compliance with the financial tests set forth in section 9.4 of the Principal Indenture.

In this pricing supplement, the term "Determination Date" means (i) in respect of any interest payment date identified in this pricing supplement occurring in March of any year, December 31 of the immediately preceding calendar year, and (ii) in respect of any interest payment date identified in this pricing supplement occurring in September of any year, June 30 of such calendar year.

Notwithstanding such restriction on payment, interest, including interest on overdue interest, will continue to accrue on the Series 17-D1 Notes until paid.

Use of Proceeds

The net proceeds from the sale of the Series 17-D1 Notes will be \$298,908,000, after deducting the agents' compensation in the amount of \$1,050,000. These proceeds, together with other available funds, will be used to repay the principal amount and accrued interest on the Company's outstanding \$300,000,000 of 3.87% subordinated bonds, Series 10-D1, due November 24, 2017, on maturity or redemption, as applicable.

Documents Incorporated by Reference

The following documents which have been filed by the Company with the various securities commissions or similar authorities in Canada, are specifically incorporated by reference in and form an integral part of the Prospectus (as amended or supplemented):

- (i) the Annual Information Form of the Company dated February 9, 2017;
- (ii) the Audited Consolidated Financial Statements of the Company as at and for the years ended December 31, 2016 and 2015, together with the notes thereto and the independent auditors' report thereon dated February 9, 2017;
- (iii) Management's Discussion and Analysis as at and for the year ended December 31, 2016;
- (iv) the Unaudited Interim Condensed Consolidated Financial Statements of the Company as at and for the three and six month periods ended June 30, 2017 and 2016, together with the notes thereto;
- (v) Management's Discussion and Analysis as at and for the three and six month periods ended June 30, 2017;
- (vi) the indicative template version of the subordinated secured fixed rate notes term sheet dated as at September 5, 2017, filed on SEDAR in connection with this offering (the "**Indicative Marketing Materials**"); and
- (vii) the final template version of the subordinated secured fixed rate notes term sheet dated as at September 5, 2017, filed on SEDAR in connection with this offering (together with the Indicative Marketing Materials, the "**Marketing Materials**").

Marketing Materials

The Marketing Materials are not part of this pricing supplement to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this pricing supplement.