

Scotiabank[®]

PERSONAL
CREDIT
AGREEMENT

COMPANION BOOKLET

AUGUST 2023

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Please read this booklet carefully

Welcome to Scotiabank

Information regarding how we protect and manage your personal information is set out in the section entitled “Privacy” on page 91.

Thank you for choosing Scotiabank for your financial needs.

Please read this Personal Credit Agreement Companion Booklet (“**Booklet**”) carefully. It contains important agreements, the terms and conditions that apply to the personal and small business credit accounts, personal loans, mortgage loans, *Scotia Total Equity*® Plans, and the terms and conditions of the security you may have granted to us.

This Booklet is a companion document to your Personal Credit Agreement (as defined below) and forms part of your Personal Credit Agreement.

This Booklet also includes the terms and conditions for Scotiabank’s Privacy Agreement and the Remote Instructions Terms of Use, which you are bound to. If you have any questions, please contact your branch or call 1-800-4SCOTIA (1-800-472-6842).

You should keep a copy of this Booklet for your future reference.

Reference guide for this booklet

The general provisions in Part 2 and Scotiabank’s Privacy Agreement and Remote Instructions Terms of Use in Part 8 of this Booklet apply to all Credit Products you have with us.

Please refer to the specific parts of this Booklet listed below that apply to your particular Credit Product.

If you have been approved for a:	Please refer to
Mortgage Loan	Part 3, pages 24 to 42
Scotia Plan Loan	Part 4, pages 43 to 46
Scotiabank American Express or Visa* Credit Card account Scotia Line of Credit account (including <i>ScotiaLine</i> ® Personal Line of Credit account (with or without ScotiaLine access card) Scotia RSP Catch-Up® Line of Credit account ScotiaLine Personal Line of Credit account for Students and Scotia Professional Student Plan	Part 5, pages 47 to 70
Scotia Total Equity Plan (a “STEP”)	Part 6, pages 71 to 74

If you have granted security to us for your Credit Product, please refer to the following parts:

If you have provided us a	Please refer to
Chattel Mortgage/Movable Hypothec	Part 7, Section 7.02
Hypothecation/Assignment of Specific Bank Accounts	Part 7, Section 7.03
Authority to Hold Funds on Deposit	Part 7, Section 7.04
Assignment of (or Hypothec over) Life Insurance - Cash Surrender Value	Part 7, Section 7.05
Personal Guarantee / Suretyship	Part 7, Section 7.06

Other documents that apply: Depending on the type of Credit Product that you have been approved for, you may be required to enter into and provide us with separate Security Agreements. If you access your Credit Products electronically (including for statements) or wish to communicate with us electronically, you may be required to accept and will be governed by the digital access agreement(s) (that we will make available to you electronically or by such other means as we may permit) and will be required to comply with the security protocols we establish.

Part 1 Introduction

Section 1.01 Language Choice

Quebec Residents Only / Résidents du Québec seulement

You acknowledge that the French and English versions of the Agreement and this Booklet were remitted to you. You expressly request and agree to be bound exclusively by the English version of the Agreement and this Booklet and that all related documents, including any notices, be drafted in English only. Vous reconnaissez que les versions française et anglaise de l'accord et du présent guide vous ont été remises. Vous demandez expressément et acceptez d'être lié exclusivement par la version anglaise de l'accord et du présent guide et que tous les documents qui s'y rattachent, y compris tous avis, soient rédigés en anglais seulement.

Section 1.02 What's in this Booklet?

There are 8 parts to this Booklet:

Part 1 – Introduction: This section explains what is in this Booklet and includes a definition section to help you understand the terminology that we use in this Booklet.

Part 2 – General Terms: This section contains general terms and conditions that apply to all Scotiabank Credit Products described in this Booklet.

Part 3 – Mortgage Loans: This section explains your rights and obligations as a borrower and ours as a lender for Scotiabank mortgage loans (immovable hypothecs in Quebec), and we set out terms unique to each type of mortgage loan.

Part 4 – Scotia Loan Plans: This section explains your rights and obligations as borrower and ours as lender for Scotiabank term loans other than mortgage loans.

Part 5 – Credit Accounts: This section contains the Revolving Credit Agreement. The Revolving Credit Agreement set outs the terms and conditions that apply to the Credit Accounts as more particularly described in Part 5 of this Booklet: all personal accounts and small business Scotiabank American Express and Visa credit card accounts and all personal Scotia line of credit accounts (with or without a *ScotiaLine* access card).

Part 6 – Scotia Total Equity Plan: In this section we explain the additional terms and conditions that apply if you have a *Scotia Total Equity Plan*.

Part 7 – Security: In this section we explain the terms and conditions for the security arrangements that apply if you have pledged security for your Credit Products or for your Overdraft in the Personal Credit Agreement. There are different types of security arrangements depending on the type of security you pledged. The security you have pledged is indicated in your Personal Credit Agreement. We may register such security interest with any appropriate governmental authority, including any provincial or territorial personal property security registrar (the Register of Personal and Movable Real Rights in Quebec).

If you have granted or will grant a mortgage on Real Property (immovable hypothec in Quebec), that document will be given to you separately either by us or your solicitor/notary and registered on title to the Real Property (or it may have been previously provided to you and registered if you are switching your mortgage to us).

If you entered into the Personal Credit Agreement as a guarantor you entered into a Guarantee with us. The terms and conditions of the Guarantee are set out in Section 7.06.

Part 8 – Other Agreements: This section contains Scotiabank's Privacy Agreement and the Remote Instructions Terms of Use. These agreements apply to all Credit Products. This section also contains information on how to resolve any complaints about us that you may have.

Section 1.03 Definitions you need to know

Below are some of the key terms we use in this Booklet and an explanation of what they mean. We also define some terms specific to a Credit Product or section of the Booklet throughout the Booklet.

“Agreement” means, collectively, the Application, the Personal Credit Agreement (if applicable in the case of a Credit Account), the terms and conditions contained in this Booklet that apply to your Credit Product, including the Revolving Credit Agreement in the case of a Credit Account, the terms and conditions of the personal property security you granted pursuant to the Personal Credit Agreement, the Disclosure Statements (including, your monthly statements for a Credit Account), any notices or other documents or agreements that we provide to you related to a Credit Product. If you have entered into an Overdraft Agreement with us and include this Overdraft under your *Scotia Total Equity Plan*, any references to “Agreement” in Part 2, Part 6 and Part 7 of this Booklet include the Overdraft Agreement.

“Application” means the form you have completed (in writing, or any other format we permit) to apply for a Credit Product. In the case of a Scotiabank Credit Card Account that is subject to the Revolving Credit

Agreement, it also includes the application Disclosure Statement as required by law for a credit card application.

“**Booklet**” means this Personal Credit Agreement Companion Booklet.

“**Card**” means a Scotiabank credit card or other payment device we provide you that accesses a Scotiabank Credit Card Account or a *ScotiaLine* access card or other payment device we provide you that accesses a Scotia Line of Credit Account, and unless expressly excluded, in both cases, includes a Cheque.

“**Cheque**” means a cheque that you can use to access a Scotiabank Credit Card Account (a “**Scotia Credit Card Cheque**”) or a cheque that you can use to access a Scotia Line of Credit Account.

“**Credit Account**” means a personal or small business Scotiabank American Express or Visa credit card account (“**Scotiabank Credit Card Accounts**”) or a personal Scotia line of credit account (with or without a *ScotiaLine* access card) including a Scotia RSP Catch-Up Line of Credit account, *ScotiaLine* Personal Line of Credit for Student account or a *Scotia Professional* Student Plan account (“**Scotia Line of Credit Accounts**”).

“**Credit Product**” means any Credit Account or Personal Loan.

“**Debt**” means the entire amount that is owed to us from time to time in connection with a Credit Product pursuant to the Agreement and any Security Agreement, as applicable, and includes any principal, (including as advances), interest, prepayment charges or premiums (if applicable), and Fees and Expenses payable or owed in connection with a Credit Product.

“**Default**” means (i) that you did not comply with a term or condition of any Agreement and/or a Security Agreement, (ii) any of the events described in Section 2.03(b) occurs and/or (iii) any other terms, conditions or events that are deemed to be, or described as, a “Default” as further described in the Agreement.

“**Disclosure Statements**” means the initial disclosure statement(s) (including the related information box) and any periodic disclosure statement(s) (such as monthly statements) that we provide to you relating to a Credit Product (including where required by law, the application Disclosure Statement we provide to you for a Scotiabank credit card account). A Disclosure Statement contains important information about the Credit Product, including the interest rates and fees and other terms and conditions that apply to the Credit Product. You should review each Disclosure Statement(s) carefully.

“**Fees and Expenses**” has the meaning assigned to such term in Section 2.02(e).

“**Legal Costs**” means solicitor and own clients fees on a full indemnity basis for our solicitor (including notary), and disbursements and taxes on a full indemnity basis.

“**Overdraft**” means the overdraft available to you as a feature of your bank account with us pursuant to an Overdraft Agreement and that you have agreed to include under a *Scotia Total Equity Plan*.

“**Overdraft Agreement**” means the overdraft protection agreement you entered into in connection with a bank account with us, including the terms and conditions contained in the Day-to-Day Banking Companion Booklet.

“**Personal Credit Agreement**” means, if applicable, the credit agreement you enter into (including, if we permit, that you enter into electronically or in any other format we permit) or otherwise provide to us in connection with any Credit Product.

“**Personal Loan**” means a mortgage loan (immovable hypothec in Quebec) described in Part 3 and any other term loan described in Part 4 of this Booklet.

“**PPSA**” means the *Personal Property Security Act* and the *Securities Transfer Act* in the province or territory where you reside, as amended, and the regulations related to these acts, provided, however, if the validity, attachment, perfection or priority of any security interest in the collateral granted to us as security pursuant to the Agreement or a Security Agreement are governed by the personal property security laws of any jurisdiction other than the province or territory referenced above, including the Civil Code of Quebec, “PPSA” will mean those personal property security laws in such other jurisdiction relating to such validity, attachment, perfection or priority.

“**Property**” means any of the following property in which you granted a security interest pursuant to the Agreement or a Security Agreement:

- › tangible goods (corporeal movable property in Quebec), such as a car or other road vehicle, caravan or a fifth-wheel, boat, personal watercraft, snowmobile, aircraft, motorcycle or mobile home (any attachments, accessories, repair or replacement parts or other equipment placed on the property are considered part of the property);
- › mutual funds, bonds, shares, GIC’s, term deposits, bank accounts, claims (in Quebec incorporeal property, including monetary claims) or similar assets (including the credit balance of a financial account, securities and security entitlements);
- › life insurance policy;
- › Real Property (see below); or

- › in Quebec, precious property that is personal-use property and is all or part of any print, etching, drawing, painting, sculpture or other similar work of art, jewellery, rare folio, rare manuscript or rare book, stamp, or coin.

“**Real Property**” means land and improvements, structures, buildings and fixtures (immovable property in Quebec).

“**Revolving Credit Agreement**” means the revolving credit agreement that applies to a Credit Account included in Part 5 of this Booklet.

“**Scotiabank**”, “**we**”, “**our**”, “**us**” or “**the Bank**” means The Bank of Nova Scotia and/or, as appropriate (and unless expressly excluded), includes any of our subsidiaries or affiliates. Scotiabank acts as agent for Scotia Mortgage Corporation, a wholly owned subsidiary. If the mortgage is in the name of National Trust Company as mortgagee, you agree that we are entering into any Agreement with you as agents for National Trust Company.

“**Security Agreement**” means any separate document(s) identified as a security agreement (including a hypothec in Quebec, a mortgage on Real Property or a separate chattel mortgage document) or similar agreement in Part 7 of this Booklet that you may enter into from time to time in connection with a Credit Product.

“**VRM Base Rate**” means the prime lending interest rate published by Scotiabank from time to time, that varies automatically from time to time as the Scotiabank prime lending interest rate varies.

“**you**” or “**your**” means each person, corporation or other entity who is a borrower under a Credit Product, including (unless otherwise indicated) any co-borrower, co-signor, guarantor (surety in Quebec) and the holder of an Overdraft. Any reference to “you” or “your” means each person separately and together unless we indicate otherwise.

Interpretation: The words “includes” or “including” mean “including, without limitation” and “including but not limited to”, and the term “such as” will mean “such as without limitation” or “such as but not limited to”. Any dollar figures are shown in Canadian Dollars unless indicated otherwise. Headings included in this Booklet are for ease of reference only and do not affect the interpretation of anything in this Booklet. All references to agreements, documents, policies, applications, statements, disclosure statements, laws or regulations in the Agreement include any amendments, renewals or replacements of such items from time to time.

Part 2 General Terms and Conditions for all Credit Products

In this Part 2 we describe the general terms and conditions that apply to all Credit Products that you have with us.

Section 2.01 General Terms and Conditions

(a) Conditions

When we say that an agreement is “subject to” certain conditions, we mean that these conditions must be fulfilled before we will advance funds or cause a security interest (a hypothec in Quebec) created under the Agreement or any Security Agreement to be registered. Subject to applicable law, we will determine, in our discretion, whether any condition has been fulfilled.

(b) Who is bound by the Agreement?

The Agreement, any Security Agreement and any guarantee is binding on you, your heirs, your estate, your personal and legal representatives (including your executors, administrators and successors) and any person to whom the Agreement (and the Property) is assigned with our consent.

If more than one person enters into the Agreement for a Credit Product, any Security Agreement and any guarantee, the obligations set out in the Agreement, any Security Agreement and any guarantee are joint and separate (this is known as joint and several liability, or solidary liability in Quebec). This means each of you is fully responsible for complying with all obligations in the Agreement, any Security Agreement and any guarantee and for the entire Debt. In Quebec, each of you waives your right of division and discussion, and accordingly, the Bank will not be obliged, before dealing with any security given to the Bank by anyone of you, to exercise or exhaust its recourses against the borrowers or against any other party or against any security held by or for the benefit of the Bank as security for the Debt.

Each of you, excluding any guarantor, may give us instructions, and make decisions regarding the Credit Product, the Agreement and any Security Agreement (including in connection with any renewal of a Personal Loan) without prior notice to or the consent of the other and such instructions and decisions will be binding on all of you. However, the consent of all of you will be required to enter into any new Credit Product.

Each of you, excluding any guarantor, may obtain information about the Credit Product or any Security Agreement without the prior notice to or consent of the other.

If there is a dispute between you, we may accept payments on your joint Credit Products but we may limit or restrict further access to any Credit Product and refuse to make any further advances under any Credit Product. We may also require you to provide joint instructions or a court order.

We can, at our discretion, release you, any guarantor or any other person from performing an obligation contained in the Agreement, any Security Agreement and any guarantee without releasing any other person or any part of the Property. Any such release will not release any other person from their obligations under the applicable Agreement, any Security Agreement or any guarantee. If you, any guarantor or any other person requests such a release, prior to considering such request we may require the remaining persons to submit an Application to requalify for the Credit Product under our credit criteria in effect at the time of the request. In all cases, including if an Application is submitted, we will decide whether to agree to any request for a release at our discretion.

(c) Separate Agreements and Severability

Each completed portion of the Personal Credit Agreement for a Credit Product (including an Application, if applicable), together with the related terms and conditions contained in this Booklet (which includes the terms and conditions of all applicable security arrangements you have granted in all applicable Property pursuant to the Personal Credit Agreement, any Security Agreement as security for a Credit Product and any guarantee) and in any applicable Disclosure Statement and Security Agreement, is a separate contract.

If any part of the Agreement is held to be invalid or void by a court, either completely or in part, the remaining parts of the Agreement will continue to be in full force and effect and binding.

(d) Security Valuations

We may conduct or arrange for an inspection and/or appraisal of the Property you agreed to provide us as security. Such inspections and/or appraisals are solely for our lending purposes and are not inspections and/or appraisals made on your behalf. You cannot rely on such inspections and/or appraisals as an indication of the condition or value of the Property. You should satisfy yourself before acquiring the Property. We are not responsible for any direct or indirect losses or damages resulting from the acts or omissions by us or of any third party conducting any inspection of your Property.

For Real Property, inspections and/or appraisals of the Real Property made by us or Canada Mortgage and Housing Corporation, Sagen Mortgage Insurance Company Canada or Canada Guaranty Mortgage Insurance Company (or any other mortgage insurer) are solely for the purpose of each institution and are not inspections or appraisals made on your behalf.

For new construction mortgages, advances and inspections will be made as outlined in the Personal Credit Agreement.

If the purpose of the Credit Product is to fund home renovations, we may require an inspection of the Real Property before each advance.

We reserve the right to retain any holdback which is deemed necessary to protect the priority of the mortgage.

We may draw on your deposit account or deduct from or charge to a Credit Product proceeds to pay for the inspection and/or appraisal fees and all other Fees and Expenses, including Legal Costs, we may incur in obtaining a security valuation.

We do not assume any responsibility for the construction or completion of any improvements on the Property or for any terms or arrangements made between you and any other person, including a builder or any contractor/subcontractor. The fact that we have made an inspection and/or an advance does not constitute any representation or warranty by us about the condition or completion of the improvements on the Property or compliance with any terms or arrangements made between you and any person including a builder or any contractor/subcontractor.

(e) Further Assurances

You agree to enter into and deliver any further documents and take any further actions as may be reasonably necessary to carry out the purposes and intent of the Agreement.

(f) Entire Agreement

The Agreement, any Security Agreement and any guarantee form the entire agreement between you and us regarding your Credit Product.

(g) Survival

Any provision of the Agreement, any Security Agreement or any guarantee setting out your responsibilities and liabilities and our rights will survive the termination of the Agreement, that Security Agreement or any guarantee.

(h) Counterparts

The Agreement may be signed or otherwise entered into in any number of counterparts, all of which constitute one and the same agreement.

(i) Conflict

If there is a conflict or inconsistency between the terms or conditions of the Agreement and:

- › any amendment, renewal or replacement of the Agreement, a Security Agreement or guarantee provided to you in connection with your Credit Product, the amendment, renewal or replacement of the Agreement will govern to the extent of such conflict or inconsistency;
- › the Disclosure Statements, the Disclosure Statements will govern to the extent of such conflict or inconsistency;
- › the Revolving Credit Agreement, the Revolving Credit Agreement will govern to the extent of such conflict or inconsistency;
- › the Overdraft Agreement, the Overdraft Agreement will govern to the extent of such conflict or inconsistency; and
- › the terms or conditions of any other agreement or document relating to a Credit Product, including any Security Agreement or guarantee, the provisions of the Agreement will govern to the extent of such conflict unless specifically provided otherwise in the Agreement.

If (i) any amendment, renewal or replacement of the Agreement, the Overdraft Agreement, a Security Agreement or a guarantee contain additional terms, conditions and provisions that are not included in the Agreement, or (ii) Part 2, Part 6 or Part 7 of the Agreement contains additional terms, conditions and provisions that are not included in the Revolving Credit Agreement, this does not constitute a conflict or inconsistency and those terms, conditions and provisions continue to apply.

Section 2.02 Your Rights and Obligations as a Borrower**(a) Making Payments and Complying with the Agreement**

When you borrow money from us, use a Credit Account, or authorize others to use it, you incur a Debt. You are obligated to repay that Debt as outlined in your Personal Credit Agreement or Application (as applicable) and the Agreement. We are not responsible for your use of the proceeds of or funds obtained under any Credit Product.

You agree to make each payment on time and in full. All payments that you make to us or that we ask you to make must be made in full without any set off, compensation, abatement, counterclaim, deductions or withholdings whatsoever and you do not have the right to cancel, offset or reduce any payment or debt by any amount we owe you. It will not change our rights if we accept late, partial or other payments not made in accordance with the Agreement or if you mark a cheque or money order as being full payment when it is not.

We are not responsible for any damages or losses that may arise directly or indirectly as a result of your use of a Credit Product or the proceeds of, or funds obtained under, a Credit Product or your failure

to comply with your obligations or to exercise your rights under this Agreement and any Security Agreement.

(b) Making payments when mail service or other payment delivery is disrupted

Even when normal mail service is disrupted or your electronic online statement is not available for any reason, you must continue to make payments to us and make sure that we receive them on time.

If appropriate, we will tell you where to pick up a copy of your statement, or obtain details about your statement, including by advertising on radio, television or in newspapers. Your statement is considered delivered to you on the day it is available for you to pick up, whether or not you do so, or is considered available for you to review online when posted to your online banking site with us where you access your statement online, whether or not you review it.

(c) Making pre-authorized payments

You authorize us to debit your designated account at the financial institution you specified in the applicable pre-authorized debit form (“**PAD Agreement**”) for payments to the Credit Product. Your authorization to Scotiabank also constitutes your authorization to the financial institution you specified. The debit charged to your account is considered to be a personal pre-authorized debit.

You are responsible for letting us know if there are any changes to the account information for this pre-authorized personal debit. Changes must be submitted in writing. You will provide us with another authorization if this is required. The authorization applies only to the method of payment and does not have any bearing on your obligations under the Agreement. This authorization will continue until you cancel it. You may cancel this payment method at any time by providing us with no less than 30 days written notice. Termination of this authorization does not affect your obligation to make payments to us. To obtain a sample cancellation form or to obtain more information on your right to cancel this authorization, contact Scotiabank at 1-800-4SCOTIA (472-6842) or visit www.cdnpay.ca.

Debits charged to the account and financial institution you specified under this authorization will be reimbursed, if, within 90 days after the date of the debit, you provide the applicable branch of the specified financial institution with a declaration in which you declare that:

- › the debit was not drawn in accordance with this authorization;
- › the authorization was cancelled by you on notice to Scotiabank before the debit was made; or
- › you did not authorize the debit.

You have certain recourse rights if any debit does not comply with the PAD agreement. For example, you have the right to receive

reimbursement for any debit that is not authorized or is not consistent with the PAD agreement. To obtain more information on your recourse rights, you may contact Scotiabank at 1-800-4SCOTIA (472-6842) or visit www.cdnpay.ca.

If you enter into a separate agreement for pre-authorized debits for payments to a Credit Product, that agreement will govern if there is a conflict or inconsistency between that agreement and the PAD Agreement in this Section 2.02(c).

(d) Interest

Interest is charged on each Credit Product at the interest rate(s) and in the manner set out in the applicable Agreement, including any related Disclosure Statement for each Credit Product, both before and after the final payment date, maturity, Default and judgment, until the Debt has been paid off in full.

If your interest rate(s) is a variable rate (i.e. Scotiabank prime rate plus or minus an adjustment factor), the variable interest rate that we apply to the Credit Product will always be no less than zero (0.00%) even if the components that make up your variable interest rate when added together equal less than zero (0.00%) and despite anything to the contrary in the Agreement or any other document related to your Credit Product.

(e) Fees and Expenses

Subject to applicable law, you agree to pay the costs, service charges, expenses and fees for all aspects relating to your Credit Product, including the administration of your Credit Product, and including those set out in this Booklet, your Disclosure Statement and any Security Agreement (the "**Fees and Expenses**").

Our Fees and Expenses may include:

- › inquiring into compliance with, protecting or realizing on our security, dealing with or enforcing any obligation contained in the Agreement and/or any Security Agreement and/or any guarantee, including any dishonoured payments, the preparation, processing and administration of legal actions and enforcements, requests by you or third parties, dealing with repair and construction matters environmental matters and any other encumbrances on the Property or selling the Property;
- › administering the Credit Product for the collection and payment of taxes and tax matters;
- › investigating and/or updating financial information related to collection or payment of any Credit Product;
- › investigating any insurance matters, administering insurance cancellations, paying insurance premiums, dealing with insurance claims or taking out insurance under an individual or blanket insurance policy issued to us;

- › investigating the status of and administering any condominium/strata fees, common expenses and other condominium matters;
- › investigating title to the Property and retaining a solicitor or title insurer, if applicable, with respect to any title matter relating to the Property;
- › investigating and dealing with estate and trust matters, including in connection with bankruptcy;
- › making payments or otherwise curing Defaults, on your behalf, under any charges, mortgages, liens, orders, executions, claims or other encumbrances or any common expenses, levies, assessments or contributions;
- › conducting any inspections or appraisals and engaging other external experts, appraisers, consultants, service providers or representatives, including legal representatives;
- › preparing, reviewing, executing and/or registering any amendments, renewals, transfers, discharges or other registrations; and
- › Legal Costs and costs of the services of a third party in connection with any of the foregoing.

Subject to applicable law, we have the right to change our Fees and Expenses from time to time and can do so, as permitted by applicable law or as set out in the Agreement.

We may add our Fees and Expenses to your Debt or require you to pay them immediately. If you do not pay our Fees and Expenses when required, we may declare that you are in Default under your Credit Product, and we can add these Fees and Expenses to your Debt, or we can do both. If we add these amounts to your Debt, interest will be charged at the interest rate(s) applicable to your Credit Product.

We may also require you to pay all outstanding Fees and Expenses before we agree to renew your Personal Loan.

You must pay any unpaid Fees and Expenses when you repay your Credit Product in full.

(f) Amendments, Extensions or Renewals

You agree that we may change any term of the Agreement or replace the Agreement with another agreement as follows:

- (i) The Revolving Credit Agreement may be amended as set out in the Revolving Credit Agreement
- (ii) The Overdraft Agreement may be amended as set out in the Overdraft Agreement;
- (iii) The Privacy Agreement may be amended as set out in the Privacy Agreement;
- (iv) The Remote Instructions Terms of Use as set out in the Remote Instructions Terms of Use;

- (v) Any Security Agreement may be amended as set out in the Security Agreement or as set out in Section 2.02(f)(vi) if a Security Agreement does not address amendments; and
- (vi) Otherwise at any time, with or without notice or consent unless prior notice or consent is required by law. If we provide you with notice or if we are required by law to provide you with prior notice, we will do so in accordance with Section 2.03(a) - "Communicating with You" of the Agreement or by any other method permitted by the Agreement. Subject to applicable law, the notice will be a binding agreement between you and us, and may not require a written signature from you. Any such notice will form part of the Agreement.

Our prior consent (which we may withhold at our discretion) is required if you wish to extend, renew or amend the Agreement, any Security Agreement or a guarantee or replace any part of it with another agreement.

If we agree with you to extend, renew, or amend the Agreement, any Security Agreement or a guarantee or replace it or any part of it with another agreement, you agree that this will not invalidate or diminish any interest in, or security, right, charge or lien we hold for the security granted, the Property or our rights or your obligations or responsibilities under the Agreement.

In addition, no act, waiver, delay, or omission in enforcing our rights under the Agreement, any Security Agreement or any guarantee will act to diminish or cancel our rights under the Agreement, any Security Agreement or a guarantee.

You agree to pay all money owing under any Personal Loan at the end of the term (referred to as the "**maturity date**") or, if we have offered to renew your Personal Loan, to enter into a renewal agreement with us on or before the maturity date. If you do not, provided that we have not advised you that we will not renew your Personal Loan, you agree that (i) any Personal Loan that is a mortgage loan will be automatically renewed into a fixed rate six month closed term at our posted rate with a Scotiabank Flexible Mortgage option (as described in this Booklet) unless we indicate otherwise in the renewal agreement (a copy of which we will provide to you); and (ii) any Personal Loan that is not a mortgage loan will be automatically renewed on the terms we indicate in the applicable renewal agreement (a copy of which we will provide to you), in each case including all other terms and conditions stated in the renewal agreement. Renewal instructions for your Personal Loan provided to us through a third party (such as by another lender or their service provider in connection with a payout request) will not be accepted. You must contact us directly in person, over the telephone or, if applicable, through our online banking site, to provide renewal instructions for your Personal Loan prior to your maturity date.

For purposes of Section 10 of the *Interest Act* (Canada), the date of your Personal Loan will be the date the applicable renewal takes effect.

(g) Assignment

We may, at our option, sell, assign or deposit all or any part of the Agreement or any Debt, Credit Product, Overdraft, any Security Agreement, any guarantee or our rights or obligations under the Agreement, any Security Agreement or any guarantee (collectively, the "**assigned rights**"), to any of our affiliates, subsidiaries or any third party, including by way of securitization or any interest in the foregoing (including, a mortgage default insurer if any mortgage loan is insured or a title insurer, if title insurance is obtained in connection with your mortgage) without notice to you or your consent.

If we do so, we may disclose information about you and the assigned rights to the purchaser, transferee, assignee, trustee or custodian, or to any potential purchaser, transferee, assignee, trustee or custodian, necessary to consider or contemplate the proposed transaction. Upon such a sale, transfer or assignment, the purchaser, transferee, assignee, trustee or custodian will be entitled to use and disclose your information to carry on the business including to enforce all of the assigned rights and to re-sell, re-assign, pledge or re-transfer any assigned rights.

We'll also be entitled at any time to repurchase or reacquire any assigned rights, whether or not you are in Default, without notice to you and without your consent. If any Credit Product and/or Overdraft is so sold, assigned or deposited and we retain any other Credit Product and/or Overdraft, we have the right to require you to enter into a Security Agreement to be registered on the Property with respect to the Credit Product and/or Overdraft retained by us.

You may not transfer or assign the Agreement, any Debt, Credit Product, Overdraft, Security Agreement and/or guarantee without prior written consent from us, which we may withhold at our discretion.

(h) Changing your Address, Other Information or Residency

You must immediately notify us in writing, or by any other means which we permit, of any change to:

- › your address, your home, cellular or business telephone number or e-mail address (if applicable);
- › other information you previously provided (including information about your financial situation);
- › your province or territory of residency; or
- › any account that you have designated as a pre-authorized payment account for a Credit Product as set out in the applicable pre-authorized payment agreement.

You also agree to give us other information that we may need from time to time to keep our records up to date, as well as any additional information or supporting documents we request or as required by law.

If you do not tell us that you have changed your address (including your email), your last address (including email) in our records will be used for any purpose under the Agreement. If we are unable to deliver any communications to you or our communications are returned to us, we may stop sending you communications until you provide us with your updated contact information. We are not responsible for any losses or damages that arise directly or indirectly from your failure to comply with this Section 2.02(h).

(i) When you Communicate with us in Writing; Our Address

You may have to, or want to, give us written notice for certain types of information or requests. We consider written notice from you to be received by us when it is received by the home branch servicing your Credit Product unless we permit you to provide us with written instructions through another method.

(j) If you are a Corporation

If you are a corporation, you represent and agree on a continuous basis while any Credit Products remain outstanding and/or while any Overdraft is available that:

- › you are duly organized, validly existing and in good standing under the laws of your governing jurisdiction;
- › you have full power, authority, capacity and legal right to own your interest in the Property and are duly qualified to carry on your business and are in good standing in each jurisdiction where qualification is necessary for your business and you have not commenced any dissolution or reorganization proceedings;
- › you have full power, authority, capacity and legal right to enter into the Agreement and any Security Agreement and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by you under the Agreement and/or the Security Agreements;
- › you have taken all necessary action and proceedings to authorize the execution, delivery and performance of the Agreement and any Security Agreement and to observe and perform the provisions of each; and
- › neither the execution and delivery of the Agreement and any Security Agreement, nor compliance with the terms and conditions of any of them has resulted or will result in a violation of the constating documents governing you, including any unanimous shareholders' agreement, or any resolution passed by your board of directors or shareholders, has resulted or will result in a breach of or constitute a default under applicable laws or any agreement

or instrument to which you are a party or by which you or the Property or any part of the Property is bound, or requires any approval or consent of any person except such as has already been obtained.

(k) When you Provide Information to us

You agree that all statements, information or documents that you have given or made to us, or that you give or make to us in the future, including when applying for or relating to a Credit Products and/or Overdraft, are true and accurate.

If we discover that this is not true, you will be in Default under the Agreement and any Security Agreements and the entire Debt and/or Overdraft will, at our option, immediately become due and payable, regardless of whether you knew that the statement, information or document was untrue and/or inaccurate or if we relied on them.

If there is more than one of you, any untrue and/or inaccurate statement, information or document is given or made to us by only one of you, all of you will be considered to be in Default under the Agreement and any Security Agreement and we will have the right to demand immediate payment of the entire Debt under the Credit Products and any Overdraft from any or all of you, at our option.

(l) Estates

If a borrower dies, their authorized estate representative or estate trustee can request any documents and information from us about the Agreement or the Credit Product that the deceased borrower would have been entitled to receive. The deceased borrower's estate remains liable, jointly and severally (or solidarily in Quebec) with any surviving borrowers, for any Debts and other liabilities incurred under the Agreement.

A surviving borrower or the deceased borrower's estate representative or estate trustee must notify us in writing immediately if a borrower dies. When we receive this notice, we may take any steps we determine are necessary to confirm the information in the notice and/or restrict access to any Credit Product of the deceased borrower. Until we receive this notice, we may continue to administer the applicable Credit Products as if the death had not occurred.

(m) Discharge of Security

For Credit Products and/or Overdraft secured by Real Property,

when our interest in your Real Property ends, where permitted, you agree to pay us fees for the preparation and execution of a discharge (including any fees paid to a third party), plus a provincial registration fee where we register the discharge. Our fees are set out in your Disclosure Statement and are subject to change. You may obtain current information about Scotiabank service fees by contacting your servicing branch. These fees are applicable to Personal Loans

secured by mobile/mini homes only where the land where the mobile/mini home is situated is owned or leased by you and you have granted us a mortgage of your interest in the land. For mobile/mini homes, you agree to pay us any additional fees for preparation and execution of a discharge (including any fees paid to a third party) plus any government personal property security discharge fees that may be applicable at that time.

For Credit Products and/or Overdraft secured by Property other than Real Property (including mobile/mini homes which are situated on leased land), when our interest in your Property ends, where permitted, you agree to pay us a discharge service fee for the preparation and execution of a discharge of any Property registrations (in addition to any government personal property security discharge fees applicable at that time). You may obtain current information about Scotiabank service fees by contacting your branch. For loans secured by a ship mortgage, you must pay a government ship mortgage registration fee which also includes a discharge fee.

Section 2.03 Our Rights and Obligations as a Lender

Any of our subsidiaries, such as Scotia Mortgage Corporation, may act as our agent in any transaction or correspondence for your Credit Products.

(a) Communicating with you

We will issue notices or other Communications (as defined below) to you, including about any change or renewal to the Agreement by any method allowed by applicable law, including (i) in paper form; (ii) electronically, (iii) by posting a notice on our website and/or (iv) by sending a message on your statement.

We will send you written notice or any Communication to the last address or contact information shown in our records. We consider that you have received the notice or Communication as follows:

Delivery Method	Deemed Delivery Date
Mail	Five (5) business days after post-mark
Delivered by Hand	When Delivered
Fax	When sent
Electronic Delivery (including, electronic mail or text message)	When sent
Online Banking channel	When posted to our online banking site

Joint Disclosure of Communications: If there are two or more borrowers, each of you has the right to receive the Disclosure Statements (including monthly statements for your Credit Products), and other communications and notices that we may be required to send you under applicable law from time to time (collectively, “**Communications**”). We will send to each borrower that appears in our records their own separate copy of any Communications, unless all borrowers consent to the primary borrower receiving joint disclosure. Joint disclosure means that these Communications will only be sent to the primary borrower at the address that appears in our records and we will consider that we are giving notice and communicating with all borrowers. All Communications will be effective and binding on all of you if they are provided to the primary borrower by joint disclosure. We may rely on your selection through all subsequent extensions, renewals and amendments of the Agreement. You may contact us at any time through any of the methods we offer to change your preference to receive separate or joint Communications.

Electronic Communications: If electronic delivery of Communications is available for your Credit Product, including for your monthly statement, and you would like to select this option, you can do so by any means we permit you to, including when you activate your online banking access to your Credit Product through Scotiabank’s website where we provide online banking services (and we will obtain any consent required from you by applicable law to communicate with you in this way) or if you would like to communicate with us by electronic means, in each case, you will be required to accept and comply with our digital access agreement(s) (that we will make available to you at Scotiabank’s website where we provide online banking services or in such other way as we may permit) and security protocols established by us that we share with you.

For legal purposes, documents sent to you electronically are considered to be “in writing” and to have been signed and/or delivered by us. We may rely upon and treat them as duly authorized and binding on you and treat them as any electronically authenticated document that we receive from you or which appears to have been sent by you.

(b) Events of Default

In addition to any rights we may have under the Agreement or any Security Agreement and subject to applicable law, we can require you to immediately pay the total Debt due and anything else you owe us under the Agreement, without prior notice or demand, if any of the following events take place:

- › we do not receive any payment owed under your Credit Product or Overdraft to us on time;

- › we do not receive on time when we ask, any amount we are entitled to charge you under the Agreement and/or any Security Agreement;
- › you break any of your promises or fail to fulfill your obligations under the Agreement and/or any Security Agreement,
- › you die;
- › the Property is lost, stolen, destroyed or significantly damaged or seized in any legal proceeding;
- › the Property reduces in value to a level we consider unacceptable;
- › you, or any other person using your Property with your permission, use your Property or allow it to be used for any illegal purposes;
- › a lien, hypothec or notice of lien or the equivalent is registered against your Property without our prior written consent;
- › you, or any other person using your Property with your permission, use the Property to cultivate or store marijuana;
- › you become insolvent, you declare bankruptcy or you make a proposal in bankruptcy or you or any other persons institutes proceedings relating to your Property or the Debt you owe us under any laws relating to bankruptcy, insolvency, reorganization, arrangements and relief of debtors;
- › you are declared bankrupt or a receiver, trustee or custodian is appointed for you or any part of your Property;
- › an enforcement action is instituted against any of your Property by any creditor and/or under judicial authority;
- › you become a non-resident of Canada; and/or
- › anything else happens that we believe endangers your ability to pay or that we believe endangers the Property in any way;

(c) Enforcement and Remedies

- (i) If we demand the total Debt due under Section 2.03(b) or any of the events of Default set out in Section 2.03(b) occur:
 - › we have no further obligation to pay any Cheques or make any advances or allow you to borrow any funds under your Credit Product; and/or
 - › we may impose any applicable Fees and Expenses as set out in Section 2.02(e); and we will continue to charge you interest at the interest rate applicable to your Credit Product until the total Debt due is paid in full.
- (ii) Under the Agreement and subject to applicable law, if you Default on your Credit Product or your Overdraft, we have the right to be paid the total Debt due by doing any of the following:
 - › suing you for what you owe;
 - › taking possession of the Property;
 - › both of the above;

- › appointing a Receiver to administer the Property; and/or
 - › exercising any other rights we may have, including, our rights under Section 2.03(f), the Revolving Credit Agreement, the Overdraft Agreement, Part 7, any Security Agreement and any guarantee.
- (iii) Default under any Agreement and/or any Security Agreement is considered a Default under all Agreements and all other Security Agreements. In that case, all amounts owing to us under all Personal Loans, Credit Accounts and Overdraft, including principal, interest and other Fees and Expenses, will be due and payable to us immediately without presentment, demand, protest or further notice, all of which you expressly waive. If we permit a second mortgage in our favour on any Real Property held as security, a default under any agreement secured by a mortgage in our favour against the Real Property will be considered a Default under all agreements that are secured by a mortgage in our favour against the same Real Property.

(d) Terminating the Agreement and Limiting Your Access to Credit Products

If the Agreement is terminated for any reason, you are not relieved of any obligations (including your obligation to pay the Debt) under the Agreement existing at the time of the termination until they have been satisfied.

In addition to any other termination rights we have under the Agreement, we may immediately terminate, suspend or block or otherwise deny your access to any Credit Account or refuse to make any advances or allow you to further borrow funds under any Credit Product, or both, without notice to you. This includes if any of the following occurs:

- › we suspect that you did or may commit fraud or that you use or may use the Credit Product for an illegal purpose or a purpose that puts us at risk;
- › we have reasonable grounds to believe that you are a victim of fraud or identity theft, to prevent future losses;
- › we are required to do so by law or the continued availability of any Credit Product becomes contrary to any applicable law (including relating to any regulatory requirements or sanctions);
- › you become a non-resident of Canada;
- › you use a Credit Product in a manner that is unsatisfactory to us, contravenes our policies or other requirements and/or does not comply with the Agreement; and/or
- › anything else happens that we believe endangers your ability to pay or that we believe endangers the Property in any way.

We are not responsible for any loss or damages that may arise directly or indirectly from our exercise of our rights under this Section 2.03(d).

(e) Demands by Third Parties

We will comply with any lawful third party demands that we receive relating to the Agreement or any Credit Product without prior notice to you. We may be required by law, including by these third party demands, to restrict or limit your access to a Credit Product or re-direct your payments. We will consider any such re-directed payment a missed payment. We are not responsible for any loss or damages that may arise directly or indirectly as a result of our compliance with this Section 2.03(e).

(f) Set-Off by Scotiabank

We may, without prior notice to you, deduct money from any other account that you have with us and use it to make a payment to a Credit Product (including to apply it towards a Debt) (called a right of set-off), including if you are in Default or if the Agreement is cancelled or ends for any reason.

If we owe any obligation to you, we may, without prior notice to you, set the obligation off against, or compensate the obligation from, any amount you owe us under the Agreement, no matter how long either amount has been owed (called a right of compensation). If we receive notice of your bankruptcy, insolvency or similar arrangement, we may exercise these rights immediately. These rights are in addition to any other rights we may have at law or in equity.

(g) Waiver of our Rights

Except if we change the Agreement in writing, if we waive or do not exercise, or delay in exercising, any of our rights under the Agreement, any Security Agreement and/or any guarantee, this will not constitute a permanent waiver of our rights and does not prevent us from exercising these rights in the future. We may delay enforcing our rights under the Agreement, any Security Agreement and/or any guarantee and may accept late payments or partial payments without losing any rights that we have under the Agreement, any Security Agreement and/or guarantee or by law, including the right to recover in full all amounts that you owe us on the Credit Product. If we waive a Default, it does not mean we are waiving the applicable term of the Agreement, any Security Agreement and/or any guarantee.

Part 3 Mortgage loans

In this part we explain the specific terms and conditions that apply to mortgage loans (loans secured by an immovable hypothec in Quebec).

Section 3.01 Delivery of Disclosure Statement

The initial Disclosure Statement for a Personal Credit Agreement secured by Real Property must be provided to you two clear business days before entering into the Personal Credit Agreement unless you waive this requirement. You consent to receiving the initial Disclosure Statement at the time you enter into a Personal Credit Agreement with us.

Section 3.02 Making Payments

(a) How we apply your mortgage loan payments

When we lend you money, you must pay it back as set out in the Agreement. When you enter into the Personal Credit Agreement for a mortgage loan, you are promising to repay those amounts plus interest at the annual interest rate stated for each mortgage loan in your Personal Credit Agreement and Disclosure Statement, as described below.

All mortgage payments must be made in full through an automatic payment plan and we may not accept partial payments. Your payment, which may include a tax installment, first becomes due one month from the Term Start Date (as defined below) indicated in the Agreement and then on a monthly basis, up to and including the final payment date, which is your maturity date. The balance of the principal amount together with all interest and all other costs and charges must be repaid on the maturity date unless we have offered to renew your mortgage loan.

You may pay your mortgage more frequently than monthly by selecting a weekly, bi-weekly or semi-monthly frequency. The semi-monthly frequency does not accelerate repayment nor save interest costs.

We will apply payments we receive from you on your mortgage loan, regardless of the repayment frequency you have selected, in the following order, unless otherwise specified in the Agreement:

- › first, to pay or reduce deferred interest, if any;
- › second, to pay interest; and
- › third, to reduce the principal amount.

If you are in Default, we will apply any payments we receive during the period of Default in whatever order we choose unless otherwise provided in the Agreement.

All interest is collected in arrears and not in advance. For all repayment frequencies, when your first regular mortgage payment is more than one frequency period from your Term Start Date (as defined below), we will debit your pre-authorized debit account for the interest owing for the excess number of days. This interest adjustment amount is due on the date shown on the Disclosure Statement which was provided to you when you entered into the Personal Credit Agreement. If your mortgage is in Default we may require your mortgage payment to be paid on a monthly basis.

Section 3.03 Mortgage Term Start Date

The term start date for your mortgage (also commonly known as the advance date or the interest adjustment date) (the “**Term Start Date**”) is the date your mortgage loan is at least 75% advanced (or, if your mortgage has been assigned to us from another lender, the date of the assignment) and is the date your term starts and interest begins to accrue, unless otherwise stated in your Disclosure Statement or Personal Credit Agreement.

For Progress Draw Construction Mortgages (as defined in Section 3.06), the Term Start Date is the date of your first advance.

Section 3.04 Continuing Liability

Unless you prepay the entire mortgage loan Debt (if permitted and subject to the conditions stipulated under your Agreement) you must continue to make your regular monthly mortgage loan payments in accordance with your Agreement.

Section 3.05 Mortgage Default Insurance

Mortgage default insurance may be required for your mortgage loan depending on the size of your down payment and our credit policies. Mortgage default insurance protects us in the event you Default on your mortgage loan. It does not protect you. If mortgage default insurance is required for your mortgage loan, it will only apply to the particular mortgage loan insured. The mortgage insurance premium is calculated by the mortgage default insurer as a percentage of the principal amount of the mortgage loan and will be included in the Disclosure Statement for your mortgage loan. You must pay the mortgage default insurance premium. This premium will be added to the principal amount of your mortgage, to be repaid over the same amortization period. On the funding date of your mortgage loan, we will pay the mortgage default insurer by deducting the premium from the principal amount. We will not deduct any applicable sales tax from the principal amount and you must pay this separately through your solicitor.

Section 3.06 Progress Draw Construction Mortgage

A progress draw construction mortgage is a mortgage loan obtained for the purpose of constructing a residential property (the “**Progress Draw Construction Mortgage**”). A Progress Draw Construction Mortgage must be set up as part of a *Scotia Total Equity Plan* (see Part 6 of this Booklet for details on the *Scotia Total Equity Plan*).

You must pay interest only payments on the money advanced to you during the construction period starting no later than one month from the Term Start Date. Unless indicated otherwise in your Personal Credit Agreement, the interest rate applicable to the Progress Draw Construction Mortgage is a variable rate per annum equal to our VRM Base Rate in effect at any time plus/minus the percentage amount shown on your Personal Credit Agreement. Unless indicated otherwise in your Personal Credit Agreement, the amount of your payment will vary automatically with each change to our VRM Base Rate and the principal amount advanced, as further described in Section 3.07(b). You may make payments more frequently than monthly by selecting a weekly, bi-weekly or semi-monthly frequency. If you make interest only payments more frequently than monthly, this does not accelerate repayment nor save interest costs. Your interest only term will mature 18 months from the Term Start Date. You must pay interest only payments until the end of the 18 month term unless you choose to early renew your mortgage as set out in your Personal Credit Agreement.

Following the registration of the mortgage on title to your Real Property, we will make advances as construction progresses. You have 180 days from the date you signed your Personal Credit Agreement to make your first advance. We will decide whether and when any advances will be made and the amount of any advances at our discretion. Before each advance, we will review the value of the work completed by obtaining an inspection report. Your Disclosure Statement will set out a description of the construction draw stages. This description is a guideline only and may be amended by us from time to time and any construction reports are subject to Section 2.01(d) of this Booklet.

We will hold back sufficient funds to complete construction and meet provincial holdback requirements. We will release the accumulated lien holdback with the final mortgage advance to your solicitor/notary who may release the funds when construction is complete, a certificate of occupancy is issued and, where applicable, the required time has passed.

Your home construction must be completed and your mortgage fully advanced within 15 months of the Term Start Date. No further advances will be made after that 15 month construction period.

If your home construction is not complete and/or your mortgage loan is not fully advanced by the end of that period, we will conduct

a reassessment. As part of this reassessment, we may require an inspection. The amount of your Progress Draw Construction Mortgage may also be reduced to the principal amount advanced to that date, plus the amounts we have held back for applicable provincial lien filing periods. Depending on the results of the inspection, we may, at our discretion, offer to renew the mortgage loan into a fixed or variable rate closed term mortgage with payments of principal and interest. If you require additional advances, you will need to reapply for a new mortgage component under your *Scotia Total Equity Plan*.

If your mortgage is insured by a mortgage default insurer and you receive a refund of a portion of your premium from the mortgage default insurance because your mortgage loan amount is reduced or you do not require all amounts originally approved, we may apply the refund to your mortgage as a principal balance reduction.

Section 3.07 Interest Rates

The amount of the interest rate you and we agree will apply to your mortgage loan term is set out in your Personal Credit Agreement and Disclosure Statement. If the interest rate has more than four decimal places, we may, but are not obligated to, round it to four decimal places in your Personal Credit Agreement and Disclosure Statement.

(a) Fixed Rate Mortgage Loans

If you have a fixed rate mortgage loan, the interest rate payable by you on the mortgage loan amount is a fixed rate expressed as a rate per annum calculated semi-annually not in advance, and payable monthly.

(b) For Variable Rate Mortgage Loans (VRM)

If you have a variable rate mortgage loan, the interest payable by you on the mortgage loan amount is a variable rate per annum composed of our VRM Base Rate in effect at any given time plus/minus the percentage amount shown in your Personal Credit Agreement and Disclosure Statement. Except as set out in Section 3.07(b)(iii) below, after each VRM Base Rate change, we will provide you with a notice showing your new interest rate and the date it became effective. The notice will be sent in accordance with Section 2.03(a) but our failure to mail a notice or its non-receipt will not prevent the rate from varying.

- (i) **VRM with a variable payment amount:** For a variable rate mortgage with a variable payment amount and without a Cap Rate (as defined below), interest is compounded semi-annually, not in advance. Your initial payment amount based on the initial interest rate is shown in your Disclosure Statement. Your payment amount will vary automatically with each change to our VRM Base Rate. Each payment adjustment will take into account the new interest rate and the remaining amortization period of your mortgage loan on the date of the interest rate change.

- (ii) **VRM with an interest only payment amount:** For a variable rate mortgage with an interest only payment amount, interest is compounded semi-annually, not in advance. Your payment amount will vary automatically with each change to our VRM Base Rate and the principal amount advanced to date. Each payment adjustment will take into account the new interest rate and the principal amount already advanced on the date of the interest rate change.
- (iii) **VRM with a fixed payment amount and a Cap Rate:** For variable rate mortgages with a fixed payment amount, interest is compounded monthly, not in advance. If your mortgage loan includes a cap rate (the “**Cap Rate**”), the Cap Rate will be the maximum interest rate payable by you on the mortgage loan at any time during the term and your payment will be set using the Cap Rate. If applicable, the Cap Rate is shown in your Personal Credit Agreement and Disclosure Statement. If your variable interest rate is lower than the Cap Rate, the excess payment amount will be applied to reduce your principal. If your interest rate rises to or above the Cap Rate, you will not be required to pay this excess interest and we will not send you notices of subsequent prime rate changes unless the rate change results in your interest rate dropping below the Cap Rate.
- (iv) **VRM with a fixed payment amount and without a Cap Rate:** For variable rate mortgages with a fixed payment amount, interest is compounded monthly, not in advance. If your mortgage loan does not include a Cap Rate and the interest rate increases, your payment may not be sufficient to cover the interest that accrues on the mortgage loan amount. In that case, the unpaid interest will be added to the amount you owe and will bear interest at the interest rate payable on the mortgage loan. We may require you to pay all the money that you owe us under the mortgage immediately whenever the mortgage loan amount and unpaid interest exceeds 105% of the original amount advanced.
- (v) **Equivalent Interest Rates:** For variable rate mortgage loans where interest is calculated monthly, not in advance, the table below sets out the equivalent interest rates for your variable interest rate as if it were calculated semi-annually, not in advance.

VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance
2.00000	2.00835	4.39000	4.43034	7.10000	7.20585
2.05000	2.05878	4.40000	4.44053	7.12500	7.23160
2.10000	2.10921	4.45000	4.49146	7.15000	7.25736
2.12500	2.13443	4.49000	4.53221	7.20000	7.30887
2.15000	2.15965	4.50000	4.54240	7.25000	7.36039
2.20000	2.21011	4.55000	4.59335	7.30000	7.41193
2.25000	2.26057	4.59000	4.63411	7.35000	7.46347
2.30000	2.31105	4.60000	4.64431	7.37500	7.48925
2.35000	2.36154	4.62500	4.66979	7.40000	7.51503
2.37500	2.38678	4.65000	4.69528	7.45000	7.56659
2.40000	2.41203	4.70000	4.74626	7.50000	7.61817
2.45000	2.46254	4.75000	4.79725	7.55000	7.66976
2.50000	2.51306	4.80000	4.84826	7.60000	7.72135
2.55000	2.56359	4.85000	4.89927	7.62500	7.74716
2.60000	2.61412	4.87500	4.92478	7.65000	7.77296
2.62500	2.63940	4.90000	4.95029	7.70000	7.82458
2.65000	2.66467	4.95000	5.00133	7.75000	7.87621
2.70000	2.71523	5.00000	5.05237	7.80000	7.92785
2.75000	2.76580	5.05000	5.10343	7.85000	7.97951
2.80000	2.81638	5.10000	5.15450	7.87500	8.00534
2.85000	2.86698	5.12500	5.18003	7.90000	8.03117
2.87500	2.89228	5.15000	5.20557	7.95000	8.08284
2.90000	2.91758	5.20000	5.25666	8.00000	8.13452
2.95000	2.96819	5.25000	5.30776	8.05000	8.18622
3.00000	3.01881	5.30000	5.35887	8.10000	8.23792
3.05000	3.06945	5.35000	5.40999	8.12500	8.26378
3.10000	3.12009	5.37500	5.43555	8.15000	8.28964
3.12500	3.14542	5.40000	5.46112	8.20000	8.34137
3.15000	3.17074	5.45000	5.51226	8.25000	8.39310
3.20000	3.22141	5.50000	5.56341	8.30000	8.44485
3.25000	3.27208	5.55000	5.61457	8.35000	8.49661
3.30000	3.32277	5.60000	5.66574	8.37500	8.52249
3.35000	3.37347	5.62500	5.69133	8.40000	8.54838
3.37500	3.39882	5.65000	5.71692	8.45000	8.60016
3.40000	3.42417	5.70000	5.76812	8.50000	8.65195
3.45000	3.47489	5.75000	5.81932	8.55000	8.70375
3.49000	3.51547	5.80000	5.87054	8.60000	8.75556
3.50000	3.52562	5.85000	5.92176	8.62500	8.78147
3.55000	3.57636	5.87500	5.94738	8.65000	8.80739

VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance
3.59000	3.61695	5.90000	5.97300	8.70000	8.85922
3.60000	3.62711	5.95000	6.02424	8.75000	8.91106
3.62500	3.65249	6.00000	6.07550	8.80000	8.96292
3.65000	3.67787	6.05000	6.12677	8.85000	9.01479
3.69000	3.71848	6.10000	6.17805	8.87500	9.04072
3.70000	3.72864	6.12500	6.20369	8.90000	9.06666
3.75000	3.77942	6.15000	6.22934	8.95000	9.11855
3.79000	3.82005	6.20000	6.28064	9.00000	9.17045
3.80000	3.83021	6.25000	6.33195	9.05000	9.22236
3.85000	3.88101	6.30000	6.38327	9.10000	9.27428
3.87500	3.90642	6.35000	6.43460	9.12500	9.30024
3.89000	3.92166	6.37500	6.46027	9.15000	9.32621
3.90000	3.93183	6.40000	6.48594	9.20000	9.37815
3.95000	3.98265	6.45000	6.53730	9.25000	9.43010
3.99000	4.02331	6.50000	6.58866	9.30000	9.48206
4.00000	4.03348	6.55000	6.64003	9.35000	9.53403
4.05000	4.08433	6.60000	6.69142	9.37500	9.56002
4.09000	4.12500	6.62500	6.71711	9.40000	9.58602
4.10000	4.13518	6.65000	6.74281	9.45000	9.63801
4.12500	4.16061	6.70000	6.79422	9.50000	9.69002
4.15000	4.18605	6.75000	6.84564	9.55000	9.74203
4.19000	4.22674	6.80000	6.89706	9.60000	9.79406
4.20000	4.23692	6.85000	6.94850	9.62500	9.82008
4.25000	4.28781	6.87500	6.97423	9.65000	9.84610
4.29000	4.32852	6.90000	6.99995	9.70000	9.89815
4.30000	4.33871	6.95000	7.05141	9.75000	9.95021
4.35000	4.38961	7.00000	7.10288	9.80000	10.00228
4.37500	4.41507	7.05000	7.15436	9.85000	10.05436
9.87500	10.08040	13.12500	13.48916	16.37500	16.94389
9.90000	10.10645	13.15000	13.51556	16.40000	16.97065
9.95000	10.15855	13.20000	13.56837	16.45000	17.02417
10.00000	10.21066	13.25000	13.62118	16.50000	17.07769
10.05000	10.26279	13.30000	13.67401	16.55000	17.13123
10.10000	10.31492	13.35000	13.72685	16.60000	17.18478
10.12500	10.34099	13.37500	13.75327	16.62500	17.21156
10.15000	10.36707	13.40000	13.77970	16.65000	17.23834
10.20000	10.41922	13.45000	13.83256	16.70000	17.29192
10.25000	10.47139	13.50000	13.88543	16.75000	17.34550
10.30000	10.52357	13.55000	13.93831	16.80000	17.39909

VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance
10.35000	10.57576	13.60000	13.99121	16.85000	17.45270
10.37500	10.60185	13.62500	14.01766	16.87500	17.47950
10.40000	10.62795	13.65000	14.04411	16.90000	17.50631
10.45000	10.68016	13.70000	14.09702	16.95000	17.55994
10.50000	10.73238	13.75000	14.14995	17.00000	17.61358
10.55000	10.78462	13.80000	14.20289	17.05000	17.66723
10.60000	10.83686	13.85000	14.25583	17.10000	17.72089
10.62500	10.86298	13.87500	14.28231	17.12500	17.74772
10.65000	10.88911	13.90000	14.30879	17.15000	17.77456
10.70000	10.94138	13.95000	14.36176	17.20000	17.82824
10.75000	10.99365	14.00000	14.41474	17.25000	17.88193
10.80000	11.04594	14.05000	14.46773	17.30000	17.93564
10.85000	11.09823	14.10000	14.52073	17.35000	17.98935
10.87500	11.12438	14.12500	14.54724	17.37500	18.01621
10.90000	11.15054	14.15000	14.57375	17.40000	18.04308
10.95000	11.20286	14.20000	14.62677	17.45000	18.09682
11.00000	11.25519	14.25000	14.67981	17.50000	18.15056
11.05000	11.30753	14.30000	14.73285	17.55000	18.20432
11.10000	11.35988	14.35000	14.78591	17.60000	18.25809
11.12500	11.38605	14.37500	14.81244	17.62500	18.28498
11.15000	11.41224	14.40000	14.83897	17.65000	18.31187
11.20000	11.46461	14.45000	14.89205	17.70000	18.36567
11.25000	11.51699	14.50000	14.94514	17.75000	18.41947
11.30000	11.56938	14.55000	14.99824	17.80000	18.47328
11.35000	11.62179	14.60000	15.05135	17.85000	18.52711
11.37500	11.64800	14.62500	15.07791	17.87500	18.55403
11.40000	11.67420	14.65000	15.10448	17.90000	18.58095
11.45000	11.72663	14.70000	15.15761	17.95000	18.63479
11.50000	11.77907	14.75000	15.21075	18.00000	18.68865
11.55000	11.83151	14.80000	15.26391	18.05000	18.74252
11.60000	11.88397	14.85000	15.31707	18.10000	18.79640
11.62500	11.91021	14.87500	15.34366	18.12500	18.82335
11.65000	11.93644	14.90000	15.37025	18.15000	18.85030
11.70000	11.98892	14.95000	15.42344	18.20000	18.90420
11.75000	12.04141	15.00000	15.47664	18.25000	18.95811
11.80000	12.09391	15.05000	15.52985	18.30000	19.01204
11.85000	12.14643	15.10000	15.58307	18.35000	19.06597
11.87500	12.17269	15.12500	15.60968	18.37500	19.09295
11.90000	12.19895	15.15000	15.63630	18.40000	19.11992

VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance	VRM Calculated Monthly, not in advance	Equivalent Rate Calculated Semi-Annually not in advance
11.95000	12.25149	15.20000	15.68954	18.45000	19.17388
12.00000	12.30403	15.25000	15.74279	18.50000	19.22785
12.05000	12.35659	15.30000	15.79606	18.55000	19.28183
12.10000	12.40915	15.35000	15.84933	18.60000	19.33582
12.12500	12.43544	15.37500	15.87597	18.62500	19.36282
12.15000	12.46173	15.40000	15.90262	18.65000	19.38982
12.20000	12.51432	15.45000	15.95592	18.70000	19.44384
12.25000	12.56692	15.50000	16.00922	18.75000	19.49786
12.30000	12.61953	15.55000	16.06254	18.80000	19.55190
12.35000	12.67215	15.60000	16.11587	18.85000	19.60594
12.37500	12.69846	15.62500	16.14254	18.87500	19.63297
12.40000	12.72478	15.65000	16.16922	18.90000	19.66000
12.45000	12.77742	15.70000	16.22257	18.95000	19.71407
12.50000	12.83008	15.75000	16.27593	19.00000	19.76815
12.55000	12.88274	15.80000	16.32930	19.05000	19.82224
12.60000	12.93542	15.85000	16.38269	19.10000	19.87634
12.62500	12.96176	15.87500	16.40939	19.12500	19.90340
12.65000	12.98810	15.90000	16.43609	19.15000	19.93046
12.70000	13.04080	15.95000	16.48949	19.20000	19.98458
12.75000	13.09351	16.00000	16.54291	19.25000	20.03872
12.80000	13.14623	16.05000	16.59634	19.30000	20.09286
12.85000	13.19896	16.10000	16.64978	19.35000	20.14702
12.87500	13.22533	16.12500	16.67650	19.37500	20.17411
12.90000	13.25170	16.15000	16.70323	19.40000	20.20119
12.95000	13.30445	16.20000	16.75669	19.45000	20.25537
13.00000	13.35721	16.25000	16.81016	19.50000	20.30956
13.05000	13.40998	16.30000	16.86365		
13.10000	13.46277	16.35000	16.91714		

(c) Compound Interest

If on any regular payment date, you do not make the payment due on that day, we add the overdue interest to the principal amount owing. Then we use this new principal amount to calculate the interest owing on your next regular mortgage payment date. This is called compound interest. The interest rate for compound interest is the same as the interest rate payable on your mortgage loan, both before and after the final payment date, maturity, Default and judgment, until the mortgage loan has been paid off in full.

Section 3.08 Prepayment of your Mortgage Loan

You may prepay some, or the entire mortgage loan early, based on the type of mortgage loan and the mortgage solution you have selected as shown in your Disclosure Statement. If you have more than one mortgage loan, these prepayment conditions apply independently to each mortgage loan. If we later agree to change or extend the terms of a mortgage loan, these conditions may not apply to the new or extended term.

(a) Open Mortgage Loans

If your mortgage loan term is open, and if you prepay your entire mortgage within the first year from the date when your mortgage was first entered into with us, you will be charged an administration fee in an amount set out in your Disclosure Statement for the mortgage loan. After the first year from the date when your mortgage was first entered into with us, if all your mortgage payments are up to date, you can prepay some or the entire principal amount owing, at any time without an administration fee or any prepayment charges. If you received a cashback with your mortgage, the cashback amount will be repayable as outlined under Section 3.08(e) of this Booklet.

(b) Closed Mortgage Loans

- (i) **Prepayment Options:** If your mortgage loan term is closed, you may increase your payments or prepay some of your mortgage early based on the mortgage solution you have selected (if applicable) in the ways listed in the “Prepayment Options” charts below. Not all of these options are available for every type of mortgage loan we offer and your option is shown in your Disclosure Statement. These options apply to partial prepayments only. The options are available each anniversary year and cannot be saved to use in a later year. Each anniversary year is defined as the 12-month period starting on the Term Start Date (or the start date of your renewal term as applicable) and then on the anniversary of that date in each subsequent year of your mortgage loan term. If your mortgage loan term is less than 12 months, these options are available during the term.

PREPAYMENT OPTIONS – Scotiabank Value Mortgage*		
How	When	What it means
1. By paying an additional amount up to 10% of the original principal amount ¹ of your mortgage loan	Once each anniversary year (excluding day prepaid in full)	Your principal mortgage loan balance will be reduced by that amount
2. By increasing your regular mortgage payment by up to 10% of the principal and interest payment originally set for the term of the mortgage loan	Once each anniversary year	

PREPAYMENT OPTIONS – Scotiabank Flexible Mortgage ³		
How	When	What it means
1. By paying an extra regular mortgage loan payment (principal, interest and taxes) ²	On any regular payment date during each anniversary year	Your principal mortgage loan balance will be reduced by that amount
2. By paying one or more additional amounts up to a total of 15% of the original principal amount ¹ of your mortgage loan ²	At any time during each anniversary year (excluding day prepaid in full)	
3. By increasing your regular mortgage payment by one or more additional amounts, up to a total of 15% of the principal and interest payment originally set for the term of the mortgage loan	At any time during each anniversary year	

PREPAYMENT OPTIONS – Scotiabank Rewards Mortgage³

How	When	What it means
1. By paying an extra regular mortgage loan payment (principal, interest and taxes) ²	On any regular payment date during each anniversary year	Your principal mortgage loan balance will be reduced by that amount
2. By paying one or more additional amounts up to a total of 20% of the original principal amount ¹ of your mortgage loan ²	At any time during each anniversary year (excluding day prepaid in full)	
3. By increasing your regular mortgage payment by one or more additional amounts, up to a total of 20% of the principal and interest payment originally set for the term of the mortgage	At any time during each anniversary year	

PREPAYMENT OPTIONS – Standard Mortgage³

How	When	What it means
1. By paying an extra regular mortgage loan payment (principal, interest and taxes) ²	On any regular payment date during each anniversary year	Your principal mortgage balance will be reduced by that amount
2. By paying one or more additional amounts up to a total of 15% of the original principal amount ¹ of your mortgage ²	At any time during each anniversary year (excluding day prepaid in full)	
3. By increasing your regular mortgage loan payment by up to 15% of the principal and interest payment originally set for the term of the mortgage	Once each anniversary year	

¹ This is the principal amount when your mortgage loan was first entered into with us or, where your mortgage loan has been assigned to us from another lender, the principal amount that was outstanding at the time of the assignment.

² Only items 1&2 qualify for the Miss-a-Payment[®] option

³ These options are not available during the Interest Only term of a Progress Draw Construction Mortgage.

* Option not available with *Scotia Total Equity Plan*.

(c) Prepayment Charges

When you prepay some, or the entire principal of your closed mortgage loan, you will incur a prepayment charge unless the partial prepayment is in accordance with the applicable prepayment chart in Section

3.08(b). How we calculate the prepayment charge will depend on the type of closed mortgage loan you have. If you received a cashback with your mortgage loan, the cashback amount will be repayable as outlined under Section 3.08(e).

(i) Prepayment charge for a closed fixed rate mortgage loan

If you have a closed term fixed rate mortgage loan, the prepayment charge to prepay some or the entire principal amount of your mortgage loan early will be calculated using the following process:

Step 1: We calculate the amounts that equal (A) and (B)

(A) 3 months' interest costs at the mortgage loan rate on the amount you want to pre-pay; and

(B) The interest rate differential. This means the difference between the amounts calculated in (1) and (2):

- (1) The present value of all interest you would have paid from the date of prepayment until the maturity date on the amount you want to prepay at your mortgage loan interest rate; minus
- (2) The present value of all interest that would be paid from the date of prepayment until the maturity date on the amount you want to prepay at the current interest rate (as defined below), less any rate discount you received on your existing mortgage loan.

The present value is calculated based on the remaining term to maturity in months (rounded up to the nearest month) and the number of monthly payments remaining in the term. When calculating the present value in connection with (2), we adjust the principal and interest payment amounts because they would have been different using the Current Interest Rate.

The "Current Interest Rate" is the posted interest rate offered by us at the time of prepayment for a new fixed rate closed term mortgage loan with a term that we offer that is closest to the remaining term of your existing mortgage loan. If the remaining term of your existing mortgage loan is exactly between two terms that we offer, the Current Interest Rate will be the interest rate for the longer of the two terms. The Current Interest Rate can be located at www.scotiabank.com. As noted above, the Current Interest Rate will be discounted by any rate discount you received on your existing mortgage loan.

Step 2: We determine which amount in Step 1 is higher

The prepayment charge to pay out some, or the entire principal amount of your mortgage loan early, is the higher of the amounts calculated for (A) and (B). If the term of your

closed fixed rate mortgage loan is greater than 5 years and you prepay some or the entire principal amount of your mortgage after the fifth year, the maximum prepayment charge will be the amount in (A) above.

The amount of the prepayment charge calculated as set out in this Section 3.08(c)(i) will change with changes to the remaining term of your mortgage, our posted interest rates and/or the amount you want to prepay.

If you selected a closed fixed rate mortgage loan with a *flexible prepayment feature*, you may early renew your mortgage into a fixed rate closed term of one year or longer without a prepayment charge.

(ii) Prepayment charge for a closed variable rate mortgage loan

(A) If you have a closed variable rate mortgage loan with a Cap Rate, the prepayment charge to prepay some or the entire principal amount of your mortgage loan early is 3 months' interest costs on the amount of the prepayment. The interest rate used to calculate the 3 months interest is your Cap Rate. You may early renew this mortgage loan with us to a fixed rate closed term mortgage loan for a term that is three years or longer without a prepayment charge. The amount of the prepayment charge calculated as set out in this Section 3.08(c)(ii)(A) will change with the amount you want to prepay.

(B) If you have a closed variable rate mortgage without a Cap Rate, the prepayment charge to prepay some or the entire principal amount of your mortgage loan early is 3 months' interest costs on the amount of the prepayment. The interest rate used to calculate the 3 months' interest is the interest rate being charged on the mortgage loan at the time of the prepayment. You may early renew this mortgage loan with us to a fixed rate closed term mortgage loan for a term that is greater than the remaining term on the mortgage loan without a prepayment charge. The amount of the prepayment charge calculated as set out in this Section 3.08(c)(ii)(B) will change with changes to our VRM Base Rate and/or the amount you want to prepay.

(iii) Prepayment charge for a Progress Draw Construction Mortgage

(A) If you have a Progress Draw Construction Mortgage, the prepayment charge to prepay some or the entire principal amount of your mortgage loan early is 3 months' interest cost on the amount of prepayment. The interest rate used to calculate the 3 months' interest is the interest rate being charged on the mortgage loan at the time of

the prepayment. The amount of the prepayment charge calculated as set out in this Section 3.08(c)(iii)(A) will change with changes to our VRM Base Rate and/or the amount you want to prepay.

(B) If your home construction is complete and your Progress Draw Construction Mortgage is fully advanced prior to the end of the 18 month term, you may early renew this mortgage into a fixed rate or variable rate closed mortgage loan with us for a term that is greater than the remaining term on the Progress Draw Construction Mortgage without incurring a prepayment charge.

(iv) Prepayment within the last three months of the term

If you have a closed term mortgage loan, the prepayment charge to prepay some or the entire principal amount of your mortgage loan within the last three months of the term will be interest at the interest rate applicable to your mortgage loan at the time of prepayment or your Cap Rate to maturity if your mortgage has a Cap Rate. You may prepay your mortgage loan within the last month of the term without a prepayment charge. The amount of the prepayment charge calculated as set out in this Section 3.08(c)(iv) will change with changes to the remaining term of your mortgage, the amount you want to prepay and/or the VRM Base Rate (if you have a variable rate closed term mortgage loan without a Cap Rate).

(d) Miss-a-Payment® Option

You may miss any scheduled payment on your mortgage loan as long as you have prepaid an amount equal to the amount of the payment you intend to miss in this term, and your mortgage loan is not in Default. You cannot miss your payment for Mortgage Life Protection, Critical Illness Protection, Disability Protection and/or Job Loss Protection premium(s), if applicable. This option does not apply to mortgage loans with the Scotiabank Value option, Progress Draw Construction Mortgages and/or if the Automatic Credit Limit Increase option (as set out in Section 6.05) under the Scotia Total Equity Plan has been selected.

(e) Cashback Repayments

If you received a cashback with your mortgage loan, the cashback amount will be repayable to us if the mortgage loan does not remain outstanding with us for the full term. If the mortgage loan is partially prepaid, paid off in full, transferred, assumed or renewed prior to expiry of the term, the cashback amount will appear as payable on any assumption, discharge or early renewal statement and will be calculated on an even, prorated basis using the formula set out in your Disclosure Statement.

(f) If you Move (Porting the Mortgage Loan)

If you sell your Real Property and purchase another property within 90 days of the sale of your original Real Property and you are not in Default, you can move your existing mortgage loan to your new property provided we agree in writing. This means you may transfer the principal amount outstanding at the time of sale and your interest rate terms for the remaining term of the mortgage loan to the new property.

This privilege may only be used for one new mortgage loan. This privilege may not be used for mortgage loans with the Scotiabank Value option, construction mortgages including any Progress Draw Construction Mortgages) or any non-personal residential mortgages. In addition, to be eligible to move the mortgage loan to your new property, you must:

- › meet our mortgage approval and mortgage transfer criteria, including any requirements of the mortgage default insurer, if applicable; and
- › pay any Fees and Expenses we incur.

You will still be required to pay all applicable prepayment charges, discharge fees and any cashback amount owing when you sell your Real Property. If we agree to let you move the mortgage loan, we will refund all or a portion of such charges and amounts once our mortgage is registered on your new property, with the exception of discharge fees. If the principal amount of the new mortgage loan is less than the principal amount outstanding when you sold your original Real Property, you are responsible for the applicable prepayment charges and any cashback amount owing on the difference between the two amounts.

If the mortgage loan has mortgage default insurance, ask us to see if the mortgage default insurance can be moved.

Section 3.09 Scotia Rewards Mortgage

If you have a Scotiabank Rewards Mortgage the following additional rewards apply:

(a) Free Property Appraisal:

If we require an appraisal to be completed on your Real Property in relation to the approval of a mortgage loan, the fee for the appraisal will be waived in full. This waiver applies to one appraisal only for the initial mortgage loan and would not apply to any appraisal required in relation to any refinancing of your mortgage loan, any credit limit increase under a *Scotia Total Equity Plan* or any similar request.

(b) Scene+™* Points:

Within 90 days of the closing date of your mortgage loan you will receive 1,000 bonus Scene+ points per \$10,000 of mortgage loan that is advanced on your closing date. These bonus rewards points will

be applied to one of your eligible Scotiabank Credit Card Accounts listed below.

If you do not have any of the eligible Scotiabank Credit Card Accounts listed below, you will be eligible for the bonus Scene+ points upon obtaining a new eligible Scotiabank Credit Card Account within 6 months of the closing date of your mortgage. Scene+ points will be applied to your new eligible Scotiabank Credit Card Account within 90 days of the date that you activate your credit card(s) for that account.

The following Scotiabank Credit Cards Accounts are eligible for these bonus Scene+ points:

- › Scotiabank Passport™ Visa Infinite* Card
- › Scotiabank Platinum American Express Card
- › Scotiabank Gold American Express Card
- › ScotiaGold Passport® Visa card
- › Scotiabank American Express Card

If you have more than one of the Scotiabank Credit Card Accounts listed above, the bonus Scene+ points will be applied to the account that appears first on the list.

For joint mortgage loan accounts, where there are one or more Scotiabank Credit Card Accounts in either borrower's name, the bonus Scene+ points will be rewarded to the account that appears first on the list that is owned by the primary borrower on the mortgage loan.

The bonus points will not be awarded if the Scotiabank Credit Card Account to which the bonus points will be applied is not in good standing at the time the points are to be awarded or if the account is no longer open. In order for the account to be in good standing, the account must not be delinquent or over limit and there must not be any breach of the Revolving Credit Agreement that applies to that account.

(c) Annual Cash Back Reward:

You will receive a 3% cash reward on the total interest paid on the mortgage loan annually for the term of this mortgage loan or until this mortgage loan is paid in full or transferred to a different mortgage program, whichever comes first. Cash rewards for each calendar year will be deposited directly to your bank account most recently used for mortgage loan payments by March 31st of the following year. If your bank account is closed, a bank draft will be mailed to you directly at the current address listed on file. For joint mortgage loan accounts, the bank draft will be payable to all borrowers. Payment will not be made for mortgage loans that are in Default at the time the cash reward payment is to be issued. If the mortgage loan is paid out, the cash reward payment will be pro-rated for the period of time that the mortgage loan was open during the previous calendar year.

Section 3.10 **Switching/Transferring Your Mortgage Loan to Scotiabank**

(a) Terms and Conditions

If you are switching/transferring your mortgage loan to us from another financial institution, the following terms and conditions will apply:

- (i) The Agreement will become part of the mortgage loan on the “Switch Date” noted as the “Date of Advance” in your Disclosure Statement. All terms of the mortgage loan, except those altered by the Agreement, will remain in effect. You agree to comply with all provisions of the mortgage loan as amended. You agree to pay the payments as outlined under your mortgage agreement with the other financial institution up to and including the Switch Date. The switch balance will be outlined in your Personal Credit Agreement and Disclosure Statement on the assumption that you have complied with all of your obligations to your existing financial institution and there were no changes in the rate of interest.
- (ii) You agree not to sell, mortgage or otherwise encumber the Real Property until we have registered the transfer or assignment of mortgage (in Quebec, the Deed of Subrogative Acquittance). Any amount paid by us to your existing financial institution will not discharge the mortgage from the Real Property nor reduce the principal amount that you owe.
- (iii) The principal and interest payment amount under the Agreement is based on the principal loan amount owing as provided to us by the existing financial institution, the remaining amortization of the mortgage, the applicable interest rate and your chosen payment frequency. You are responsible for verifying directly with your financial institution prior to your Switch Date any prepayment charges that apply in connection with the repayment of the mortgage loan (even if we have obtained a payout statement from your existing financial institution). You must pay any applicable prepayment charges in full.
- (iv) If on the Switch Date, the principal amount owing is different than that outlined in your Personal Credit Agreement and Disclosure Statement, we will mail you a notice, confirming the loan amount, principal & interest payment and total payment amount. We will send this notice to your address shown in our records within 10 business days of our payment to the existing financial institution.

- (v) We may terminate the Agreement if your existing financial institution is not able to provide us with a registerable transfer or assignment of mortgage (in Quebec, a Deed of Subrogative Acquittance), within 15 days of our payment to them.

(b) Early Payment on Sale or Mortgage

If you are switching your mortgage, and you subsequently sell, transfer, mortgage, charge, hypothecate, lease or encumber your Property without our prior written consent, we may immediately require you to pay all the money you owe under this mortgage loan. This provision does not apply to a sale, transfer, mortgage or charge to which we have given our prior written consent.

(c) Our Other Rights

The Agreement does not take away or lessen our rights against anyone who has guaranteed the mortgage loan or anyone else who is liable for the Debt owing or any other obligations under the mortgage loan. The Agreement does not take away or lessen our rights and priorities against anyone who may have an interest in your Real Property subsequent to the mortgage.

In addition to the provisions outlined in the mortgage documents, if you fail to make any payment when due or comply with any of your other obligations under the mortgage loan, or obligation under the Agreement or subsequent agreements, the Debt under the mortgage loan will become due and payable immediately. We may exercise any of the remedies provided for under the mortgage documents or provided for by law. We may apply the credit balance in your tax account to reduce the principal amount outstanding.

You agree to pay our expenses for preparing and signing any document required to discharge the mortgage in accordance with the Agreement.

Part 4 Scotia Plan® Loans

In this part we explain the specific terms and conditions that apply if you have a Personal Loan referred to as a “Scotia Plan Loan”.

Section 4.01 Payment Schedules

When we lend you money, we expect you to pay it back according to the payment schedule on your Disclosure Statement. When you enter into the Personal Credit Agreement, you are promising to repay the amount of money we loaned you plus interest.

Section 4.02 Interest is calculated

Interest is calculated on a daily basis by multiplying your daily balance by your daily interest rate. The sum of the daily interest amounts since the date of last payment is the interest payable during the period. This amount is subtracted from your next payment and the remaining portion is applied towards your principal. Therefore, you pay interest on a declining balance.

Your daily interest rate is calculated by dividing your annual rate by the number of days in the year (365 or 366 in a leap year). Interest is charged on a leap day in a leap year. Each regular payment you make pays the interest costs for the loan and repays part of the principal amount borrowed, subject to the payment amount being sufficient to pay the interest costs. Each payment will be applied first to interest then to principal. If your loan becomes delinquent and enters non-accrual status (payment is overdue for 90 days or more) we will first apply the payment to principal and then to interest.

If you fail to renew, or repay the balance of the total amount you have borrowed at the end of the term, you will pay interest on these amounts until they are renewed or they are paid. Any extensions or deferred payments will increase your cost of borrowing.

Section 4.03 For Fixed Rate Scotia Plan Loan

The interest rate payable by you on the loan amount is a fixed rate per year. Interest is accrued daily and charged as per the payment frequency.

Section 4.04 For Variable Rate Scotia Plan Loan

Variable interest rate is expressed as the Scotiabank prime rate plus or minus a rate variance. Your interest rate will change automatically on the day Scotiabank prime rate changes. Scotiabank prime rate is the prime lending rate published from time to time by the Bank. Interest is accrued daily and charged as per the payment frequency.

Section 4.05 Trigger Rate and Fixed Payment Amount Re-set (For variable interest rate loans)

As set out in your Disclosure Statement, your payment will not be reset automatically with each change to the Scotiabank prime rate but it will be reviewed for re-set in accordance with the “Trigger Rate and Fixed Payment Amount Re-Set” provisions of the Disclosure Statement, which are set out below.

(i) Trigger Rate

It is possible that interest rate increases in-between each payment amount re-set could cause your payment amount to no longer cover the interest that would accrue between payments. Prior to the first payment amount re-set, the lowest annual interest rate, based on the original principal amount, at which the payments would not cover the interest that would accrue between payments is the “Trigger Rate”. On the date any increase in the Scotiabank Prime Rate results in your interest rate being equal or greater than the Trigger Rate, your payment amount will be re-set immediately and effective the next scheduled payment date. If your payment is due on the date of a Scotiabank Prime Rate change, any unpaid interest that accrued before re-set will be deducted from your next regular payment.

(ii) Fixed Payment Amount Re-Set

- (A) Although the interest rate will vary automatically on the day the Scotiabank prime rate changes, your payment amount will be fixed until it is re-set as set out below.
- (B) 31 days prior to each anniversary date of the beginning of your term, your payment amount will be reviewed by us for re-set and the payment amount will be recalculated if we determine that an adjustment is required based on the criteria set out in paragraph (C) below. Any payment change would be effective as of the next payment date after the anniversary date. On the date any increase in the Scotiabank prime rate results in your interest rate being equal or greater than the Trigger Rate, your payment amount will be re-set, effective the next payment date and each further review by us for re-set during the term will occur 31 days prior to each subsequent anniversary date from this re-set date. Any payment change would be effective as of the next payment date after the anniversary date.
- (C) Payment amounts are re-set based on the remaining original amortization of the account, (as may be adjusted from time to time in the event of any prepayments or

extended payment terms), the current interest rate and any interest rate fluctuations since the payment amount was last set. Payment amounts are re-set based on an assumption that all payments between the review date and the anniversary date will be paid when due. The payment amount may increase, if required, but will not decrease. It is possible that after a review of the payment amount, we will determine that no re-set of the payment amount is required. If the net change is less than or equal to the tolerance, which is calculated as the greater of \$10 or 1% of the payment amount at the time of the calculation, the payment amount will not change.

- (D) Payment amounts will not be re-set if, on the date of review, the remaining amortization is less than 4 months, the loan is delinquent 90 days or more, and/or a letter notifying renewal has been issued. In the case of a delinquent loan, the payment amount will be reviewed by us for re-set at the end of the day on which all outstanding payments have been made. Any payment change would be effective on a regular scheduled payment date that is at least 28 days plus one payment cycle after the next scheduled payment date.

We will issue a notice in writing each time your payment amount changes. We will also issue a notice in writing where the payment amount does not change after a review. Our failure to issue a notice or its non-receipt will not prevent the rate or payment amount from varying.

Section 4.06 **Prepaying a Scotia Plan Loan Before the Maturity Date**

You may pay off your loan before the due date set out on your Personal Credit Agreement. For loans that are secured by Real Property, in addition to any amount you prepay, you will also pay us a prepayment charge equal to 90 days' interest. The interest is calculated on the full amount of the prepayment at the interest rate on your Personal Credit Agreement. For open term loans, you can make additional payments or pay the entire amount of the loan before the end of the term without any prepayment charge. If your loan is secured by Property other than Real Property, when our interest in your Property ends, you may be charged a discharge service fee (in addition to any government PSSA discharge fee charged at that time). You may obtain current information about Scotiabank service fees by contacting your branch.

Section 4.07 **Scotia Plan Loans for RSP**

When we grant you the loan, the proceeds are deposited to your registered retirement savings plan (RSP). You agree that any amount you request to have redeemed and paid out to you from your RSP may, at our discretion, be applied first against the outstanding balance of the loan. You authorize the trustee or the holder of your RSP to obtain the outstanding balance of your RSP loan from your Scotiabank branch and direct sufficient funds to pay out the loan to the branch where your RSP is held. You further acknowledge that, if you request that your Scotiabank Group RSP be transferred to another carrier, we may declare all amounts owing under the RSP loan to be due and immediately payable. You authorize the trustee and any party administering your RSP to disclose the information in relation to your RSP to the Bank.

These provisions apply to any Scotiabank registered retirement income fund (RIF) that the RSP funds are transferred to.

Part 5 Revolving Credit Agreement

Effective August 1, 2023

This agreement governs our credit card¹ accounts and our personal lines of credit accounts (including *ScotiaLine* access cards). These accounts (including any Card associated with them) are referred to as a “credit account”.

This agreement also applies to the above credit accounts if they are part of our secured financing program (“*Scotia Total Equity*® Plan” or “STEP”), Scotia Professional Plan or Scotia Professional Student Plan or other plans or programs we offer. For reference, a list of the credit accounts to which this Revolving Credit Agreement applies is available at www.scotiabank.com/revolvingcreditagreement or you can contact us.

Please read this Revolving Credit Agreement and the Disclosure Statement(s) that we provide you for your credit account (including those received with your Card) and all other agreements we provide you that apply to your credit account, and keep a copy of them for your records. A current copy of this Revolving Credit Agreement is also available at www.scotiabank.com/revolvingcreditagreement.

The Scotiabank Privacy Agreement forms part of this Agreement. Please visit www.Scotiabank.com/privacy or any Scotiabank branch for a paper copy.

If we open a credit account, issue a credit card or a *ScotiaLine* access card (each a “Card”) for your credit account, provide a renewal or replacement Card or provide *Scotia*® Credit Card Cheques or line of credit cheques (each a “Cheque”) and you keep, sign, activate, or use the Card or Cheque or you keep the credit account open (including if you keep a balance on your credit account), it means that you consent to our opening of the credit account and agree to be bound by the terms of this agreement, as amended from time to time, including the additional terms and conditions referred to under the heading “Other documents/terms and conditions” and all other agreements that we provide to you that apply to your credit account.

DEFINITIONS – What some key terms mean:

“**Adjustment Factor**” means the percentage amount set by us that is applied (plus or minus) to our Scotiabank prime rate (sometimes referred to as our “**prime rate**” or “**Scotiabank prime**”) to determine your variable annual interest rate. Our “**Scotiabank prime rate**” is the prime lending rate published by Scotiabank from time to time.

You can find out what our Scotiabank prime rate is on any given day by contacting us or visiting our website.

“**Agreement**” means, the application, this Revolving Credit Agreement, the Disclosure Statement(s) and any notices or other documents or agreements that we provide to you related to your credit account. These all form your Agreement with us for the credit account.

“**Advance**” means a transaction on your line of credit account where you draw on, access money from, or charge your line of credit account, including by obtaining cash using an ABM or Cheque, using your *ScotiaLine* access card at a merchant or when you make a payment from your line of credit account. It also includes the amount of any interest, fee or other charges that are charged to your line of credit account.

“**Available Credit**” means the difference between the credit limit for your credit account and the outstanding amount owing on your credit account. The Available Credit on your statement is calculated at the time your statement is issued (on the last day of the statement period shown on that Statement) and may not yet include all Advances or other Transactions on your credit account including credits, payments, fees, charges, interest or other Transactions that have not yet been posted to your credit account.

“**Balance Transfer**” means a transaction where funds (money) from your credit card account are transferred, at your request, to pay a balance on any other account that we permit including another credit card or line of credit account. A Balance Transfer is treated as a Cash Advance on your credit card account. A Balance Transfer cannot be used to pay another Scotiabank credit account.

“**Borrower**” means the person(s) in whose name we open a credit account and who is liable for the Debt on the credit account (such as borrower, co-borrower or if applicable, includes a co-signor who is a co-borrower). The term “**Borrower**” when used in this Revolving Credit Agreement does not include a guarantor. “**Primary Borrower**” is the first person listed on any statement/agreement and “**Co-Borrower**” refers to the second person listed.

“**Cash Advance**” means, in the case of a credit card account, a transaction where money (funds) is advanced or withdrawn from your credit card account and includes:

- › when you use your Card or credit card account to access money at an ABM, a branch, by telephone, online or through a mobile device,
- › a Balance Transfer,
- › a Scotia Credit Card Cheque,
- › a Cash-Like Transaction, or
- › using a telephone or online banking to pay bills or transfer funds from your credit account.

“Cash-Like Transaction” means a transaction that is similar to cash or convertible into cash (monetary transactions) and includes wire transfers, foreign currency, traveler’s cheques, money orders, remote stored value and gaming transactions (including off-track betting, race track wagers, gaming chips and some lottery tickets). Scotiabank American Express credit card accounts are not presently accepted for the purchase of lottery tickets or gaming chips. A Cash-Like Transaction is treated as a Cash Advance.

“Credit Limit” means the maximum amount you can borrow under a credit account as disclosed on your Disclosure Statement (including your statements) and which may be increased or decreased as permitted by us and by applicable law.

“Debt” (or “debt”) means the entire amount that is owed to us from time to time in connection with your credit account, including any applicable security agreement associated with the credit account and the amount owed on all Transactions.

“Default” means that you did not comply with any agreement that applies to your credit account (including this Revolving Credit Agreement) and/or if applicable, a security agreement; or any event occurs as described under the section “Requiring you to Pay your total Debt” or that is deemed a default under the Agreement.

“Disclosure Statement” means the information we provide you in your initial disclosure statement(s) (including the information box) and any periodic disclosure statement(s) (such as the monthly statement for your credit account (the **“statement”**)), as such disclosure statement(s) may be amended or replaced. We will provide you with an application disclosure statement for your credit card account as part of your application. A Disclosure Statement contains important information about a credit account, including the rates and fees that apply to that credit account.

“Grace Period” means the period between the statement date and the Payment Due Date that appears on a statement.

“Inactive” means that there has not been a Transaction including an Advance on a credit account for a period of 12 months or more, including a payment.

“Minimum Payment” or **“Minimum Payment Due”** (also referred to on the statement as the **“Total Minimum Payment”**) means the total minimum amount that you owe us each month, as disclosed on the statement, that is calculated as described on your Disclosure Statement. If you have a personal credit card account, the Minimum Payment will depend on the province or territory in which the Primary Borrower resides based on our records.

“Overlimit Amount” means the amount owing on a credit account that exceeds the Credit Limit. Your credit account is considered **“Overlimit”** on the day there is an Overlimit Amount on your credit account.

“Payment Due Date” means the date on the statement when the Minimum Payment is due and must be received by us.

“Purchase” means a transaction made on your credit card account where we advance money for an amount equal to the price of goods or services charged to your credit account.

“Recurring Bill Payment” means a pre-authorized payment made on a monthly or regular basis that is automatically charged to your credit account that you establish directly with a merchant to make a payment to that merchant from your credit account.

“Statement Period” (or sometimes referred to as the **“billing period”**) means the period of time covered by a statement between the first day and the last day of that period. The Statement Period appears on the statement.

“Transaction” means any transaction on a credit account, and includes an Advance, a Purchase or a Cash Advance or any fees, interest or other charges or expenses charged to the credit account.

“Scotiabank”, “we”, “our”, “us” or “the Bank” means The Bank of Nova Scotia and any of its affiliates.

“you” and “your” refer to the Borrower (Primary or any Co-Borrower) and unless we indicate otherwise, also includes guarantors and any supplementary cardholder.

YOUR RIGHTS AND OBLIGATIONS

Using the credit account

You understand that the Primary Borrower and any Co-Borrower are liable for all charges incurred on your credit account with any Card including a supplementary credit card or line of credit card (also referred to as an authorized user card) issued in connection with your credit account.

When either a Primary Borrower or a Co-Borrower requests Scotiabank to issue a Card (including a supplementary credit card or line of credit card), we will also issue renewal and replacements for that Card, unless one of you or Scotiabank cancels the Card. You understand and agree that a supplementary cardholder’s signature on or use of the Card issued in his or her name shall evidence your receipt of the agreements relating to the credit account and your acceptance of their terms.

For any of our business credit card accounts: You agree that the credit account will only be used for business purposes.

For any of our personal credit card or line of credit accounts: You agree that the credit account will only be used for personal, household or family purposes.

For all credit accounts: You may not use your credit account for any Transaction that is illegal, including for Purchases prohibited by local law in the Cardholder's jurisdiction.

It is your responsibility to make sure your credit account is used only for permissible purposes but you as the Borrower are still liable to pay any debt even if the credit account is not used for permissible purposes.

We are not liable if your Card or Cheque is not accepted by a merchant or a business.

You may draw on your credit account through any other method that we permit, including through a contactless card or mobile device with participating merchants, or to make purchases online or using your *ScotiaCard* banking card together with a PIN through designated ABMs.

Limiting Use or Access to your credit account

We have the right, at any time, to block, suspend, terminate, freeze or otherwise deny access to or use of the credit account or any benefits or privileges to the credit account, all without any reason and without telling you in advance, whether or not we have terminated the Agreement or demanded on the Debt.

This includes your request for an Advance or other Transaction including through a telephone, online, mobile or digital access service, ABM, a Card (including a Cheque) or by a contactless payment method or any other means.

We may do any of the above, even if you are not in Default or we have never done so in the past, including if:

- (i) we suspect fraud by you or on your credit account, we believe that you did or may commit fraud or we have reason to believe that you are a victim of fraud or identity theft, to prevent future losses;
- (ii) we suspect you may, or you did, use your credit account for any unlawful or fraudulent purpose, or you may cause a loss to us including by not paying your debt;
- (iii) we are required by law, including if related to online gambling or countries that are subject to sanctions;
- (iv) you violate the terms of any agreement related to this credit account or any related service, benefit or feature including the Other Programs;

- (v) you are using your credit account in a manner unsatisfactory to us or not following the terms of your Agreement or any of our policies and requirements;
- (vi) we choose to because your credit account is Inactive; or
- (vii) we choose to for any other reason.

We are not responsible if you are unable to access or use the credit account (including a Card) for any reason, including at a merchant or online.

We may, without prior notice to you and for any reason, set a limit (even to zero) on the amount you can access from a credit account including a Cash Advance limit.

Other documents/terms and conditions

You agree to be bound by the terms and conditions of any rewards program, points program, membership program, cash back program and any other benefits, discounts or other programs related to your credit account (the "**Other Programs**"). These terms and conditions are provided to you separately from this agreement. Scotiabank reserves the right to introduce, modify, terminate or extend any such programs or benefits or discounts, or the terms and conditions of the operation of same, at any time, unless notice is required by applicable law. Other Programs may be owned and operated by third parties. Scotiabank is not responsible for these Other Programs or the terms and conditions that apply to them.

You also agree to the terms and conditions related to accessing the credit account through a mobile device, that we will provide to you separately at the time that you download the app for a mobile device. These terms and conditions are subject to change.

Special Promotional Offers

We may make special promotional (or introductory) low rate offers to you or we may make other special financing offers available to you. For example, we may offer a promotional low interest rate (such as a rate that is lower than your preferred interest rates) for cash advances, balance transfers, or *Scotia* Credit Card Cheques or offer special financing plans. If we do make you a promotional or special financing offer, we will explain the special terms that apply to it at the time of the offer. If you accept the offer, you agree to the terms of the offer, plus the Agreement. When the offer ends or expires, the offer terms will also end but the Agreement will continue to apply. If you are participating in an offer and you do not make your Minimum Payment by the Payment Due Date, that offer will end immediately and your standard (not preferred) interest rates will apply (as described in your Disclosure Statement under "Annual Interest Rate or Rates" and below in this agreement under the heading "Interest").

This “Special Promotional Offers” section does not apply to installment plans (if your credit account is eligible for those plans). We have separate terms in this agreement that apply to those plans.

Repaying the amounts you owe

When you use the credit account through the means we permit, or authorize others to use it, you incur a Debt. We will add interest, charges or other fees (including annual fees) that we can charge you to your Debt. You agree to repay any Debt owed to us.

Adding to your Debt

If we have to take collection proceedings under this agreement, you agree that you will pay us our Legal Costs for any action to collect the amounts due and any other costs which we reasonably incur in order to protect or realize security which you have pledged. If you default and we require the services of a third party to enforce this agreement, retrieve from you property we have accepted as security, or your Card or Cheques, we may add Legal Costs to your Debt and any other costs which we reasonably incur related to retrieval and/or enforcement. Legal Costs means solicitor and own clients fees on a full indemnity basis for our solicitor/notary, as well as disbursements and taxes on a full indemnity basis.

Making a Minimum Payment and your Residency

You agree to make at least the Minimum Payment each month and we must receive that Minimum Payment by the Payment Due Date. You can pay your Debt in full or pay more than your Minimum Payment at any time without any charge or penalty for doing so.

Your Minimum Payment and the Payment Due Date appear on your statement. We may require a different Minimum Payment and we will give prior notice if we do. A different Minimum Payment may apply for a personal credit card account based on the Borrower’s province or territory of residency in our records. If the Minimum Payment changes due to a residency change, that different Minimum Payment will apply after you notify us of that change. You must advise us of a change to your residency as described in the section “Changing Your Address; Other Information or Residency”. Review your Disclosure Statement and Statement for more details about the Minimum Payment. You can make payments by mail, online, mobile banking, by telephone, through an ABM or another financial institution, or any other way acceptable to us. Payments are not processed to the credit account until we receive them. Depending on the method used, payments may take several days to reach us. Payments do not adjust your Available Credit until we receive and process them to your credit account. You are responsible to make sure your Minimum Payment is received by us on time so that we have sufficient time to process it to your credit account by the Payment Due Date.

Any overdue or Overlimit Amount will be added to your Minimum Payment and must be paid as soon as you receive your Statement.

Payments must be in Canadian dollars unless you have a U.S. Dollar credit account in which case payments must be made in U.S. Dollars.

You agree that you will not make payments on your credit account using funds borrowed from Scotiabank or drawn on any other credit account. If a cheque or other payment does not clear for any reason, we will reverse the amount of the payment, back date it to the transaction date and we can charge you any fees that apply as described in the Disclosure Statement.

If you want repayment from any other Borrower, a supplementary cardholder or any other person for any or all of the Debt paid or owing on your credit account, it is your responsibility – not ours – to make those arrangements directly.

Making payments when mail or other service is disrupted

You must continue to make payments and ensure we receive your Minimum Payment on or before the Payment Due Date even when normal mail service is disrupted or there is any delay in receiving the statement, including through our online banking services. If appropriate, we will tell you where to pick up the statement, including through notices at our branches, online, radio, telephone or newspapers. Your statement is considered delivered to you on the day it is available for you to pick up or we provide it to you electronically to access, whether or not you do so.

Requesting Credit Services

You have requested the features, benefits and services provided automatically with the credit account. You understand that optional services may be available at additional cost to you and that these services may be governed by separate agreements or authorizations by which you agree to be bound. You also understand that some of these services are supplied by firms independent of us and that we are not liable for them in any way.

Tell us about loss, theft or unauthorized use

It is your responsibility to protect the Card, the credit account (including the account number), PIN and Password against theft, loss or unauthorized use. You must tell us immediately by telephone, in writing or any other means we permit about any actual or suspected loss, theft or unauthorized use of a Card, credit account, PIN or Password. You agree that we may consider all Transactions and other use as authorized by you until you tell us otherwise.

If you report any loss, theft or unauthorized use of a Card, credit account, PIN or Password, you are not responsible for that use if, after we have investigated the matter, we determine that:

- › you or any Cardholder did not receive any benefit from the use;
- › you and/or any Cardholder has not demonstrated gross negligence (or, if you are a Quebec resident, gross fault) in fulfilling your obligations in safeguarding your Card, credit account, PIN or Password (including any personal authentication information), including those under the section “Keeping your Personal Identification Number (PIN) and Password Confidential” in this agreement; and
- › you cooperated fully with us in our investigation.

If you meet the above criteria, we will consider the use “unauthorized use” and you are not liable for any transactions (including interest) that occurred as a result of that unauthorized use.

When you tell us that a Card, PIN or Password was lost or stolen, we will block the credit account to prevent unauthorized use. As such, you will not be liable for any transactions made on the credit account that occur **after you tell us** that a Card, PIN or Password was lost or stolen because we will consider that unauthorized use.

Remember a “**Password**” means any personal or security code, password, passcode, access code or other credentials and personal authentication information created or selected by you that is used in relation to the Card or the credit account including to access or use the Card or the credit account (including online) and your PIN (associated with the Card) that is also selected by you to access or use the Card or the credit account such as at a point of sale when making a purchase with a merchant.

Keeping your Personal Identification Number (PIN) and Password Confidential

You agree to keep your PIN and Password confidential and secure. You agree to keep your PIN and Password separate from your Card (including the account number for your Card) at all times. No one but you is permitted to know or use your PIN or Password. You must not voluntarily disclose your PIN or Password to any person. You must tell us within a reasonable time if you suspect that someone else may know your PIN or Password or is using your PIN or Password in a way that you did not agree to.

If you do not keep your PIN or Password confidential and secure, or if you select a PIN or Password that in our view can be easily guessed (such as using your name, same or similar to an obvious number combination or sequence such as “1234”, your date of birth, bank account numbers or telephone number) or if you keep or use your Card or credit account (including account number) and PIN or Password in a way that would enable someone else to use them together, you are responsible for their unauthorized use as described under the section “Tell us about loss, theft or unauthorized use” in this agreement.

You may use your Card or credit account through a “contactless” transaction, which means a merchant may allow you to use your Card without a PIN or we may allow you to use the number on your Card or your account number through a mobile device. If so, your obligation to us is the same as if the Card was used together with a PIN including to protect your Card and credit account as described under the section “Tell us about loss, theft or unauthorized use” in this agreement.

Changing Your Address; Other Information or Residency

You will tell us in writing, by telephone or by any other means we permit, if you change your address (including your email address), your province or territory of residency, your home, cellular or business telephone number (as applicable) or any other information you previously provided (including information about your financial situation). You will also give us any other information that we require to keep our records up to date.

Your Minimum Payment may change if your residency changes. See the section “Making a Minimum Payment and your Residency” in this Revolving Credit Agreement for more details.

If you do not tell us about a change to your address (including province or territory of residency) or other information, we will use the last address we have on record for you (including email) or other information and you may not receive information from us including statements or other Disclosure Statements. If we are unable to deliver any communications to you or are returned to us, we may stop sending you communications until you provide us with your updated contact information.

Telling us about errors in your statement

If your statement contains any errors, you will tell us in writing, or by any other means we permit, within 15 days of the date of the statement. After that time, the statement will be considered to be correct unless you can provide us with written proof that it is not.

Settling disputes

If a dispute arises about a Transaction which you authorized, you must settle it directly with the merchant or business concerned. In addition, you may contact us through any of the methods we offer, to discuss the Transaction in question. While we are not required to do so, we may be able to provide assistance if you are not able to resolve the dispute about the Transaction directly with the merchant or business involved.

Pre-Authorized Payments

You are responsible for providing a merchant with whom you have set up a pre-authorized payment with correct and up-to-date information. This includes a change in account number or expiry date. We will not be liable for any pre-authorized transactions that cannot

be posted to your account and you are still liable to the merchant for making payment. It is your responsibility to contact a merchant when you wish to cancel a pre-authorized transaction. You should check your statements to ensure that cancelled Transactions have been discontinued. Please contact us if they are not. If you establish a Recurring Bill Payment or any pre-authorized payment with a merchant and your Card, account number or Card expiry date changes, you agree that we may, but we are not required to, provide that merchant with your new account number or Card expiry date using the updating service provided to us through the payment network associated with your Card.

Not all payments you establish directly with a merchant are treated as a Recurring Bill Payment. Some are treated as Purchases and some as Cash Advances. You can also contact us for more information or to find out if your Transaction is a Recurring Bill Payment.

Cancelling this Agreement

You can cancel this agreement by telling us in writing that you want to do so at any time. We can cancel this Agreement without a reason by giving you 30 days' written notice. We can also cancel this Agreement without written notice or any notice whatsoever if you are not handling your credit account in accordance with this Agreement or our requirements. In addition, we can also cancel your Card or Cheques and require you to return them to us, or to someone acting on our behalf, when we ask for them. The Card and Cheques are our property. If either of us cancels this Agreement, you still have to pay your Debt and any other amounts you owe us in full immediately.

Observing your Card or Cheque after the expiry date

You agree not to use a Card or Cheque after their expiry date. If they are used, you agree to pay any debts that are incurred.

Credit limit

We will set a Credit Limit for your credit account. The credit limit is indicated in a separate document and on your statement. We can reduce your Credit Limit or allow you to exceed your credit limit without telling you in advance. We may refuse to honour any use of the credit account which would cause you to exceed your Credit Limit. However, we are not obligated to do this.

We can, without giving you prior notice, reduce (decrease) your Credit Limit, including to zero, for any reason, even if you are not in Default.

If we are required by applicable law to obtain your express consent to increase your Credit Limit, such as for a personal credit card or personal line of credit account, we will obtain that express consent before we increase your Credit Limit.

If we allow you to exceed the Credit Limit, you are still liable to pay what you owe on the statement, including the Overlimit Amount and any applicable interest. We may also charge any fees for an Overlimit Amount (an **"Overlimit fee"**) as described on your Disclosure Statement unless we are not permitted to charge that fee by applicable law. The Agreement continues to apply to the overdue amount or Overlimit Amount.

Being jointly and severally liable

Each Borrower who is bound by this agreement is jointly and severally liable (solidarily liable in Quebec) for performing all of the obligations under the Agreement including paying the Debt. In addition, the Agreement will be binding on your personal and legal representatives.

Each Borrower and any other Cardholder may use or access the credit account (including a credit balance) for any reason without the permission, consent of, or notice to any Borrower or to any other Cardholder. Each Borrower remains jointly and severally liable (solidarily liable in Quebec) whether or not they are the person that uses or accesses the credit account. If there is a dispute between a Primary Borrower and Co-Borrower, or with any Cardholder, we may accept payments on the credit account but we may limit or restrict further access to the credit account and refuse to permit any Advances or other Transactions on the credit account. We may also require joint instructions or a court order.

OUR RIGHTS AND OBLIGATIONS

Charging interest on Purchases with your credit card

For credit card accounts, we will not charge interest on any new Purchases or on new fees or charges that are "interest-bearing fees/service charges" (annual fees, dishonoured payment fees, dishonoured *Scotia* Credit Card Cheque fees, Overlimit fees and replacement fees), if we receive payment of the entire balance on your statement by the Payment Due Date on the statement on which those new Purchases and interest-bearing fees/service charges first appear. **This is referred to as an "Interest-Free Grace Period".**

If we do not receive payment of your entire balance in full, we will charge interest on all Purchases and interest-bearing fees/service charges from their transaction date to the date we receive payment in full. Note that purchases made with your *ScotiaLine* access card are treated as line of credit Advances. The annual interest rate that applies to Purchases is charged on Purchases and on any interest-bearing fees/ service charges.

Charging interest on Cash Advances with your credit card and Advances with your line of credit (including ScotiaLine access card Advances)

Interest is payable on Cash Advances on a credit card (including Balance Transfers, Scotia Credit Card Cheques and Cash-Like Transactions) and on Advances on a line of credit (including using a Cheque or ScotiaLine access card), from the transaction date on the statement until the date we receive your payment in full. **There is no Interest-Free Grace Period for Cash Advances or Advances (including on any fees that apply to them).**

The annual interest rate that applies to Cash Advances and Advances on a line of credit is charged on these items (including on any fees that apply to them).

Interest

For both credit cards and lines of credit, we will tell you the applicable interest rates. We may change these interest rates from time to time at our discretion as permitted by applicable law and the Agreement, even if you repay your credit account as required by the Agreement and are not in Default.

If your credit account has standard and preferred rates, to qualify for the preferred interest rate, you must repay your credit account in accordance with its terms; otherwise, the standard interest rates will apply. You will pay the higher standard interest rates until such time as you have paid the Minimum Payment by the Payment Due Date continuously for the period set out in your Disclosure Statement.

Interest for a variable rate credit account is composed of two factors. The first is our prime rate which is announced by us from time to time. In addition to our prime rate, we will also set an Adjustment Factor. We will change our prime rate from time to time and will post a notice of this in our branches. We may also change your Adjustment Factor at our discretion but we will give you prior written notice of any change in the Adjustment factor, stating the effective date of the change.

Note for credit accounts secured by real property: if you increase your credit limit, we may agree to lower your Adjustment Factor; if you decrease your credit limit, we may increase your Adjustment Factor, but we will give you prior written notice.

If your credit account has a variable annual interest rate, we will advise you what that Adjustment Factor is on the Disclosure Statement for your credit account or you can contact us to find out what it is at any time.

If your interest rate(s) is a variable rate (i.e. our Scotiabank prime rate plus or minus an Adjustment Factor), the variable interest rate(s) that we apply to your credit account will always be no less than zero (0.00%) even if the components that make up your variable interest rate(s)

when added together (i.e. our Scotiabank prime rate plus/minus your Adjustment Factor) equal less than zero (0.00%) and despite anything to the contrary in any agreement or other document related to your credit account.

Additional Terms and Conditions for a Scotia Professional Student Plan (“SPSP”), ScotiaLine Personal Line of Credit for Students and Scotia Investment Management line of credit account: For this type of credit account, in addition to this Revolving Credit Agreement, additional terms and conditions apply about your payments (including Minimum Payments), Grace Period and how we charge interest. We provide those additional terms and conditions to you in your application, the Disclosure Statement or other agreements we provide you. Please review them carefully.

Adding interest to your Debt

We calculate interest on your debt daily but we only add it to your debt once a month on each statement. We calculate the amount of daily interest by adding any new Transactions and subtracting any payments and then multiplying the unpaid balance of the debt on which interest is payable by the annual interest rate then dividing by 365 or 366 in a leap year. Interest is charged on a leap day in a leap year.

Interest is charged at the rate applicable under the Agreement both before and after the final payment date, maturity, default and judgment, until the credit account has been paid off in full. Any unpaid interest from a statement is included in the balance on your next statement (as part of the New Balance that appears on that next statement). **However, we do not charge interest on interest.**

Telling you about interest rates, charges, fees and our annual fee

We will send you a notice that will tell you about interest rates, charges and **other fees**, and if applicable, our annual fee. All rates, charges and other fees will be charged to your credit account. The annual fee will appear on your first monthly statement and annually thereafter and is not refundable. If we change any of these rates, charges or fees or other amounts, or introduce new fees, we will give you prior notice as required by law and as described under the section “Changing the Agreement”.

Applying your payments

When we receive a payment, we will apply it in the order described below.

When we refer to “billed” it means it appears on a statement and “unbilled” means it has been charged to the credit account but does not yet appear on a statement. When we refer to applying payments to Purchases, Cash Advances or Advances it also includes the fees that apply to them (unless we tell you otherwise in a special promotional offer). We cannot apply payments to balances of your choice.

We apply the **Minimum Payment** in the following order, as applicable:

- › first, to interest charges that we have billed;
- › second to any low rate billed Cash Advances, Advances or Purchases in the order in which the low rate offers were activated;
- › third, to any regular rate billed Cash Advances or Advances;
- › fourth, to any regular rate billed Purchases on which interest is payable;
- › fifth, to any regular rate billed Purchases on which interest is not yet payable;
- › sixth, to any low rate unbilled Cash Advances, Advances or Purchases in the order in which the low rate offers were activated;
- › seventh, to any regular rate unbilled Cash Advances or Advances; and
- › eighth, to any regular rate unbilled Purchases.

When your Minimum Payment is applied, your Minimum Payment may not cover all charges that are included in the calculation of the Minimum Payment.

For line of credit accounts, Advances include **any** use of your *ScotiaLine* access card.

After the Minimum Payment has been applied as described above, we will apply any amount of a payment that we receive **in excess of the Minimum Payment** on a pro-rata basis among each group below to the remaining balance on your credit account as follows:

- › **first**, we divide your remaining balance into different segments with all items that have the same annual interest rate(s) placed in the same segment. For example, all items at your preferred annual interest rate for Purchases are placed in one segment, all Cash Advances at the same annual interest rate are placed in a second segment, and all low rate promotional balances are placed in a third segment; and
- › **second**, we then apply your excess payment to the various segments above in the proportion that each segment represents of the remaining balance. For example, if Purchases at the same annual interest rate represent 70% of your remaining balance, Cash Advances at the same annual interest rate represent 20% of your remaining balance and low rate promotional balances represent 10% of your remaining balance, then 70% of the amount of your excess payment is applied to those Purchases, 20% to those Cash Advances and 10% to those low rate balances.

If we have received a payment in excess of the remaining billed balance, the excess amount is applied to unbilled Transactions using the same pro-rata basis described above for payments in excess of the Minimum Payment.

If you have a credit balance on your Credit Account, we will apply it to any future items that are unbilled, unless you ask us to return the credit balance to you. Note, we do not pay interest on credit balances.

In all cases, if your credit account is included in a STEP we may allocate payments and any money we obtain by enforcing our rights, as set out in the terms and conditions of the STEP.

Applying credit vouchers

For credit cards and *ScotiaLine* access cards, if a business issues a credit voucher, we will reduce your debt by the amount of the voucher when we receive it.

Dealing with transactions in a foreign currency

For Scotiabank® U.S. Dollar Visa* cards, we will bill you in U.S. Dollars for debts in a currency other than U.S. Dollars; debit and credit vouchers issued or payments made in a currency other than U.S. Dollars will be converted and posted to your credit account in U.S. Dollars. Transactions in a currency other than U.S. Dollars are charged or credited to your credit account in U.S. Dollars.

For other Visa credit cards and ScotiaLine access cards, we will bill you in Canadian dollars for debts incurred in a foreign currency; debit and credit vouchers issued or payments made in a foreign currency will be converted and posted to your account in Canadian currency. Transactions in a foreign currency are charged or credited to your credit account in Canadian dollars.

The exchange rate is determined by Visa Inc. on our behalf on the date that the Transaction is settled with Visa Inc. This exchange rate may be different from the rate in effect on the transaction date. When the Transaction is posted to your credit account, in addition to the exchange rate, you may be charged a foreign currency conversion mark-up for each Transaction. The mark-up is disclosed in your Disclosure Statement and applies to both debit and credit transactions.

For credit card account payments and Scotia Credit Card Cheques, the exchange rate will be the posted rate charged to customers at any branch of The Bank of Nova Scotia on the date the Transaction occurs. For any reversal of these Transactions, the exchange rate will be determined in the same manner as of the date that the Transaction is reversed.

For line of credit accounts with ScotiaLine access card, the exchange rate for both account payments and cheques drawn on the account will be the posted rate charged to customers at any branch of The Bank of Nova Scotia on the date the Transaction occurs. For any reversal of these Transactions, the exchange rate will be determined in the same manner as of the date that the Transaction is reversed.

For all other line of credit accounts, foreign currency Transactions are not permitted.

For Scotiabank American Express Cards, for transactions in a foreign currency other than U.S. Dollars, the amount is converted to U.S. Dollars and then to Canadian dollars.

For a Transaction with your Scotiabank American Express Card, the exchange rate is determined by American Express on the date the Transaction is processed by American Express. This exchange rate may be different from the exchange rate in effect on the transaction date. When the Transaction is posted to your account, in addition to the exchange rate, you may be charged a foreign currency conversion mark-up for each Transaction. The mark-up is disclosed in your Disclosure Statement and applies to both debit and credit Transactions.

For Scotiabank American Express Card account payments and *Scotia* Credit Card cheques, the exchange rate will be the posted rate charged to customers at any branch of The Bank of Nova Scotia on the date the Transaction occurs. For any reversal of these Transactions, the exchange rate will be determined in the same manner as of the date the Transaction is reversed.

For cash withdrawals made from ABMs outside of Canada using a *ScotiaCard* debit card to obtain a Cash Advance on the Scotiabank American Express Card account, the exchange rate is determined by the appropriate network on our behalf on the date that the Transaction is settled with that network. This exchange rate may be different from the exchange rate in effect on the transaction date. When the Transaction is posted to your credit account, in addition to the exchange rate, you may be charged a foreign currency conversion mark-up for the amount of each Transaction as disclosed in your Disclosure Statement

For a transaction with your Scotiabank American Express Card in Canadian dollars with a merchant located outside of Canada, a Cross Border Transaction Fee may be charged for each Transaction, at a foreign-currency conversion mark-up as disclosed on your Disclosure Statement.

For all credit accounts: Whether or not foreign currency will be converted directly to Canadian Dollars (or to U.S. Dollars if you have U.S. Dollar credit account) before being posted to your credit account is determined by the payment network associated with your credit account and is subject to change. If the credit account is used for a Transaction in a foreign currency, and the Transaction is later cancelled or refunded, the credit to the credit account will not be exactly the same as the original Transaction because we do not reverse the foreign currency conversion mark-up and the exchange rate may be different on the date when the cancelled or refunded Transaction is posted

to your credit account. See your Disclosure Statement for more information about Foreign Currency Transactions including if your credit account permits these Transactions and if a foreign currency conversion mark-up applies. Please also refer to your Disclosure Statement for further details on the exchange rate(s).

Automatic Banking Machines (“ABMs”)

The Advance or Cash Advance amount you can withdraw each day from an ABM, and the available ABM services, can vary from time to time without notice. We are not liable for any loss or damages for your use of an ABM or for any failure to provide ABM services.

Preparing and Sending Statements

Monthly statements are only prepared on business days, so the time between statements will vary depending on the number of business days in the month. We will send a statement, on a regular periodic basis, at least once a month. If your account goes in default and we demand the balance in full, we will no longer send monthly statements. However, interest will continue to accrue on your account.

We will also not provide a statement for a Statement Period if there has been no payment or other Transaction or activity on the credit account and there is no balance owing on the credit account.

Other Methods of Sending Disclosures: We will send notices, statements or other Disclosure Statements, including about any change to Agreement (the “**Communications**”) by any method permitted by applicable law or the Agreement, including in paper form, electronically, by posting it on our website or by sending a notice or message on the statement. We will send Communications in writing (including electronically) to the last address or contact information in our records.

If electronic delivery of Disclosure Statements, including a statement or other Communications, is available for your credit account, and you wish to select this option, you can do so by any means we permit including when you activate online access to your credit account (and we will obtain any consent required by applicable law to communicate to you in this way) or if you would like to communicate with us by electronic means. In each case, you will be required to accept any additional agreement we provide you through our online banking services or as we may permit and to comply with the security protocols we establish that we share with you.

Requiring you to pay your total Debt

We may terminate the credit account and require you to pay your total Debt immediately, without prior notice or demand, if you do not carry out your obligations under the Agreement (including this Revolving Credit Agreement), including any of the following events: a) you fail to

make any payment when it is due; b) you fail to pay, when we ask, any amount we are entitled to charge you for making repairs, maintaining insurance or clearing claims against any real or personal property you have pledged as security; c) you break any of your promises under any security agreement related to the credit account; d) you die or become insolvent or bankrupt; e) any real or personal property you have pledged as security is lost, stolen, destroyed or substantially damaged or seized in any legal proceeding; f) any real or personal property you have pledged as security reduces in value to a level we consider unacceptable; or g) anything else happens that we believe endangers your ability to pay or that we believe endangers any real or personal property you have pledged as security in any way. If any of the events described under this section occur, we have no further obligation to pay any Cheques.

² **For Quebec Residents Only:** This clause is required by the Quebec Consumer Protection Act and is only applicable to Quebec residents with a personal credit card account or a personal line of credit account:

(Clause of forfeiture of benefit of the term)

Before availing itself of this clause, the merchant must forward the consumer a notice in writing and unless the merchant is exempted in accordance with section 69 of the General Regulation, it must forward the consumer a statement of account.

Within 30 days following the receipt by the consumer of the notice and, where necessary, of the statement of account, the consumer may:

- (a) either remedy the fact that the consumer is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections 104 to 110 of the Consumer Protection Act (chapter P-40.1) as well as to section 69 of the General Regulation made under that Act and, where necessary, to communicate with the Office de la protection du consommateur.

Changing this agreement or the services we offer

You agree that we may make changes to the Agreement or the services that are available with the credit account, but we will give you notice in writing before we do so (or at any time as permitted by law).

We do not need to give you notice if we change ABM services unless we are required to give you notice by law. We may change any section or element of the Agreement including any of the following:

- › The annual interest rate(s) (including the Adjustment Factor) and annual fees;
- › Any other fees, rates, charges or other fees and expenses related to the credit account;

- › Other rewards programs, points program, membership programs, cash back programs and any other benefits, discounts or other programs related to your credit account (including the terms and conditions that apply to them);
- › Any features and benefits that are included with the credit account at no additional cost or charge (even if offered by a third party);
- › Any optional products or services (even if offered by a third party) including the terms and conditions that apply to those other products or services and associated features and benefits as described under the section "Requesting Credit Services" in this agreement;
- › The payment network associated with the Card or the credit account;
- › The following sections in this Revolving Credit Agreement under these headings (including all terms within those headings) "Your Rights and Obligations" and "Our Rights and Obligations";
- › Sections that relate to our rights of set-off or compensation including the section "Offset" and property you pledge as security for your credit account;
- › The number or type of Borrowers or supplementary cardholders that we permit you to have on a credit account and the purposes for which you can use your credit account;
- › Any other terms and conditions in this Revolving Credit agreement (including any Disclosure Statement) or any terms and conditions of an agreement we have provided to you and forms part of the Agreement.

We consider that we have given you notice in writing about anything under this agreement when we send you the information by regular mail, or hand deliver it, or by any other means that we permit. Where we send the notice by regular mail, we consider you to have received the notice within 5 business days. We will provide you with a written notice **at least 30 days** in advance of any change setting out the change, the effective date the change comes into force and your right to refuse the change and to cancel this Revolving Credit Agreement without cost, penalty or cancellation indemnity to you **other than** for a change to the annual interest rate(s) including the adjustment factor, any annual fee or any other change where your consent is not required by law.

You must notify us within 30 days of the effective date of the change if you do not agree with that change.

If you notify us within that 30-day period that you do not agree with the change, we will cancel the Agreement and any outstanding Debt or any other amount you owe under the Agreement will immediately become due.

Subject to applicable law, we will consider you to have accepted any change if you do not notify us within 30 days of the effective date of any change that you do not agree with the change or if you keep the credit account open, use the credit account or if there is any outstanding Debt or other balance on the credit account after the effective date of the change.

Co-Borrower disclosure options

For **personal credit** accounts only: If there is more than one of you, you are each entitled to receive the statement, and other cost of borrowing disclosure or notices that we are required to give you, either separately or you may designate the Primary Borrower to receive the disclosure documents for all of you. You may contact us through any of the methods we offer to change your preference to receive separate or joint statements and other disclosure documents. If our records indicate that you are to receive separate disclosure, we will send you a statement and the other required disclosure documents to your address that appears in our records. If our records indicate that you are to receive joint disclosure, we will send the statement and other disclosure documents to the address of the Primary Borrower.

Offset

We may debit any other account you have with us with the amount of any payment you are required to make to us, or for any other amount owed to us, under this Agreement and credit the amount to the outstanding Debt.

Security

If this credit account is secured by a mortgage, hypothec or security agreement, you will not further encumber the property without our permission. If you sell the property which is subject to the mortgage, hypothec or security agreement, you agree that you will immediately repay to us all amounts owing under the credit account.

Enforcing this Agreement

We can delay enforcing or not enforce any of our rights under the Agreement without losing our right to enforce them in the future. If any of the terms of the Agreement are found unenforceable, all other terms will remain in full force.

Assignment

We may, at our option, sell, assign or transfer any or all of our rights under the Agreement, by way of assignment, sale or otherwise, including by securitization, to any other person without notice to you or your consent. If we do so, we may disclose information about you, including your personal information and other information concerning you or your credit account, to anyone to whom we sell, assign or transfer our rights, including to consider the proposed transaction.

Language

Quebec Residents Only / Résidents du Québec seulement

You acknowledge that the French and English versions of this Agreement were remitted to you. You expressly request and agree to be bound exclusively by the English version of this Agreement and that all related documents, including any notices, be drafted in English only. Vous reconnaissez que les versions française et anglaise du présent accord vous ont été remises. Vous demandez expressément et acceptez d'être lié exclusivement par la version anglaise du présent accord et que tous les documents qui s'y rattachent, y compris tous avis, soient rédigés en anglais seulement.

For Quebec Residents Only²: This clause is required by the Quebec Consumer Protection Act and is only applicable to Quebec residents with a personal credit card account or a personal line of credit account (except for paragraphs (3) and (4) which apply exclusively to credit card accounts):

- (1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

- (2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future

use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

- (3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant.

On receipt of the notice, the merchant must cease to collect the preauthorized payments.

On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

- (4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to \$50. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.
- (5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.
- (6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

- (7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.
- (8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.

¹ Revolving Credit Agreement only applies to personal and small business Scotiabank American Express and personal and small business Visa branded credit card accounts (including the ScotiaLine for business Visa credit card account).

² These clauses are subject to sections 21 and 22 of the *Regulations respecting the application of the Consumer Protection Act*.

Resolving your Complaint

We are committed to providing prompt answers to any questions you may have about your account. If you have a complaint or wish to access Scotiabank's complaint handling process, please contact your branch or visit us at: <https://www.scotiabank.com/resolvingyourcomplaint>.

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*Visa Int./Licensed User.

Part 6 Scotia Total Equity® Plan

Section 6.01 What is a Scotia Total Equity Plan?

A Scotia Total Equity Plan (“STEP”) allows you to use the equity in your Real Property to obtain various Credit Products described in this Booklet and/or Overdraft secured under one collateral charge registered in first position on your Real Property. When you apply for a STEP or apply for a Credit Product and/or Overdraft and select a STEP, we will establish your maximum borrowing limit for your STEP. Subject to this Part 6, you may then select one or a combination of eligible Credit Product(s) and/or Overdraft that suits your needs up to your STEP borrowing limit. The STEP is not available if you select a mortgage loan with a Scotiabank Value option. We may change, limit, restrict or eliminate the availability of STEP or the Credit Product(s) and/or Overdraft that can be included in a STEP at any time at our discretion without notice to you.

The maximum borrowing limit under your STEP can initially be set at up to 80% of your Real Property’s lending value as determined by us in our sole discretion. The available borrowing limit under your STEP is called the STEP Global Limit. Effective November 1, 2023, the STEP Global Limit will be reduced by an equal amount each month over a 25-year period until it reaches 65% of your Real Property’s lending value. If the STEP Global Limit is already at or below 65% of the Real Property’s lending value, or if your existing STEP (new or refinanced) was set up prior to September 15, 2012, then the STEP Global Limit will not be reduced monthly and will remain fixed, subject to the terms and conditions of this Part.

Section 6.02 Credit Products and/or Overdraft within your STEP Global Limit

You may use the credit under your STEP Global Limit through a combination of eligible Credit Product(s) and/or Overdraft. You must select and be approved by us for the eligible Credit Product(s) and/or Overdraft that you wish to include in your STEP. Each Credit Product is subject to its own terms and conditions as set out in the applicable Personal Credit Agreement, Disclosure Statement and this Booklet and the Overdraft is subject to the terms and conditions of the Overdraft Agreement. If you later want to add to or change your combination of Credit Product(s) and/or Overdraft or if you want to change the STEP Global Limit, you must enter into a new agreement with us that may be in addition to, or in replacement of, your prior Agreement, depending on the circumstances. We may require the re-registration of your collateral

mortgage prior to agreeing to add or change the Credit Product(s) under your STEP or to change the STEP Global Limit. If re-registration of your collateral mortgage is required, you must pay our Fees and Expenses in connection with discharging the original collateral mortgage and the registration of a new collateral mortgage. You may be required to submit a credit application, pay any applicable prepayment charges and any fees associated with adding or changing your Credit Product(s) and/or Overdraft or changing your STEP Global Limit, such as title search or appraisal fees. We may reduce or cancel your STEP Global Limit at any time at our discretion without telling you in advance, with or without terminating the Agreement. We may also reduce the limit on any Credit Account as set out in the Revolving Credit Agreement and on any Overdraft as set out in the Overdraft Agreement.

Section 6.03 Credit Account limit restrictions

Restrictions may apply to the amount of your STEP Global Limit that can be allocated to Credit Accounts such as lines of credit and credit cards. Currently, the amount of credit that can be accessed through Credit Accounts is restricted to 65% of your Real Property’s lending value and this limit may change at any time without notice to you (the “**Credit Account Limit**”). If the credit limit(s) on your Credit Account(s) exceeds the Credit Account Limit, we may, at any time, reduce the approved credit limit(s) on any Credit Account(s), without telling you in advance.

Section 6.04 Applying your payment

We may allocate your payments at our discretion to any Credit Product(s) and/or Overdraft under the STEP both before and after Default.

Subject to the rights of any third party, any money we obtain, including by enforcing our rights, will be applied as follows after paying our Fees and Expenses:

- › first to any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage default insurance obtained by us after a mortgage loan is advanced);
- › second, to any uninsured mortgage loan(s);
- › third, to any line(s) of credit;
- › fourth, to any term loan(s) other than mortgage loans;
- › fifth, to any credit card(s);
- › sixth, to any Overdraft(s); and
- › seventh, to any other product or service not listed above.

If there is more than one product or service in any category listed above, the money we obtain will be applied among such products or services at our discretion.

Section 6.05 **STEP Automatic Limit Increase option**

If you select the automatic credit limit increase (the “**Automatic Limit Increase**”) option under your STEP, you expressly authorize us to automatically increase the credit limit on a Credit Account you designate for that purpose when credit becomes available due to a principal repayment under a Personal Loan component or changes made to your STEP. The Automatic Limit Increase will be applied in the following manner and is subject to the following conditions:

- (i) The Automatic Limit Increase will be applied as long as (a) the designated Credit Account has not reached the STEP Global Limit or the maximum allowable credit limit for that designated Credit Account type and (b) the total of all Credit Accounts under the STEP has not reached the Credit Account Limit.*
- (ii) The Automatic Limit Increase will be applied approximately 60 days from a change made to your STEP or of a principal repayment under your Personal Loan, as applicable.
- (iii) The Automatic Limit Increase will only be applied at a minimum of \$100 and in multiples of \$100.
- (iv) The continued availability of the Automatic Limit Increase option is subject to ongoing evaluation of your credit history and Scotiabank’s credit policies and may be terminated by Scotiabank at any time without prior notice to you.
- (v) The Miss-a-Payment® option is not available for any Personal Loan under your STEP if you have selected the Automatic Limit Increase.
- (vi) To obtain the Automatic Limit Increase option, your collateral mortgage must be title insured by FCT Insurance Company Ltd., Stewart Title Guaranty Company, Chicago Title Insurance or any other title insurer we permit and you are responsible for any associated fees to obtain the title insurance coverage. Where the Automatic Limit Increase option is selected after the STEP was initially set up, you must pay an additional fee in the amount of \$75 (subject to change) to process and obtain the title insurance coverage, unless sufficient title insurance coverage for the collateral mortgage in an amount at least equal to your STEP Global Limit is already in place with FCT Insurance Company Ltd., Stewart Title Guaranty Company, Chicago Title Insurance or any other title insurer we permit.

* Where your STEP was set up prior to September 15, 2012 (new or refinanced), the condition listed under (b) above will not apply.

Section 6.06 **Collateral mortgage**

If you select a STEP, the registered charge against your Real Property will be a collateral mortgage. The collateral mortgage must be in first position and be the only mortgage/encumbrance on the Real Property.

If we permit a second mortgage/encumbrance in our favour on the Real Property, a Default under any agreement secured by a mortgage in our favour against the Real Property will be considered a Default under all agreements that are secured by a mortgage in our favour against the same Real Property. Subject to Section 6.04 above, we may determine the order in which any agreement is to be satisfied in the event of Default under any agreement that is secured by a mortgage in our favour against the Real Property.

The obligations secured by your collateral mortgage are all debts, liabilities and other obligations, future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, and wherever incurred and whether incurred by you alone or with others and whether as principal or surety and which arise pursuant to the Agreements which, by their terms, are intended to be secured by, the collateral mortgage on the Real Property indicated in the Agreements.

Subject to the provisions of the collateral mortgage relating to repayment, each Credit Product and/or Overdraft that is made or provided to you under a Personal Credit Agreement or Overdraft Agreement and secured by your collateral mortgage will be treated as a separate and distinct Credit Product or Overdraft, as applicable. If your collateral mortgage secures any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage insurance obtained by us after a mortgage loan is advanced), no further advances or re-advances above the original approved principal amount on such insured mortgage loan(s) are permitted.

Section 6.07 **Transfers and assumptions**

The transfer of the collateral mortgage (and any outstanding balance(s) under your Credit Product(s) and/or Overdraft) to another lender, is at the discretion of the other lender.

Mortgage loans under a STEP are not assumable by subsequent purchasers of your Real Property. If you would like to have a future purchaser take over the terms of your mortgage loan(s), the purchaser must qualify under our normal credit granting policies and enter into new security documentation with us.

Section 6.08 **Default**

In cases of Default under any Credit Product(s) and/or Overdraft under your STEP, in addition to any other rights we may have under the Agreement, including any Security Agreement and any guarantee, we may transfer delinquent balances to other Credit Product(s) and/or Overdraft within your STEP. We may also reduce or cancel the credit limit(s) (where applicable) of any Credit Product(s) and/or Overdraft under your STEP.

Part 7 Security agreements

There are different types of security arrangements you may have offered, and we may have accepted, pursuant to the Personal Credit Agreement, including: (i) a mortgage of Real Property/deed of hypothec on immovable property, (ii) a chattel mortgage/movable hypothec (a **“Chattel Mortgage”**), (iii) a hypothecation/assignment of specific bank accounts (an **“Assignment of Bank Accounts”**), (iv) an authority to hold funds on deposit (an **“Authority to Hold Funds”**), and (v) an assignment of (or hypothec over) life insurance – cash surrender value (an **“Assignment of Life Insurance”**).

Collectively, the Chattel Mortgage, the Assignment of Bank Accounts, the Authority to Hold Funds and the Assignment of Life Insurance are referred to as the **“Personal Property Security”**.

Other than in respect of a mortgage on Real Property and any additional document or that may be entered into in connection with the Collateral, the general terms and conditions of the security granted pursuant to the Personal Credit Agreement are set out in this Part 7, and these terms and conditions came into effect when you entered into the Personal Credit Agreement. If you offered, and we accepted, a mortgage on Real Property, the mortgage document will be given to you separately either by us or your solicitor/notary but we include a short explanation of it in this Part 7 for your information. For greater certainty, the provisions of Section 7.07 do not apply to a mortgage on Real Property. If you entered into a Personal Credit Agreement as guarantor, you entered into a guarantee with us and the terms and conditions of the guarantee are set out in Section 7.06.

Section 7.01 Mortgage of Real Property/Deed of Hypothec on Immovable Property

(a) Registration of Mortgage/Hypothec on your Real Property

When you obtain a Credit Product and/or Overdraft and agree to pledge (hypothecate in Quebec) your Real Property as security for that Credit Product and/or Overdraft, you must enter into a mortgage (or deed of hypothec on immovable property in Quebec). We will register this mortgage or hypothec on your Real Property at the land registry office in the jurisdiction where your Real Property is located. When all of the Credit Products and/or Overdraft secured by the mortgage or hypothec are paid in full, we will provide a discharge (or proof of discharge) at your request or as required by law.

Any of our subsidiaries, including Scotia Mortgage Corporation, may act as our agent in any transaction or correspondence related to your Credit Product and/or Overdraft secured by a mortgage or hypothec. Dealing with them is the same as dealing with us.

If you Default on any Credit Product and/or Overdraft secured by a mortgage, we may be entitled to become owner of the Real Property and we may sell the Real Property in accordance with the laws of your province or territory.

(b) Arranging the Mortgage With a Solicitor/Notary

Subject to Section 7.01(c), the mortgage or hypothec and all legal work in connection with the registration of the mortgage or hypothec will be completed by a solicitor or notary. The solicitor or notary will provide you with a copy of these documents. The net proceeds of the mortgage loan will be paid by us to the solicitor/notary in trust and the solicitor/notary will disburse them in accordance with our instructions.

(c) Instant Funding Program

If you have requested a refinance of your mortgage under our Instant Funding Program to obtain additional funding from us or to transfer your mortgage from another financial institution to us, a service provider will register the new mortgage. You will be responsible for any fees associated with the Instant Funding Program. If you select the Instant Funding Program, you agree we are not providing legal services or advice to you. If the refinance request involves unforeseen legal or other complications outside the norm of a refinancing transaction, the services of a solicitor or notary may be required and the Legal Costs incurred will be your responsibility. If complications arise, we are not obligated to proceed with the refinance transaction. If any amounts are required to satisfy outstanding taxes, liens or encumbrances that take priority over our new registered mortgage, we will deduct these costs from the proceeds of the refinancing transaction.

If you have any concerns regarding participating in the Instant Funding program, you should talk to a solicitor or notary, at your own cost. You are responsible for verifying any prepayment charges that may apply in connection with the refinancing prior to your refinancing date (and in the case of a repayment of a mortgage loan from another financial institution, even if we have obtained a payout statement from your existing financial institution). You must pay any applicable prepayment charges in full.

Section 7.02 Chattel Mortgage/Movable Hypothec

A “chattel mortgage” is the security we hold when you provide your tangible goods (corporeal movable property) as security on your Credit Product. This includes a movable hypothec in Quebec. When you entered into the Personal Credit Agreement and security agreement code C was indicated on the Personal Credit Agreement or the Personal Credit Agreement otherwise indicates that you granted a security interest over tangible goods, you:

- (i) granted a security interest in, pledged and/or hypothecated the tangible goods (the “**Tangible Collateral**”) listed in the Security Pledged section of the Personal Credit Agreement as security to us for your Credit Product; and
- (ii) became bound by the terms and conditions of this Booklet, including specifically this Section 7.02, Section 7.07 and any other additional chattel mortgage document, such as a hypothec, you may have specifically provided to us as security for your Credit Product.

If you entered, or enter at any time in the future, into a separate chattel mortgage document with respect to the Tangible Collateral, the terms of that separate chattel mortgage document will govern to the extent of any conflict or inconsistency with the terms of this Chattel Mortgage.

Terms and Conditions

(a) Representations, Warranties and Covenants

- (i) You are the sole legal and beneficial owner of the Tangible Collateral and no one but us has any other interest in the Tangible Collateral. You will keep the Tangible Collateral clear of all legal claims against it except ours. If you do not, we may settle the claim and charge you what it costs, including incidental expenses which include our Legal Costs.
- (ii) You must not lease the Tangible Collateral, sell or transfer any interest in it, grant any security interest or hypothec in it, or give possession or control of it to anyone else without providing us with at least ten (10) business days’ prior notice and obtaining our written approval.
- (iii) The Tangible Collateral must not be used in any illegal manner. You must notify us when you move. You must not remove the Tangible Collateral from your province or territory for more than thirty (30) days without providing us with at least ten (10) business days’ prior written notice and obtaining our written approval.
- (iv) **Insurance**
 - (A) You must keep the Tangible Collateral insured against loss or damage from fire and theft. Where required, you must also insure it against collision. If it is a mobile home, you must also insure it against wind damage. If it is an aircraft, you must carry all-risk insurance, including collision and Breach of Warranty endorsement. You must carry additional coverage if we ask. You may purchase any insurance required by the Agreement from an insurance company lawfully licensed to do so or through an agent of your choice. You may not assign or hypothecate the insurance to any other person.

- (B) The insurance you carry must be equal to the fair market value of the Tangible Collateral. You give us the right to receive proceeds of all insurance covering the Tangible Collateral and you must notify your insurer that you have done so. If you fail to carry adequate insurance, we may purchase it for you and charge you for the premium, the cost of which will be secured by the Tangible Collateral.
- (C) If the Tangible Collateral is damaged, you will use the proceeds of the insurance to repair the Tangible Collateral. However, if the Tangible Collateral is lost, stolen or significantly damaged, we may decide whether to use insurance proceeds to replace the Tangible Collateral or to apply them to what you owe.
- (D) The loss, destruction or damage of the Tangible Collateral does not excuse you from making payments unless the insurance proceeds paid to us pay the total Secured Obligations.
- (E) If we make any payments to take, hold, repair, maintain, insure or to defend claims against the Tangible Collateral, you will reimburse us. These payments will bear interest at the rate set out in the Personal Credit Agreement and will be secured by the Tangible Collateral.
- (v) **Maintenance.** You must keep the Tangible Collateral in good repair and replace all worn, broken or defective parts. If you fail to do this, we can make repairs and charge you for them. We have the right to inspect the Tangible Collateral at any reasonable time. If the Tangible Collateral is an aircraft, you must comply with the inspection requirements of the Department of Transport.

Section 7.03 Hypothecation/Assignment of Specific Bank Accounts

A “hypothecation” or “assignment of specific bank accounts” is the security arrangement when you provide shares, bonds, mutual funds, or other securities, guaranteed investment certificates, term deposits and bank accounts or similar assets (including, monetary claims in Quebec) as security on your Credit Product.

When you entered into the Personal Credit Agreement for your Credit Product and security agreement code H or A was indicated or the Personal Credit Agreement otherwise indicates you granted a security interest in Investment Property (as defined below) you:

- (i) granted a security interest in, pledged and/or hypothecated the investment property (including the credit balance of any financial account, securities and security entitlements) (and

if applicable, monetary claims in Quebec) (the “**Investment Property**”) listed in the Personal Credit Agreement together with all revenue and proceeds therefrom as security to us for your Credit Product; and

- (ii) became bound by the terms and conditions of this Booklet, including specifically this Section 7.03 and Section 7.07.

You may also have entered, or may be asked to enter, into a control agreement or other similar agreement with the administrator, broker, issuer of the mutual fund securities, bank at which the securities account is held or similar third party (each, a “**Securities Intermediary**”) (and if applicable, the third party owing you any monetary claims in Quebec) pursuant to which the Securities Intermediary agrees to comply with certain instructions from us and/or otherwise grants us control over the Investment Property.

Terms and Conditions

(a) Leveraging

You have indicated that you understand that borrowing to purchase mutual funds, shares or other securities (“leveraging”) gives rise to certain risks. If the value of the mutual funds, shares or other securities declines, you will still have to pay us the full amount that you owe us and we may require you either to reduce the amount of the outstanding loan or provide us with additional security to maintain our position.

(b) Agreements relating to a Scotia Investment Line of Credit Product

You acknowledge the following:

- (i) Should the value of the Investment Property fall to a value where the loan to collateral value ratio is greater than 66 percent, we may require you to pay down the Secured Obligations to bring it to 66 percent loan to value, pledge additional property so that the loan to value ratio is reduced to 66 percent or we may require you to repay the Secured Obligations if you do not do either of the above.
- (ii) We may also sell some of the Investment Property and apply it to your Secured Obligations to reduce the amount outstanding, and, where permitted by applicable law, without being required to give you any prior notice or to obtain the surrender of the Investment Property.
- (iii) We reserve the right to change the percentage levels indicated here from time to time.
- (iv) If any amount of the loan remains unpaid after we have sold the Investment Property and applied it to the Secured Obligations, you must repay it.

(c) Representations, Warranties and Covenants

- (i) **Ownership.** You, as the pledgor of the Investment Property, are the sole owner(s) of the Investment Property. The Investment Property is free from any legal claims except for the security interest and hypothec granted to us, and you will not grant, a security interest, hypothec or “control” over the Investment Property to any person other than us.

(d) Remedies upon Default

In addition to the other rights and remedies provided in the Agreement or in any Security Agreement or otherwise available at law, the following rights and remedies (which rights and remedies may be exercised independently or in combination) are available to us if you Default:

- (i) sell the Investment Property by public or private sale, if in our opinion the value depreciates below the amount of money you owe and sufficient additional collateral is not pledged to secure what you owe;
- (ii) hold the proceeds of the sale of the Investment Property as we see fit to secure what you owe us;
- (iii) immediately use proceeds from the sale of the Investment Property to pay for what you owe us;
- (iv) register the Investment Property in our name or the name of any other nominee; and
- (v) without limiting our remedies listed above, in Quebec, exercise any of our hypothecary rights available under the Civil Code of Quebec.

(e) Our rights and agreements as the temporary owner of the Investment Property

- (i) In some cases, we will hold the Investment Property in our vault or with any recognized clearing corporation, in a form deemed appropriate by us.
- (ii) We will not:
 - (A) be bound to realize any of the Investment Property or to allow any of the Investment Property to be sold;
 - (B) be responsible for any loss incurred by any sale, or failure to sell the Investment Property or enforce any of the security interest created hereunder;
 - (C) be bound to protect any of the Investment Property nor to protect the Investment Property from depreciating in value or becoming worthless;

- (D) be bound to examine any lists, or notices, relating to coupons or dividends, or the expiry of rights or warrants in connection with the Investment Property;
- (E) be bound to collect any revenue payable on the Investment Property. All such revenue will be applied to the loan if received by us. We are not bound to vote in respect of any of the Investment Property, but we are entitled to vote at our option; or
- (F) be responsible for any loss by exercising voting rights of the Investment Property.

Section 7.04 Authority to Hold Funds on Deposit

The Authority to Hold Funds on Deposit is a security arrangement that grants us a security interest (a hypothec in Quebec) in, and allows us to hold, the funds on deposit in your Scotiabank account indicated on the Personal Credit Agreement as security for your Credit Product.

When you entered into the Personal Credit Agreement and security agreement code F was indicated or the Personal Credit Agreement otherwise indicates you granted a security interest in your account with us, you:

- (i) granted a security interest in and pledged the money and accounts (collectively, the “**Accounts**”, and in Quebec, shall include all monetary claims that you may have against us or any third party) listed in the “security pledged” section of the Personal Credit Agreement as security to us for your Credit Product; and
- (ii) became bound by the terms and conditions of this Booklet, including specifically this Section 7.04 and Section 7.07.

Terms and Conditions

(a) Representations, Warranties and Covenants

- (i) **Ownership.** You are the sole owner(s) of the account(s) indicated in Section 7.04.
- (ii) **Withdrawals.** You shall not withdraw, transfer or debit funds from those accounts except those funds that are in excess of the amount stipulated in the Personal Credit Agreement.
- (iii) **Control.** You shall not grant “control” (within the meaning of such term under the PPSA) over those accounts to any person other than us.

(b) Remedies upon Default

If you Default, we may immediately use any amounts in your accounts with us (right of set-off) to pay the Secured Obligations, without any

other notice to or demand upon you unless otherwise indicated, in addition to the other rights and remedies provided in the Agreement, or in any Security Agreement or otherwise available at law (which rights and remedies may be exercised independently or in combination).

Section 7.05 Assignment of (or Hypothec over) Life Insurance - Cash Surrender Value

An “assignment of life insurance” is the security we hold when you assign as security the cash surrender value of your life insurance policy for your Credit Product. References to assignment mean a hypothecation in Quebec.

When you entered into the Personal Credit Agreement and security agreement code L was indicated or the Personal Credit Agreement otherwise indicates that you assigned or granted a security interest in your life insurance policy, you:

- (i) granted a security interest in, assigned, hypothecated and pledged the life insurance policy (the “**Policy**”) listed in the security pledged section of the Personal Credit Agreement and all amounts accumulated to your credit or benefit relating to such life insurance policy as security to us for your Credit Product; and
- (ii) became bound by the terms and conditions of this Booklet, including specifically this Section 7.05 and Section 7.07.

Terms and Conditions

(a) Representations and warranties

The Policy is valid and that it has not been amended, forfeited, assigned, hypothecated or otherwise disposed of or rendered void or voidable, and you have the right to assign the Policy to us. The beneficiary also agrees to this assignment and we may deal with you without further reference to the beneficiary.

(b) Covenants

- (i) You are responsible for paying all premiums and any other charges required, and to do anything else to keep the Policy in force. If you do not, we may (but will not be bound to) do so and will add the costs to the Debt, which will bear interest at the interest rate applicable to the Debt. If we do not pay any such premiums or charges, we will not be responsible for any loss occasioned by the non-payment of any premium notwithstanding that we may have previously paid such premiums or charges.
- (ii) You may not change the name of the beneficiary in the Policy without our written consent. You may not assign, hypothecate

or otherwise dispose of the Policy by will, contract or other means, and you may not change the insurance plan of the Policy during the period the Policy is assigned/hypothecated to us.

- (iii) You must deliver the Policy to us promptly upon receipt of a written request from us.
- (iv) You must provide such information concerning the Policy as we may reasonably require from time to time.
- (v) You must give written notice to us immediately upon becoming aware of any material breach or default by either party under the Policy, or any material dispute, claim or litigation in respect thereof.
- (vi) If requested by us, send written notice of the Agreement (and the assignment evidenced thereby) to the insurance company that issued the Policy (the “**Insurer**”) in form and substance satisfactory to us.
- (vii) You must do, make, sign and deliver such further and other assignments and documents as may be reasonably required by us to better accomplish the intention of the Agreement, including providing any notice of the Agreement.
- (viii) You must not permit or consent to any amendment, redemption or surrender of the Policy in whole or in part, or purport to sell, exchange, transfer assign or otherwise dispose or deal in any way with the Policy, or enter into any agreement to do so.

(c) Notices and actions

- (i) We will send the “Notices” page of the Personal Credit Agreement you entered into the Insurer. A copy of the text on the “Notices” page is in Section 7.05(c)(ii) below. We will also keep a copy attached to the copy of your Policy that we keep on file. In Quebec, before we may rely on the hypothec over the Policy in our favour, the Insurer must confirm to us in writing that it has not received any other notice from you or any third party regarding any assignment or hypothecation of the Policy that is not in our favour, failing which we reserve the right at our discretion to not consider ourselves sufficiently secured by such hypothec, in which case you shall be deemed to be in Default.
- (ii) **Notice to Insurance Provider.** This paragraph, contained in your Personal Credit Agreement, is your direction to the Insurer that you are using the cash surrender value of your life insurance as security on a loan:

“I am informing you that I have assigned and/or hypothecated the policy listed in the security pledged section of this agreement, to Scotiabank. I have appointed Scotiabank as my true and lawful power of attorney and mandatary to do

any action regarding my policy. Scotiabank has the right to sell, dispose of, or accept the cash surrender value of the policy listed below, or substituted policy, or accept one or more paid up policies should I default on the loan. This assignment and/or hypothec remains as a continuing security until expressly requested to be removed by Scotiabank. This notice is irrevocable by me unless consented to by Scotiabank in writing.

The beneficiary of the policy, if any, has signed this notice as well.”

- (iii) We may deal with you or any other person in relation to the Policy or any other agreement without releasing any of our rights under this assignment.
- (iv) We will not be responsible for any loss which may occur in the value of the Policy, or for the negligence of any solicitors or agents employed by us.

(d) Remedies upon Default

If you Default, we may exercise, without any other notice to or demand upon you unless otherwise indicated, in addition to the other rights and remedies provided in the Agreement or in any Security Agreement or otherwise available at law, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (i) take the benefit of any option granted by the terms of the Policy or arising after;
- (ii) accept any policy (a “**Replacement Policy**”) in lieu of or substitution for the Policy and in so doing, have the same rights in respect of the Replacement Policy as under the Policy;
- (iii) sell, dispose of, or accept the cash surrender value of the Policy or Replacement Policy, or accept one or more paid up policies or exercise any other rights, remedies or recourses permitted by applicable law;
- (iv) demand or sue to recover any amount under the Policy and give the Insurer a final receipt for any such payment. The Insurer in making a payment to us will not be required to determine how much money you owe us;
- (v) without limiting our remedies listed above, in Quebec, exercise any of our hypothecary rights available under the Civil Code of Quebec, and, if applicable, obtain the revocation of the designation of a revocable beneficiary and of a subrogated policyholder

Section 7.06 Personal Guarantee/Suretyship

By entering into the Personal Credit Agreement as a guarantor (surety in Quebec), you (in that capacity, the “**Guarantor**”) agreed to be bound by the terms and conditions of the guarantee (suretyship in Quebec) contained in this Section 7.06. If you entered, or enter at any time in the future, into a separate personal guarantee document in connection with the Credit Products listed in the Personal Credit Agreement (the “**Guarantee**”), the terms of that separate personal guarantee document will govern to the extent of any conflict or inconsistency with the terms of this Section 7.06.

By entering into the Personal Credit Agreement as a guarantor, the Guarantor accepts responsibility for the applicable Credit Product(s) according to the terms set out in this Booklet (including this Section 7.06 and any other personal guarantee document entered into from time to time). The Guarantor acknowledges receipt of a copy of the Personal Credit Agreement and this Booklet.

In consideration of the Bank granting a Credit Product to the borrower(s) named in the Personal Credit Agreement (the “**Borrower(s)**”), the Guarantor guarantees payment to the Bank on demand of the Credit Products indicated on the Personal Credit Agreement in accordance with its terms and agrees that its liability to do so will not be affected or released:

- › by any new advances or other transactions under the Credit Product;
- › by any variation, renewal, release, extension or replacement of the Credit Product, agreements or any security (including any other guarantees) held by the Bank for the Credit Products;
- › by any extension of time or other indulgence given by the Bank to the Borrower(s) or others under the agreement or any security, including any waiver of any provision of the Agreement and/or any Security Agreement at any time;
- › by any increase or decrease in the rate of interest payable under the Credit Product, either during the initial term or any subsequent renewal period;
- › by any delay or refusal by the Bank to require or enforce payment of the Agreement or any Security Agreement;
- › by the taking, non-perfecting, releasing or giving up of any security or by any dealings with the Borrower(s) or others respecting the Agreement or any Security Agreement, including releasing, realizing on or replacing any security we may hold;
- › by the Guarantor’s death or legal incapacity or the death or legal incapacity of any Borrower;
- › by any event which results in a Borrower not being under a legal obligation to pay the Credit Products covered by the Agreement;

- › by the cessation of any special duties to the extent that this guarantee may, in any manner, attach to such special duties or if the Guarantor ceases to have business dealings with the Borrower(s) or to hold any position or fulfil any function whether as director, officer, administrator, partner, employee or otherwise; or
- › by any change in the name of any Borrower or by any reorganization or amalgamation, if any Borrower is a corporation.

The guarantee is a continuing guarantee and the Guarantor agrees to be responsible to the Bank to the maximum extent permitted by applicable law for all obligations and indebtedness of the Borrower(s) to the Bank pursuant to or in connection with the Agreement and any Security Agreement.

The Guarantor’s liability under this guarantee includes the liability to pay any interest the Borrower(s) have not paid and will arise immediately after demand for payment under this guarantee has been made by the Bank and will bear interest at the interest rate payable by the Borrower(s) under the applicable Credit Products from the date of such demand.

The Bank need not exhaust its recourse against the Borrower(s) or others under the Agreement or any Security Agreement before being entitled to payment by the Guarantor under this guarantee.

If more than one Guarantor entered into the Personal Credit Agreement, the obligations set out in this guarantee are joint and separate (joint and several and, in Quebec, solidarily) and each such Guarantor is fully responsible for the entire Debt.

The Guarantor’s obligations under this guarantee will be binding on its heirs, executors, liquidators or administrators, successors and personal representatives.

In Alberta, a Certificate of Notary Public must be attached to the Personal Credit Agreement form. In Quebec, the Guarantor waives its right of division and discussion.

Section 7.07 General Terms that apply to Personal Property Security

For any Property (other than Real Property) that you offered and we accept as security by listing such Property in the Security Pledged section of the Personal Credit Agreement (the “**Collateral**”), by entering into the Personal Credit Agreement you agreed to the following:

(a) Secured Obligations

The security interest or hypothec you granted to us was entered into as continuing security for all your present and future obligations described in the Personal Credit Agreement, when and as due,

whether at maturity, by acceleration or otherwise, and all other present and future obligations and liabilities you may owe to us, including all Fees and Expenses, reimbursement obligations and indemnities contained in the Agreement and any Security Agreement (collectively, the “**Secured Obligations**”). The security interest or hypothec in the Collateral extends to any replacements or proceeds of the Collateral.

(b) Attachment

Value has been given and you have not agreed to postpone the time of attachment of the security interest. The security interest attached to the existing Collateral when you entered into the Personal Credit Agreement and will attach to any Collateral you acquire after the date of the Agreement (other than Consumer Goods (as defined in the PPSA)) at the time you acquire such additional Collateral.

(c) Further Assurances

You promise to enter into any additional documents we may need to establish in our favour the security interest or hypothec intended to be created by the Agreement in the Collateral and to accomplish the intention of the Agreement, including, to enforce the security interest or hypothec and for any remedies provided in the Agreement, or to better evidence and perfect such security interest or hypothec over any Collateral in our favour.

(d) Performance of obligations

If you fail to perform any obligation contained in the Agreement, we may perform, or cause performance of, such obligation, and our costs and expenses incurred in connection therewith will be payable by you; *provided that* we will not be required to perform or discharge any of your obligations and our performance will not waive our rights to enforce the Agreement.

(e) Power of Attorney

You constitute and appoint us (and any of our officers or employees) to be your true and lawful attorney (mandatary in Quebec) in accordance with applicable legislation with full power of substitution, with full authority in your place and stead and in your name or otherwise, from time to time in our discretion to take any action and to enter into any instrument which we may deem necessary or advisable to accomplish the purposes of the Agreement (but we will not be obligated to and will have no liability to you or any third party for failure to do so or take action). This appointment, being coupled with an interest, will be irrevocable until the discharge of the security interest and hypothec. You ratify all that these attorneys lawfully do or cause to be done as power of attorney in connection with the Agreement.

(f) Remedies upon Default

If you Default:

- (i) We can declare you to be in Default under any Agreement and/or Security Agreement with us.
- (ii) We have, in addition to the rights and remedies in the Agreement, all the rights and remedies provided by law and under any statute that applies, including all rights of legal and equitable set-off (compensation in Quebec). This includes without limitation, the applicable personal property security legislation in every province and territory of Canada where you have Property (including the Civil Code of Quebec).
- (iii) We are entitled to take possession of the Collateral, and we can enter any of your premises to do so.
- (iv) We may hold, insure, maintain, repair, process, protect, preserve, prepare for disposition and dispose of the Collateral.
- (v) We may appoint a receiver or a receiver-manager if we choose to do so. The receiver or receiver-manager will have all our rights, benefits and powers provided by these terms and conditions or any law, including the right to sell or lease Property.
- (vi) We are entitled to seize or foreclose and take the Collateral. If we do, we will consider the indebtedness to be repaid to the extent required by law.
- (vii) We can choose how to deal with the Collateral once we can realize. We are entitled to realize at any time after you default on any of the requirements of the Agreement or we have demanded payment and you have failed to pay in full. We are only required to give you the notice required by law.
- (viii) We may take possession (obtain surrender) of the Collateral (and if we do so, we will provide you with such notice as is required by law) by requiring you to assemble the Collateral or any part of the Collateral and deliver it or make it available, to us at a place and time to be designated by us. If we take possession of any of the Collateral, you can regain possession of such Collateral before we sell it or have agreed to sell it, by paying us any payments in Default and related Default charges, and any reasonable costs we incurred taking, holding, repairing and maintaining your Collateral. We reserve the right to limit the number of times you take advance of such right of reinstatement under the PPSA to the maximum number of times such right of reinstatement is required by applicable law.

- (ix) We may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon deferred payment terms or other terms and conditions (including as to credit, upset or reserve bid or price) as we may deem commercially reasonable. If we exercise such rights, we will give you at least the amount of notice required by applicable law in the jurisdiction where you live of the date, time and place of any public sale or of the date after which any private sale will be made. We will give you the amount left after we subtract the total amount you owe us plus our reasonable legal and other expenses of taking, maintaining and selling the Collateral (all our costs) plus any amount we are required to pay to any other person. We will only be responsible for amounts of money actually received by us.
- (x) You must pay any remaining amount if the proceeds from the sale or the value of Property seized or foreclosed is not enough to repay your entire obligation to us. We are only required to be reasonable in the sale, seizure or foreclosure process. We are not required to get the best price or wait to sell if the market is not good.
- (xi) Without limiting our remedies listed above, in Quebec, we may exercise any of our hypothecary rights available under the Civil Code of Quebec. You must pay any costs we incur in connection with any of the above immediately or we may choose to add them to your Debt. If we add these amounts to your Debt, interest will be charged at the interest rate(s) applicable to your Credit Product.

(g) Receiver as your agent

If we appoint a receiver, the receiver will act as your agent and not as our agent and we will not in any way be responsible for any of the actions of the receiver, its employees, agents and contractors. We may from time to time remove and appoint replacements for, any receiver, and appoint another or others in their stead from time to time.

(h) Cumulative Remedies

All rights and remedies in the Agreement are cumulative and are not exclusive of any rights or remedies provided by applicable law.

(i) Termination/Discharge/Release of Security Interest

Unless otherwise agreed in writing by us, on the date on which all Secured Obligations have been paid and performed in full (as determined by us in our discretion) and, in the case of any Credit Account, the Credit Account has been closed, canceled or otherwise terminated by us, the security interest, hypothec and all power of

attorney (mandate in Quebec) rights granted hereunder will terminate and we will, at your request and sole expense (a) assign, transfer and deliver to or at your direction (without recourse and without any representation or warranty) such of the Collateral as may then remain in our possession, and (b) sign and deliver to you a proper instrument or instruments acknowledging the satisfaction and termination of the security interest and hypothec.

Part 8 Other agreements

Section 8.01 Privacy

Scotiabank recognizes the importance of your personal information, and we never take for granted the trust that you - as a client or a business partner - have placed in us to protect that information. The Scotiabank Privacy Agreement forms part of these terms and conditions and applies to your relationship with us. For a full explanation about how, when, and why we may collect, use and disclose your information, as well as your rights relating to that information, please visit www.Scotiabank.com/privacy or any Scotiabank branch for a paper copy.

Information we collect about you

Information that we collect about you will often come from you directly (for example, when you apply for a new product). We may tell you that certain information is mandatory. If you do not provide personal information that is required for a particular product or service, then we may not be able to provide it, or meet all our obligations to you. We may also collect information about you from other sources, including information from credit agencies (for example, where you apply for credit, or where we must identify you), people appointed to act on your behalf, our social media pages, or other banks or financial institutions (for example, where you have switched your accounts to us, or where we have received information to investigate incorrect payments).

How we use your information

We will process your information where you have provided us with consent to use it, where processing will allow us to take actions that are necessary to provide you with the product or service you want, to allow us to meet our legal obligations (for example, to identify you), to understand how customers use our services, or to manage our risks. We may also use your information to send you messages, either by post, telephone, text message, email, or other digital methods, including through ATMs, apps, and online banking services. These messages may be to help you manage your account, to meet our regulatory obligations, to inform you about product or service features or to tell you about products and services (including those of other companies) that may be of interest to you.

With whom we share your information with

We will keep your information confidential, but we may share it with third parties (who also have to keep it secure and confidential) in certain circumstances, including: the Scotiabank Group of companies† (for example, for marketing purposes or internal reporting where those

companies provide services to us), payment processing services (for example, credit card networks), our service providers and their agents (for example, collection agents, statement printers), fraud prevention agencies, and other banks or financial institutions. Some of these third parties may be located outside Quebec or Canada.

Keeping your information

We will keep your information for as long as you are our customer. Once our relationship has ended, we will only keep your information for so long as is appropriate for the type of information, and the purpose for which we're retaining it. The period we keep your information for is generally linked to the amount of time available for you to bring a legal claim. We may keep the information longer than this if there is an existing claim or complaint that will require us to keep your information, or for regulatory or technical reasons. If we do keep it for a longer period, we will continue to protect your information.

Your rights and how to refuse or withdraw your consent

You have certain rights over the personal information we hold about you, including the right to ask for a copy of the information, to correct or rectify personal information that we hold about you, or not to use your information for a particular purpose (i.e., withdraw consent). Note that your ability to exercise these rights will depend on a number of factors, and in some situations, we may not be able to agree to your request. You can refuse to consent to our collection, use or disclosure of your personal information, or you may withdraw your consent to our further collection, use or disclosure of your personal information at any time by giving us reasonable notice, subject to limited exceptions. This includes withdrawing your consent to use your SIN to verify credit information or to confirm your identity. To understand how to go about withdrawing your consent, or to find out more about any of the items described in this section, please visit www.Scotiabank.com/privacy or any Scotiabank branch for a copy of our Privacy Agreement.

† The Scotiabank Group of Companies means The Bank of Nova Scotia and its affiliates who provide deposit, investment, loan, securities, trust, insurance and other products and services.

Section 8.02 Remote Instructions Terms of Use

Remote communications carry risks of interception and impersonation. You are responsible for ensuring that your selected method of communication (e.g. e-mail or fax) is confidential and secure. For more information, please refer to sections 3.b and 5 below.

1. Purpose of These Remote Instructions Terms of Use

These remote instructions terms of use (the “**Terms of Use**”) set out the terms and conditions that apply when we receive Remote Instructions through Permitted Means in connection with a Product

or Service that is provided or administered by us. These Terms of Use replace any other agreement(s) relating to providing instructions remotely including any Telephone/Fax/Email Agreement.

A current copy of these Terms of Use is available online at [https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Remote_Instructions_Terms_of_Use.pdf]. You should review these Terms of Use on a periodic basis and before you provide us with Remote Instructions.

2. Definitions and Interpretation

a. **Definitions:** Below are some key definitions we use in these Terms of Use and what they mean:

“Digital Access Agreement” means the terms and conditions that apply when you use or access a Product or Service through a mobile device, computer or any other electronic device (or other digital service we make available from time to time), including when we permit you to use a card or account number or password, personal identification number (PIN) or other access code;

“Permitted Means” means telephone, e-mail (including secure e-mail), facsimile transmission or video conference, in each case using a number, address, link or other means of access that we designate for the purpose of providing us with instructions in connection with a Product or Service and any other communication process we may permit from time to time at our sole discretion, but does not include any access or instructions that are subject to the Digital Access Agreement;

“Product or Service” means any product or service that we provide or administer to you including bank accounts, non-registered and registered investment accounts, personal and small business credit accounts including loans, credit cards or lines of credit, creditor insurance and business investment products;

“Product or Service Agreement” means the terms and conditions, disclosures, notices and any other agreements or documents that we provide to you and/or you accept or enter into in relation to a Product or Service, including documents and agreements that are incorporated into them, as amended, replaced, renewed or supplemented from time to time;

“Remote Instructions” means any instructions, consents, agreements or other documents (including any Product or Service Agreement) that we may allow you to provide by Permitted Means in connection with a Product or Service, including:

- › Applying for or opening a new Product or Service;
- › Amending, paying out or cancelling an existing Product or Service;
- › Providing instructions relating to a Product or Service including redeeming or renewing, transferring balances between accounts

or changing personal or business information related to a Product or Service;

- › Any other instructions, consents or agreements we permit you to provide by Permitted Means from time to time.

“we”, “our”, “us” or the “Bank” means The Bank of Nova Scotia and/or, as appropriate (and unless expressly excluded), any of our Canadian subsidiaries or affiliates including Scotia Securities Inc. and any of their or our employees (including officers), directors, agents or authorized representatives; and

“you” or “your” means each person, corporation or other entity who is the holder of a Product or Service, a borrower for a Product or Service (including any co-borrower or co-signor) pursuant to a Product or Service Agreement, the authorized signatory or authorized representative for a Product or Service or those who applies for a Product or Service.

- b. **Interpretation:** The words “includes” or “including” mean “including but not limited to” and “including without limitation”. Headings in these Terms of Use are for ease of reference only and do not affect the interpretation of anything in these Terms of Use.
- c. **Digital Services and the Digital Access Agreement:** If you use a Card and/or our Digital Services (as those terms are defined in the Digital Access Agreement) to provide instructions to us, the Digital Access Agreement will apply to those instructions and not these Terms of Use.

3. Providing Remote Instructions

- a. **Authorization:** When you apply for or have a Product or Service, you agree that these Terms of Use apply when you provide us with Remote Instructions and you authorize us to accept those Remote Instructions in connection with that Product or Service on the terms and conditions set out in these Terms of Use. For a Product or Service that is jointly held, you agree that any one of you may give us Remote Instructions for the Product or Service without prior notice to or consent of all of you, except if consent from all of you is required by us, or is required under the Product or Service Agreement or under applicable law. If you are a corporation or another entity that is not a natural person, Remote Instructions can only be given by the authorized representative(s) of the corporation or entity designated under the Product or Service Agreement (unless we agree to receive Remote Instructions from any other person if you request).
- b. **Instructions are Valid and Final:** You acknowledge that Remote Instructions received by us are valid and final. We may, acting reasonably, rely on any Remote Instructions that we believe come from you and fulfill them without further inquiry even if you did not actually give the Remote Instructions. Such Remote Instructions will have the same legal effect as if they came from you and will be legally binding on you.

- c. **Recording:** You acknowledge that if you provide Remote Instructions over the telephone or, where available, other electronic means (including video), your call or video may be recorded for quality, training or verification purposes.
- d. **Voicemail:** If you attempt to provide Remote Instructions to us solely by voicemail, we will not act upon those Remote Instructions unless we specifically advise you that we will act on those Remote Instructions.
- e. **Fees:** We can collect or charge any amounts that we have disclosed to you in your Product or Service Agreement as service charges or fees or other rates or charges for completing the Remote Instructions.

4. Receiving Remote Instructions

When we receive Remote Instructions, you agree that we may, but are not obligated to, do any of the following:

- a. **Authentication:** We may ask you to give us certain information that will assist us in determining that you are authorized to give Remote Instructions.
- b. **Refusing to Act:** We can refuse to act on any Remote Instructions for any reason, including if we cannot confirm that you are authorized to give them, or if we decide they are not appropriate for any reason or if you do not comply with any requirement under these Terms of Use to our satisfaction. We may take reasonable steps to try to notify you or otherwise inform you when we will not act on Remote Instructions as received.
- c. **Additional Information and Documents:** We may require you to provide us with more information in order to carry out the Remote Instructions. We may require you to accept or sign (including in person) any agreements or other documents that we determine are required in connection with the Remote Instructions or to fulfill those Remote Instructions. If you do not provide the required information or documents, we may not be able to fulfill the Remote Instructions.
- d. **Confirmation by You:** We may require you to promptly confirm any Remote Instructions given under these Terms of Use if requested by us, including by signing a form or other document.
- e. **Confirmation by Us:** We may send you a confirmation that the Remote Instructions have been received, that we will fulfill the Remote Instructions or that they have been fulfilled. We may also send you other information, documents and/or notices relating to the Remote Instructions.
- f. **Delivery of Documents:** We may send or provide the confirmation referred to in section 4.e and any other information, documents and/or notices related to the Remote Instructions through any communication method you used to provide us with the Remote Instructions or by any other means we determine. We recommend

you keep a copy of any such confirmation, information, documents and/or notices for your records.

5. Your Responsibilities

- a. **Accuracy and Receipt of Instructions:** You are responsible to ensure the accuracy and to confirm our receipt of any Remote Instructions you give to us.
- b. **Information Security:** You acknowledge that e-mail, facsimile or other electronic communication may not be secure means of communication and you assume the risk that the Remote Instructions provided in this way may be intercepted, read, retransmitted or altered by a third party or delivered late, not received or lost. You are responsible for maintaining security measures, procedures and controls to prevent the transmission of unauthorized Remote Instructions by someone other than you. You must advise us as soon as possible if you know or believe that any Permitted Means you have used to provide Remote Instructions have been accessed and/or used by any unauthorized person or if you believe any Remote Instructions have been provided to us by an unauthorized person.
- c. **Losses:** Except in the case of our gross negligence or wilful misconduct, you agree that we are not responsible for any losses, costs, liability or damages of whatever kind that may result or you may incur from:
 - i. our complying with these Terms of Use, including if we act on and fulfill any Remote Instructions;
 - ii. not fulfilling any Remote Instructions for any reason or refusing to act on any Remote Instructions;
 - iii. any failure, delay or error in receiving and/or acting on any Remote instructions;
 - iv. the loss, interception, alteration or misuse of confidential or personal information you include in any Remote Instructions before we receive the Remote Instructions or any such information;
 - v. fulfilling any Remote Instructions if the Remote Instructions were provided by a person we believed to be you; or
 - vi. your acts or omissions or those of any third party in respect of the Remote Instructions.

To the extent not prohibited by law, in no event, even if we are negligent, are we liable for any special, incidental, consequential or indirect damages.

6. How These Terms of Use can be Changed or Terminated

- a. **Changes:** We may from time to time amend or vary these Terms of Use without notice to you (unless required by applicable law), including the type of Remote Instructions we may accept or fulfill

pursuant to these Terms of Use. We may notify you of changes we have made to these Terms of Use in one or more of the following ways:

- › A notice displayed at all Scotiabank ATMs;
- › An announcement through an automated telephone message or a digital channel such as a mobile app;
- › A notice on the Scotiabank website or your Scotia OnLine portal;
- › A notice in our branches;
- › A notice in your monthly statement for your Product or Service; or
- › Such other method as we may permit.

Unless otherwise required by applicable law, we consider you to have accepted a change to these Terms of Use if you provide us with Remote Instructions or you do not cancel or close your Product or Service following the effective date of the change.

- b. **Termination:** We may terminate these Terms of Use at any time without prior notice to you. If we have terminated these Terms of Use, we may (but are not required to) notify you of this termination in any way outlined in section 6.a.

7. General Provisions

- a. **Conflicts:** These Terms of Use do not amend any Product or Service Agreement that you have with us or establish with us in the future and are intended to supplement your Product or Service Agreements. If there is a conflict between these Terms of Use and a Product or Service Agreement, (i) these Terms of Use will prevail if the conflict is about Remote Instructions; and (ii) otherwise the Product or Service Agreement will prevail unless the Product or Service Agreement expressly says otherwise. For the purpose of this section, the Product or Service Agreement does not include Telephone/Fax/Email Agreement.
- b. **Who is Bound by These Terms of Use:** These Terms of Use are binding on you, your heirs, legal or personal representatives and permitted assignees.
- c. **Choice of Language:** You have requested that this document be drawn up in English. Vous avez exigé que ce document soit rédigé en anglais.

*Registered trademark of the Bank of Nova Scotia

Section 8.03 Resolving Your Complaint

This section explains who to contact, Scotiabank's process, and the steps to take, including available channels, should you wish to move forward with a complaint. Please reach out to a Bank representative during this process if you would like a status update at any time.

Pathways to Complaint Resolution

As a first course of action, please contact your Bank Representative, visit the Branch or reach out to the Customer Contact Centre (1800-4SCOTIA or 1-800-472-6842)

If the first person you speak with is not able to resolve your complaint, please ask to speak directly to a manager, who may be able to resolve many issues that arise.

Upon expressing a complaint to the Bank, you will receive a written acknowledgment including a case number and a copy of Scotiabank's complaint handling process. You may also receive communication at the conclusion of your complaint.

Contact the Escalated Customer Concerns Office (ECCO)

If your complaint is not resolved after 14 days, it will be escalated to the Escalated Customer Concerns Office (ECCO). You may also request escalation at any time during the 14 days or if you are dissatisfied with the response provided. Upon escalation, a communication will be sent informing you of the updated point of contact.

We aim to resolve each case as quickly as possible; however, should this exceed 56 days, you will receive a notification. When your case is concluded at the ECCO, you will be sent communication outlining the Bank's response.

E-mail escalatedconcerns@scotiabank.com

Mail Escalated Customer Concerns Office
44 King Street West
Toronto, ON M5H 1H1

Telephone English 1-877-700-0043 (in Toronto 416-933-1700)
French 1-877-700-0044 (in Toronto 416-933-1780)

Still not Resolved?

Contact the Customer Complaints Appeals Office (CCAO)

If you are not satisfied following the investigation by the Escalated Customer Concerns Office, you may submit your complaint in writing to the Customer Complaints Appeals Office (CCAO). The CCAO provides an impartial review of customer complaints upon request of the customer.

We aim to resolve each case as quickly as possible; however, should this exceed 56 days, you will receive a notification. When your case is concluded at the CCAO, you will be sent communication outlining the Bank's response.

E-mail ccao@scotiabank.com
 Mail Customer Complaints Appeals Office,
 44 King Street West
 Toronto, ON M5H 1H1
 Telephone 1-800-785-8772

You may contact an External Complaints Body for banking complaints.

ADR Chambers Banking Ombuds Office (ADRBO) has been appointed by the bank to undertake an impartial review of unresolved banking complaints.

You may choose to contact ADRBO if there has been no response within 56 days or if you are not satisfied with the outcome provided through the Customer Complaints Appeals Office.

E-mail contact@bankingombuds.ca
 Mail ADR Chambers Banking Ombudsman
 P.O. Box 1006
 31 Adelaide St. E.
 Toronto, Ontario M5C 2K4
 Telephone 1-800-941-3655
 Fax: 1-877-803-5127

Contacting the Financial Consumer Agency of Canada (FCAC)

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws. For example, financial institutions must provide consumers with transparent information about fees, interest rates and complaint-handling procedures. If you have a complaint about such a regulatory matter, you can contact the FCAC in writing at:

Mail Financial Consumer Agency of Canada
 427 Laurier Avenue West, 6th Floor
 Ottawa, Ontario K1R 1B9
 Telephone English 1-866-461-3222
 French 1-866-461-2232
 Fax 1-866-814-2224 / 1-613-941-1436
 Website www.fcac-acfc.gc.ca

Section 8.04 Codes of Conduct and Public Commitments

Scotiabank is committed to a number of voluntary codes of conduct and public commitments designed to protect consumer interests, such as those listed below.

Copies of the full text of the codes and commitments are available on the Scotiabank website at www.scotiabank.com.

Borrowing

Credit Cards

- › **VISA Zero Liability Policy**
- › **MasterCard Zero Liability Policy**
- › **American Express Fraud Protection Guarantee Overview**

A commitment that consumers will pay nothing for certain fraudulent credit card transactions.

- › **VISA E-Promise**

A commitment to assist consumers in getting their money back for unsatisfactory purchases made online, by phone or by mail.

Mortgages

- › **Commitment to Provide Information on Mortgage Security**

A commitment to explain the differences between Collateral and Conventional.

- › **Plain Language Mortgage Documents - CBA Commitment**

A commitment to ensure the readability of residential mortgage documents.

- › **Code of Conduct for Federally Regulated Financial Institutions - Mortgage Prepayment Information**

A Code of Conduct that outlines the type of information customers will receive to help them make an informed decision about mortgage prepayment.

Day-to-Day Banking

- › **Canadian Code of Practice for Consumer Debit Card Services**

Industry and consumer practices and responsibilities related to the use of debit cards in Canada.

- › **Interac Zero Liability Policy**

A commitment to protect consumers against unauthorized transactions.

- › **Low-Fee Retail Deposit Account Memorandum of Understanding**

A commitment to provide a standard low-fee account to consumers.

- › **Commitment on Modification or Replacement of Existing Products or Services**

A commitment to provide consumers with assurances related to the modification or replacement of existing products and services.

- › **Commitment on Powers of Attorney and Joint Deposit Accounts**

What you need to know about “Power of Attorney” & “Joint Deposit Account”

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American Express is a Registered Trademark of American Express.

This credit card program is issued and administered by The Bank of Nova Scotia under license from American Express.