



Scotiabank Fastline *for business* Credit Agreement

This is an important document – take the time to read it carefully

As a small business customer of the Bank, you have previously agreed to be bound by the Business Banking Services Agreement (the “Banking Agreement”) which contains important terms and conditions that apply to all small business banking products and services which we may provide to you from time to time. You agree that all of the terms and conditions of the Banking Agreement, including without limitation the credit agreement contained therein, apply to the credit products and services for which you are approved through the Scotiabank Fastline for Business on-line portal on which this Credit Agreement is posted (the “on-line portal”).

This Credit Agreement contains additional terms and conditions that apply when you are approved through the on-line portal for credit products and services. In the event of a conflict or inconsistency between the terms and conditions of this Credit Agreement and the Banking Agreement, this Credit Agreement shall govern, but only to the extent necessary to resolve such conflict or inconsistency.

This Credit Agreement, together with the terms and conditions of the Banking Agreement and all certifications, agreements and consents included in any application for loans or provision of additional information through the on-line portal, or otherwise is the complete agreement between you and the Bank for the loans for which you are approved through the on-line portal, or otherwise.

We may cancel the approval for any product or service if we find there has been any material change to your financial status or if there has been any misrepresentation of facts in your application or other documentation or information you provide to us or authorize us or our service providers to access.



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Some definitions you need to know

“Credit line”, “loan” and “term loan” mean, in each case, a line of credit or a term loan made available as part of the Scotiabank Fastline for Business Credit products and services.

“We”, “our”, “us”, “Scotiabank” and the “Bank” mean The Bank of Nova Scotia and, as appropriate, its Canadian subsidiaries and affiliates and the programs or joint ventures in which any of them participate.

“You” and “your” mean the business customer.

1. Your contract with us

This Credit Agreement constitutes a binding contract between you and us and is entered into by you and us for valuable consideration, including without limitation the granting of loans by us to you.

If you are a partnership, joint venture or organization that is not incorporated, each individual or entity which is a member (but not the limited partners of a limited partnership) is responsible for:

- all present and future transactions entered into or which may be entered into with us in your name; and
- your obligations even if the partnership or joint venture is dissolved or the membership changes.

If the business customer consists of more than one individual or entity, you agree that:

- every such person is responsible jointly and severally (in Quebec, solidarily) for the payment and performance of each obligation described in this Credit Agree-

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ment or derived therefrom; and

- the Bank can choose among you to decide who will pay back the obligations.

2. Your promise to pay

You promise to pay the Bank the full amount of the obligations described in this Credit Agreement, including but not limited to the principal amount of any borrowing, the interest and/or the monthly, bi-monthly, weekly, bi-weekly or other periodic fee on it when due and payable and any other applicable fees and charges levied by us from time to time. You also promise to pay us any expenses that we incur to collect payments from you.

3. Advances

If we approve a credit line or one or more term loans with a maximum limit on the aggregate amount of all such loans, you may borrow up to the limit specified by us. We can, however, reduce these limits and/or cancel your credit line or undrawn term loans at any time, with or without notice, and not permit you to borrow after that. From time to time we may also increase your maximum limit, with or without notice. If your limit is increased or decreased the new limit will appear on your Scotia® On Line profile. Cancellation of your credit line does not relieve you of any obligations under this Credit Agreement until the credit line balance or term loans advanced have been paid to us in full. Regardless of such cancellation, you are responsible for paying us for all debits or fees or charges made following cancellation.

The amount of a credit line may be re-advanced if it is paid down by an amount sufficient to permit a further advance. Additional term loans may be available if earlier term loans are repaid. We are not required to advance to you more than the limits that are



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agreed by us.

If we approve a term loan, the Bank may advance the money in one or more amounts as outlined by us at the time the loan is approved. This Credit Agreement applies to each term loan and each advance under a term loan.

4. Payments

You agree to pay back your indebtedness to us, including without limitation principal, interest, fees and charges according to the terms of this Credit Agreement.

If your credit facility is repayable on demand, you agree to immediately pay back the entire amount of the credit facilities at any time if we ask you to do so.

If you borrow via a term loan, you agree to repay the term loan in the amounts and on the dates set forth on the payment schedule disclosed to you through the on-line portal at the time the term loan is advanced to you. The entire amount of the indebtedness remaining unpaid is due and payable at the end of the term specified in the payment schedule or earlier if you default on any of the terms in this Credit Agreement, or in any other agreement with us. If you default, we can demand that you immediately pay back the entire indebtedness to us under this Credit Agreement.

We may require a different periodic payment schedule or amount and we will notify you of this beforehand. Any overdue payment or overlimit amount must be paid in full as soon as you are provided with this information through Scotia® OnLine or are otherwise notified by us and the total minimum payment amount includes your current minimum payment amount, plus any overdue or overlimit amounts.



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If we demand repayment of the entire amount, we will give you notice according to legal requirements.

We will deduct amounts you owe us from your account(s) with the Bank.

5. Fees

If your borrowing is a term loan, you must pay fees on your advances in the amounts and at the rates set forth on the payment schedule disclosed to you through the on-line portal at the time the term loan is advanced to you and otherwise as specified by us from time to time. We calculate the periodic fees as a percentage of the principal amount you are required to repay to us during such period. These fee payments are due and payable on the date and at the same time as the principal payment to which they relate and may be monthly, semi-monthly, weekly, bi-weekly or on some other periodic basis as described on the payment schedule.

For each term loan obligation, such fees are due both before and after your obligation matures and before and after any default or judgement.

If you don't pay the fees when they are due, we may charge you interest on the overdue fees. If we charge this interest, it is payable at the rate we specify from time to time as our rate of interest on overdue fees and at the same time as the other payments specified on the payment schedule. This interest may increase your effective cost of borrowing.

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6. Interest

If your loan from us is interest bearing, you must pay interest on all advances at the rate set forth on the payment schedule disclosed to you through the on-line portal at the time the loan is advanced to you and otherwise as specified by us from time to time. If the interest rate is based on “prime”, that means the prime lending rate of the Bank. Our prime lending rate is the variable per annum reference rate of interest as announced and adjusted by us from time to time for loans made by us in Canada in Canadian dollars.

We calculate your interest daily on the daily balance you still owe us. Interest is due and payable as follows:

- for credit lines, interest is payable monthly on the 22nd day of each month unless we require or you request a different payment date; and
- for all term loans, interest is payable on the date and at the time of the principal payment to which it relates and may be monthly, semi-monthly, weekly, bi-weekly or on some other periodic basis as described on the payment schedule.

Interest is paid in arrears and, for each obligation, is due both before and after your obligation matures and before and after any default or judgement.

If you don't pay the interest when it is due, we may charge you interest on the interest. If we charge this additional interest, it is payable at the same rate as specified above and at the same time as specified above. This additional interest may increase your effective rate of interest.

7. Late payment fees and charges

You are specifically responsible for paying any late payment fees and/or interest



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charges on all payments you do not make when they are due. You agree to pay us these late payment fees and/or interest charges which are published by us from time to time.

If there are any amounts due and payable by you to us, we can deduct them from any of your accounts with the Bank. This includes any fees and charges described in this Credit Agreement (but may also include any other fees and charges the Bank may charge).

We may change the fees and charges published by the Bank or described in this Credit Agreement. If we do, we will post a notice of the new fees and charges on our website and/or on Scotia® OnLine, at least 30 days before they go into effect.

8. Record of your indebtedness

We will keep a record of the amount of principal, interest, fees and other charges you owe us. This record will show the amount of each advance we make to you and the amount of each payment of principal, interest, fees and other charges you make to us. For a credit line we will provide this information monthly through Scotia® OnLine. For all other indebtedness, we will provide this information periodically through Scotia® OnLine.

Unless we have made a clear mistake, this record is conclusive evidence of the amount you owe the Bank. You are still responsible for paying the amount you owe, even if there is a mistake in our record or in the statements we provide.

9. Prepaying your term loans

If you have a term loan, prepayment is permitted without penalty at any time in whole

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or in part. Prepayments on term loans are noncumulative and are to be applied against installments of principal in the inverse order of their maturities.

10. Declarations and Agreements

By requesting an advance from us, you are making the following declarations:

- the owner of the business is a Canadian citizen or permanent resident and is properly described in the documentation and other information you have provided to us from time to time; and
- to the best of your knowledge, the information you provide to us through the on-line portal under or in connection with the applicable loan request or credit application is complete and correct.

If the loan is approved, you agree:

- to use the proceeds of the loan for legitimate business purposes and not for anything else;
- to give us any information we require to satisfy ourselves that you have used the loan for legitimate business purposes and not for any impermissible purposes; and
- to give us through the on-line portal or otherwise any additional information that we may reasonably require about your business.

11. Your obligations

You are required to satisfy a number of legal obligations to us when you borrow money from us. You agree to:

- pay us the money you owe us when it is due or on demand;
- pay all amounts you owe to other people and protect your property from liens or claims;

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- tell us right away if you can't pay the amount you owe us;
- tell us right away if you commit any default under this Credit Agreement or any other agreement with us;
- tell us before you change the ownership or nature of your business or use of any property;
- tell us if any information you have provided to us changes;
- give us any information we request on your business or property;
- give us, when we request, your current financial information and any other information we may reasonably require from time to time;
- let us on your premises at any time so we can inspect your property and your books and records;
- tell us right away if you are involved in a lawsuit or another creditor makes a claim against you;
- keep proper accounting records;
- give us all the other certificates, agreements and assignments we may request from time to time (that relate to this Credit Agreement);
- observe and conform to all laws and requirements of any federal, provincial or any other governmental authority that relate to the operation of your business activities, and notify us of any failure to do so; and
- authorize us to make, at any time, credit and business enquiries which may involve full information disclosure, and you hereby waive to the extent permitted by law any right to privacy or confidentiality of credit and business information.

Default events and remedies

12. Default events

We have the right to require immediate payment at any time if you have a loan from us

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that is payable on demand.

If a loan is not a demand loan, we still have the right to demand immediate payment of the entire amount if any of the following events happen. These events are called default events:

- you fail to pay, when it is due, any payment required by this Credit Agreement;
- you fail to observe or perform any provision of this Credit Agreement or any other agreement with us;
- you become insolvent or commit an act of bankruptcy;
- you make an assignment or bulk sale of all or a substantial part of your property;
- a creditor moves to have you declared bankrupt;
- you take any steps to make an arrangement with creditors, wind up your business or appoint a receiver;
- any party legally takes possession of a significant portion of your property or obtains a judgement permitting such party to do so;
- in our opinion, there is any material unfavourable change in your financial condition or the operation of your business;
- any declaration, representation or warranty you make to us is false in any material way;
- you are in breach of any term of any other agreement you have entered into with us from time to time, even if it does not relate to this Credit Agreement;
- you complete any reorganization, amalgamation or merger without our prior permission in writing; and
- there is a change of control in the ownership of your business.

13. Default remedies

If a default event occurs, we are entitled to demand that you immediately pay back the



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full amount you owe us. We are also entitled to exercise the rights in this Credit Agreement, or in law.

We are not required to take any action, however, and any delay or failure to do so does not release your obligations.

You are responsible for all of our costs, including legal fees on a solicitor and his/her own client basis, and for interest on expenses we have paid. We will charge this interest at our then prevailing rate for such expenses. We can deduct expenses and interest thereon from your account(s) with us.

We do not have to make any more advances to you or provide any banking services.

We can declare you to be in default under any other agreement with us.

We have, in addition to the rights and remedies in this agreement, all the rights and remedies provided by law and under any statute that applies, including all rights of legal and equitable set-off.

Other

14. Notices

We may give you any notices under this Credit Agreement, including with respect to amendments to the terms of this Credit Agreement, by any means of written or electronic communication, or by posting notice on our website or in our branches and any of those will be adequate delivery of notice. When sending notices to you, we may send them to your latest address on our records. You will be deemed to receive notice five days after mailing, or at the time of delivery of a personal delivery, the sending of an electronic communication or the posting of a notice on our website or in our branch-



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es. If we both post notice and send you notice, the effective time of such notice will be the date of posting.

You must deliver any notices or communications concerning a particular loan to the branch where you have your business account.

15. Paperless Recordkeeping

By selecting to indicate your agreement to this Credit Agreement on the on-line portal on which this Credit Agreement is posted, you understand and agree that all transaction and balance information regarding a particular loan will only be available through Scotia® OnLine and you agree to check and verify the transactions and balances for a particular loan at least every 30 days. All transactions will be considered correct and binding on you, unless you provide us with written evidence to challenge a transaction within 30 days of the date of the disputed transaction.

16. Amendments

We will give you at least 30 days' notice of any amendment we make to the terms of this Credit Agreement. If you do notify us of any objection to an amendment within such period, you will be deemed to have accepted the amendment. Any amendment made to this Credit Agreement may change the business arrangements between you and us, including the legal relationship.

17. Governing law

This agreement is governed by the laws of the province or territory where your main business office is located as indicated in our records and the federal laws of Canada

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applicable in that province or territory. The limitation period for this agreement is extended to six years where permitted by provincial or territorial laws.

18. Disputes

If you commence a claim or other legal proceeding under or in connection with this Credit Agreement, we may, except where prohibited by legislation, choose to resolve any such complaint or claim by confidential, individual arbitration in accordance with the Rules of Arbitration of the International Court of Arbitration of the International Chamber of Commerce.

19. Indemnity

You agree to:

- release us from liability;
- indemnify and hold us harmless, and
- compensate both us and any third party providing services

for any claim, proceeding, loss, damage, payment, penalty, fine, legal expense (based on the solicitor's fees charged to us) and other cost, as may be applicable, resulting from:

- any loan advanced or refused,
- your provision of erroneous or false information and your failure to properly provide information or to comply with this Credit Agreement,
- our compliance with any lawful demand by a third party relating to the loans made to you and your use of the proceeds thereof, including but not limited to any demand made in connection with actual or potential legal proceedings, or
- other events of any kind whatsoever arising from us being your lender.



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We will let you know if a claim arises for which you have agreed to indemnify us. We will each cooperate in dealing with the claim, but any costs will be at your expense. You may defend a claim before making a payment to settle it, as long as we are satisfied that your interests do not conflict with ours and that this will not cause us to be exposed to further loss. Your agreement to indemnify us will survive any repayment of any loan.

20. Assignment

This Credit Agreement is binding on you and any person who succeeds you or takes on your obligations by assignment.

You must not assign this Credit Agreement without getting our prior written permission. For example, you must not change your business from a proprietorship or partnership to a corporation as this is an assignment.

The Bank may assign your obligations and our rights under this Credit Agreement in whole or in part at any time. This includes, without limitation, assignments to Kabbage, Inc. or any of its affiliates of loans made through the on-line portal and your related obligations and our related rights under or in connection with this Credit Agreement.

21. Beneficial use

You confirm that all loans and advances are and will be beneficially used by you and that the loans and advances you receive will not be used to conduct business on behalf of a third party unless otherwise specified to us.

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22. Financial review

We may conduct in-person or physical reviews of your business and financial affairs from time to time, and inspections of your property at any time. We will give you reasonable notice of the time of any review or inspection.

23. Obtaining and Disclosing Information

You agree and instruct us to collect, use and disclose your personal and business information in accordance with the Scotiabank Privacy Agreement and other terms agreed to by you when you applied for this product, including for the following purposes:

- In response to credit enquiries from qualified financial institutions (usually with respect to your application at that financial institution);
- Pursuant to legal process or subpoena served on us (we will usually notify you where permissible under the applicable legal process); and
- If disclosure is reasonably necessary to protect our interest (we will usually notify you where permissible under the applicable legal process).

You authorize us to obtain further information about you from time to time in connection with any current loan you have with us and/or any new loan being applied for and to verify the information you have given us from time to time from any public or private sources.

You authorize us to request, use and disclose information about you from and to credit reporting agencies, credit bureaus, other credit grantors, third party service providers, any person whom you have or propose to have financial relations, and as otherwise permitted or required by law. You also authorize and direct any person we may contact



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in this regard to provide us with such information.

You hereby consent to and authorize such disclosure, and we shall not become liable by reason of the giving of any such information or of its being inaccurate or incomplete. We may do these things both during our lending relationship with you and after it has ended.

24. Additional agreements

If we need further agreements for any credit arrangement under this Credit Agreement, you will provide them on our request, and we can register those agreements.

25. Language

You and we have asked to have this Credit Agreement and all related documents be drawn up and executed in English. Les parties exigent que cette convention et tous documents qui s'y rattachant soient rédigés en anglais.

26. Limits on Interest

To the extent that any payment of interest, fees or costs due to us under this Credit Agreement would exceed the maximum rate permitted by law, such payment obligation shall be amended and replaced with the maximum lawful amount. The annual rates of interest or fees to which the rates calculated in accordance with this Credit Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by number of days in such calendar year.



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27. Acceptance and Agreement

By selecting to indicate your agreement to this Credit Agreement on the on-line portal on which this Credit Agreement is posted, you signify your acceptance and agreement to be bound by this Credit Agreement. If you do not agree with this Credit Agreement, do not select to indicate that you have read and agree with this Credit Agreement.

28. Power to Bind

If you are an organization other than a sole proprietorship, you certify to us that the individual selecting to indicate agreement to this Credit Agreement on the on-line portal on which this Credit Agreement is posted is authorized by you in accordance with your organizational rules and applicable law to bind you to this Credit Agreement and that this Credit Agreement constitutes a legal, valid and binding obligation enforceable against you in accordance with its terms, subject only to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally.

If the business customer is an organization other than a sole proprietorship, the individual selecting agreement to this Credit Agreement on the webpage of the on-line portal on which this Credit Agreement is posted hereby certifies in such individual's capacity as an authorized signing officer of the business customer, and not in her or his personal capacity, that such individual is an authorized signing officer of the business customer, that all action has been taken that is required by the business customer's organizational documents to authorize such individual to act on behalf of the business customer under this Credit Agreement and that such individual is empowered in the name of and on behalf of the business customer to enter into all transactions under or in connection with this Credit Agreement.



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