

This pricing supplement, together with the short form base shelf prospectus dated May 13, 2020 (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. This pricing supplement does not qualify the distribution of securities outside the provinces of Canada.

The securities 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-third supplemental indenture dated as of May 13, 2020 to the Principal Indenture, as the context requires.

PRICING SUPPLEMENT NO. 1 DATED MAY 14, 2020
(to the short form base shelf prospectus dated May 13, 2020)

407 INTERNATIONAL INC.

SERIES 20-A2 SENIOR MEDIUM-TERM NOTES
(secured)

CUSIP NO. 35085ZBW5
ISIN CA35085ZBW55

SERIES:	Series 20-A2 Senior Medium-Term Notes (the “ Series 20-A2 Notes ”)
PRIORITY:	Senior Bonds
PRINCIPAL AMOUNT: \$350,000,000	DENOMINATIONS (if other than Cdn. dollars or Cdn. dollar denominations of Cdn. \$1,000): N/A
ISSUE PRICE: \$99.967 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”), CIBC World Markets Inc. (“CIBCWM”) and Scotia Capital Inc. (“SCI”). As of May 14, 2020, the Canadian chartered bank affiliates of each of BMONB, RBCDS, CIBCWM and SCI have advanced, in the aggregate, \$800,000,000 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**”): \$348,659,500

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

ANNOUNCEMENT DATE: May 14, 2020

ORIGINAL ISSUE DATE: May 22, 2020

STATED MATURITY: May 22, 2025

INTEREST RATE: 1.80% per annum

OFFERING YIELD: 1.807% per annum

INTEREST PAYMENT DATE(S):
Equal semi-annual payments in arrears on May 22
and November 22 in each year, commencing
November 22, 2020 (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 20-A2 Notes have been assigned a credit rating of “A” by each of S&P
Global Ratings and DBRS Limited

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

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

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

Redemption

Prior to April 22, 2025 (the “**Par Call Date**”), the Series 20-A2 Notes may be redeemed, in whole or in part, at the option of the Company at any time, upon not less than 10 days’ and not more than 60 days’ notice to the holders of the Series 20-A2 Notes to be redeemed, upon such conditions as may be specified in the applicable notice of redemption, 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 20-A2 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 20-A2 Notes to the Par Call Date (calculated from the redemption date) plus 0.36%.

If less than all of the Series 20-A2 Notes are to be redeemed, the Series 20-A2 Notes to be redeemed shall be redeemed on a *pro rata* basis based on the principal amount of the Series 20-A2 Notes held by each holder.

On or after the Par Call Date (six months prior to the maturity date of the Series 20-A2 Notes), the Series 20-A2 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

The Series Reserve Account in the Debt Service Reserve Fund (as both terms are defined in the Principal Indenture) for the Series 20-A2 Notes will be an amount equal to one year of Annual Debt Service for the Series 20-A2 Notes, being \$15,149,970.01, which will be pre-funded from the net proceeds of the sale of the Series 20-A2 Notes.

Restrictions on Distributions from General Fund

So long as the Series 20-A2 Notes are outstanding, the Company is prohibited from making any payments from monies in the General Fund which would otherwise be available to make payments on account of Subordinated Debt or distributions to shareholders of the Company, unless the Company delivers to the Trustee the following certificates:

- (i) a certificate from the Consultant certifying that 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 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 the Company is in compliance with the financial tests set forth in section 9.4 of the Principal Indenture.

Use of Proceeds

The net proceeds from the sale of the Series 20-A2 Notes will be \$348,659,500, after deducting the agents’ compensation in the amount of \$1,225,000. These proceeds, together with other available funds,

will be used (i) to repay the principal amount and accrued interest on the Company's outstanding \$400,000,000 of Senior Secured Notes, Series 10-A3, due May 26, 2021 and \$208,300,000 of Real Return Senior Bonds, Series 99-A5, due December 1, 2021, in each case, on maturity or redemption, as applicable, (ii) to fund the \$15,149,970.01 being deposited into the Series Reserve Account in the Debt Service Reserve Fund as described above under "Series Reserve Account" and (iii) for general corporate purposes.

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 19, 2020;
- (ii) the audited consolidated financial statements of the Company as at and for the years ended December 31, 2019 and 2018, together with the notes thereto and the independent auditor's report thereon dated February 19, 2020;
- (iii) management's discussion and analysis as at and for the years ended December 31, 2019 and December 31, 2018;
- (iv) the unaudited interim condensed consolidated financial statements of the Company as at and for the three month period ended March 31, 2020, together with the notes thereto;
- (v) management's discussion and analysis as at and for the three month period ended March 31, 2020;
- (vi) the indicative template version of the senior secured fixed rate notes term sheet dated as at May 14, 2020, filed on SEDAR in connection with this offering (the "**Indicative Marketing Materials**"); and
- (vii) the final template version of the senior secured fixed rate notes term sheet dated as at May 14, 2020, 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.