This short form prospectus is referred to as a base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this short form prospectus of that information. The legislation requires the delivery to purchasers of a pricing supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from The Bank of Nova Scotia, in its capacity as administrative agent of Hollis Receivables Term Trust II, at The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672, and are also available electronically at www.sedar.com.*

SHORT FORM BASE SHELF PROSPECTUS

<u>*New Issue*</u> July 16, 2015

HOLLIS RECEIVABLES TERM TRUST II®

Up to $7,000,000,000 Line of Credit Receivables-Backed Notes

Hollis Receivables Term Trust II (the "**Trust**") was established pursuant to the laws of the Province of Ontario by declaration of trust made as of January 23, 2013, as further amended and supplemented (the "**Declaration of Trust**"), with BNY Trust Company of Canada acting as trustee of the Trust (the "**Issuer Trustee**"), to purchase from The Bank of Nova Scotia ("**Scotiabank**" or the "**Seller**") undivided co-ownership interests in a revolving pool of receivables generated in certain personal line of credit accounts established by the Seller in favour of various customers, and to issue asset backed securities.

The Trust may, from time to time, during the 25 months that this short form base shelf prospectus, including any amendments hereto (the "**Prospectus**"), remains valid, offer and issue line of credit receivables-backed notes (the "**Notes**") in an aggregate principal amount not to exceed $7,000,000,000. The Notes will be issued in Series (each, a "**Series**"), each of which will evidence debt obligations of the Trust secured by, and with recourse limited to, a series ownership interest (each, a "**Series Ownership Interest**") which will be acquired by the Trust from the Seller with the proceeds from the sale of such Series. Each Series may be issued in one or more classes (each, a "**Class**").

The head office of the Trust is c/o BNY Trust Company of Canada at 11th Floor, 320 Bay Street, Toronto, Ontario, M5H 4A6.

It will be a condition of the issuance of any Notes that they shall have received a Designated Rating from two Designated Rating Agencies.

The offering of Notes hereunder will be made pursuant to the medium term note program of the Trust (the "**MTN Program**") as contemplated by National Instrument 44-102- *Shelf Distributions* of the Canadian Securities Administrators (the "**National Instrument**"). The National Instrument permits the omission from this Prospectus of certain terms of the Notes, which will be established at the time of the offering and the sale of the Notes and will be included in pricing supplements incorporated by reference herein, as more particularly described under the heading "Documents Incorporated by Reference". Accordingly, the specific terms of Notes to be offered and sold hereunder pursuant to the MTN Program will be set out in pricing supplements delivered to purchasers in connection with the sale of such Notes. The Notes will be denominated in, and the principal of, and interest (if any) on, the Notes issued under this Prospectus will, unless otherwise specified in the Related Supplement (and set forth in the applicable pricing supplement), be payable in Canadian dollars. The interest rate (if any) applicable to the Notes may be fixed or variable or calculated in some other manner as set out in the applicable pricing supplement. The specific designation, aggregate principal amount, interest payment dates, authorized denominations, maturity, offering price, or other specific terms of a particular issue of Notes will also be set forth in the applicable pricing supplement.

RATES ON APPLICATION

The Notes will be offered severally by one or more dealers as may be appointed from time to time by the Trust (collectively, the "**Dealers**"), as agents of the Trust or as principals, subject to confirmation by the Trust pursuant to the agreement referred to under the heading "Plan of Distribution". The rate of commission payable in connection with sales of the Notes by the Dealers will be as determined from time to time by mutual agreement. The Notes may be purchased from time to time by any of the Dealers, as principal, at such prices as may be agreed to between the Trust and such Dealer, for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary from purchaser to purchaser during the period of distribution. Commissions may be paid in connection with such purchases and the Dealer's compensation will be increased or decreased by the amount by which the aggregate price paid for the Notes by purchasers exceeds or is less than the aggregate price paid by such Dealer to the Trust. The Trust may also offer the Notes directly to the public from time to time pursuant to any applicable statutory registration exemptions at such prices and upon such terms as may be agreed upon by the Trust and

the purchaser. The commission payable, if any, will be set forth in the applicable pricing supplement. The Trust and, if applicable, the Dealers reserve the right to reject any offer to purchase Notes in whole or in part. The Trust also reserves the right to withdraw, cancel or modify an offering of Notes under this Prospectus without notice. The offering of Notes is subject to approval of legal matters on behalf of the Trust and the Seller by Osler, Hoskin & Harcourt LLP and on behalf of the Dealers by Stikeman Elliott LLP.

Scotia Capital Inc., one of the Dealers for the MTN Program, is a wholly-owned subsidiary of Scotiabank. As a result of the relationship between Scotiabank (and its affiliates) and the Trust, the Trust may be considered a "connected issuer" of Scotia Capital Inc. under applicable securities legislation. See "Plan of Distribution".

The Notes are being offered on a continuous basis by the Trust through the Dealers. The Notes will not be listed on any stock exchange and there is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. Each of the Dealers expects, but is not obligated, to make a market in the Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Notes with liquidity of investment or that it will continue for the life of the Notes. See "Investment Considerations" for a discussion of certain factors that should be considered by prospective purchasers of the Notes.

In connection with any offering of Notes, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes. See "Plan of Distribution".

THE NOTES WILL NOT REPRESENT INTERESTS IN OR OBLIGATIONS OF SCOTIABANK, THE ISSUER TRUSTEE (OTHER THAN IN ITS CAPACITY AS TRUSTEE OF THE TRUST), THE INDENTURE TRUSTEE, ANY SWAP COUNTERPARTY, THE BENEFICIARIES OF THE TRUST OR ANY AFFILIATE OF ANY OF THE FOREGOING. NONE OF THESE ENTITIES HAS REPRESENTED OR UNDERTAKEN THAT THE RECEIVABLES WILL REALIZE THEIR FACE VALUE OR ANY PART THEREOF AND, ACCORDINGLY, NEITHER THE TRUST NOR ITS CREDITORS WILL HAVE ANY CLAIM AGAINST ANY OF THESE ENTITIES FOR ANY DEFICIENCY ARISING IN THE REALIZATION OF THE RECEIVABLES. THE TRUST IS NOT A TRUST COMPANY AND DOES NOT CARRY ON OR INTEND TO CARRY ON THE BUSINESS OF A TRUST COMPANY. THE NOTES ARE NOT "DEPOSITS" WITHIN THE MEANING OF THE CANADA DEPOSIT INSURANCE CORPORATION ACT AND NONE OF THE SERIES OWNERSHIP INTERESTS, THE NOTES OR THE RECEIVABLES IS INSURED OR GUARANTEED BY THE CANADA DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

Scotiabank's permitted use of the VISA* trademark in this Prospectus does not constitute and should not be taken as a VISA Inc., VISA International Service Association or VISA Canada Corporation warranty, guarantee or other endorsement of any kind, of the securities offered by the Trust.

---

* VISA is a registered trademark of VISA International Service Association.

TABLE OF CONTENTS

Page

DOCUMENTS INCORPORATED BY REFERENCE 5
ELIGIBILITY FOR INVESTMENT 7
TRANSACTION OVERVIEW 8
Transaction Structure 10
THE TRUST 10
Issuer Trustee 11
Administration of the Trust 11
Indenture Trustee 11
THE SELLER 11
PERSONAL LINE OF CREDIT BUSINESS OF THE SELLER 12
General 12
ScotiaLine Account Agreement 12
Credit Policy for ScotiaLine Accounts 13
Collection of Delinquent ScotiaLine Accounts 13
OPERATIONS OF THE TRUST 14
Assignment and Transfer of Account Assets 14
Series Ownership Interests 20
Collection and Series Accounts 25
Revolving Period 28
Shared Excess Collections For All Series Ownership Interests 29
Accumulation Period 29
Amortization Period 31
Pooling and Servicing Agreement 32
DETAILS OF THE OFFERING 37
General 37
The Notes 37
Interest 38
Principal 38
Subordination of the Class B, Class C and Class D Notes 39
Book-Entry Registration 39
Seller's Representation and Indemnity Covenant 40
HEDGING TRANSACTIONS 40
THE TRUST INDENTURE 40
General 40
Limited Recourse 41
Events of Default and Remedies 41
Payment Priorities 43
Amendments to the Trust Indenture 45
Certain Covenants 46
Indemnification of the Indenture Trustee 46
Resignation or Removal of Indenture Trustee 47
USE OF PROCEEDS 47
PLAN OF DISTRIBUTION 47
INVESTMENT CONSIDERATIONS 48
Limited Recourse 48
Certain Legal Matters 48
Reliance on the Seller as Servicer 49
Social, Legal, Economic and Other Factors 49
Competition in the Personal Credit Industry 49
Changes to Terms of the Accounts and Related Policies 49
Consumer Protection Laws 50
Absence of Public Market for the Notes 50

Acquisition of Additional Account Assets....50
Series Co-Owner Action....51
Noteholder Action....51
Payments on the Receivables/Repayment on Expected Final Payment Date....51
Additional Series Ownership Interests....51
Reliance on Historical Data....52
Pool Performance....52
RATINGS....52
ADDITIONAL INVESTMENT CONSIDERATIONS FOR PURCHASERS OF CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES....56
MATERIAL CONTRACTS....57
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS....57
PROMOTER....58
LEGAL MATTERS....59
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION....59
UNDERTAKING....59
AUDITORS, TRANSFER AGENT AND REGISTRAR....59
INTEREST OF EXPERTS....59
CERTIFICATE OF THE TRUST AND PROMOTER....60
CERTIFICATE OF THE DEALERS....61
INDEX OF DEFINED TERMS....62

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Scotiabank, in its capacity as the administrative agent of the Trust, at The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672, and are also available electronically at www.sedar.com.

The following documents which have been filed by the Trust with the securities regulatory authorities in Canada are incorporated by reference in this Prospectus:

(a) the audited annual financial statements of the Trust for the year ended December 31, 2014 and the auditors' report thereon, together with management's discussion and analysis of financial condition and results of operations in respect thereof;

(b) the Annual Information Form of the Trust for the year ended December 31, 2014 dated April 23, 2015;

(c) the unaudited interim financial statements of the Trust for the three month period ended March 31, 2015, together with management's discussion and analysis of financial condition and results of operations in respect thereof; and

(d) the Trust's portfolio data as at May 31, 2015 pertaining to the Account Assets.

Any annual financial statements, any interim financial statements, any annual or interim management's discussion and analysis, any annual information form or other annual filings and any material change reports (excluding confidential material change reports, if any) and any other disclosure document filed by the Trust with the various securities regulatory authorities in Canada after the date of this Prospectus and prior to the termination of this offering will be deemed to be incorporated by reference into this Prospectus. All shelf information omitted from this Prospectus will be contained in one or more pricing supplements that will be delivered to purchasers together with this Prospectus. A pricing supplement containing the specific terms in respect of an offering of Notes will be delivered to purchasers of such Notes together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus for purposes of securities legislation as of the date of such pricing supplement, but only for purposes of the offering of such Notes (unless otherwise expressly provided therein). At the time a new annual information form and the related annual financial statements are filed by the Trust with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous comparative annual information form, comparative annual financial statements and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Trust's financial year in which the new annual information form was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Notes hereunder.

The Administrative Agent will post on www.sedar.com certain information pertaining to the Account Assets in which the Trust maintains undivided co-ownership interests through ownership of the Series Ownership Interests. Such postings will be made on a quarterly basis or at such longer interval as may be provided with reference to the currency of pool data required by securities legislation with respect to issuers of asset backed securities. All such information will be incorporated by reference into this Prospectus for purposes of securities legislation as at the date of such posting. Upon new data being posted by Scotiabank, as the Administrative Agent of the Trust, the previously posted data shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Notes hereunder.

Except as referenced above, no other document or information is incorporated by reference in, or forms part of, this Prospectus, including without limitation, any information that may be published from time to time by Scotiabank, including in its capacity as Administrative Agent of the Trust, or any of its affiliates, at world wide web sites such as www.scotiabank.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any

purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP and Stikeman Elliott LLP, unless otherwise specified in the applicable pricing supplement, the Notes, if acquired on the date hereof, would at that time be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") for a trust governed by a registered retirement savings plan (an "**RRSP**"), registered retirement income fund (a "**RRIF**"), registered education savings plan, registered disability savings plan, tax-free savings account (a "**TFSA**") or deferred profit sharing plan if they (i) are issued as part of a single issue of debt of at least $25,000,000 or, in the case of Notes issued on a continuous basis under a debt issuance program, the Trust had issued and outstanding Notes under the program of at least $25,000,000 on such date, and (ii) have an investment grade rating with certain rating agencies. As of the date hereof a Designated Rating from a Designated Rating Agency satisfies this latter requirement, and is a condition of the closing of the offering of any Series. The Notes will not be a "prohibited investment" for a trust governed by an RRSP, RRIF or TFSA on the date hereof provided that, for purposes of the Tax Act, the annuitant of the RRSP or RRIF or holder of the TFSA (as the case may be) (i) deals at arm's length with the Trust, and (ii) does not have a "significant interest" in the Trust.

TRANSACTION OVERVIEW

The following is a brief overview of the transaction structure and is qualified by the more detailed information contained in this Prospectus. An Index of Terms, which specifies the pages on which certain terms are defined, is included at the end of this Prospectus.

General

The Seller holds a portfolio of revolving unsecured personal line of credit accounts which require the borrower to pay the Seller the amount of the loan made thereunder together with interest thereon. Pursuant to the Pooling and Servicing Agreement entered into between the Seller and Computershare Trust Company of Canada, as agent for and on behalf of the Seller, the Co-Owners and other persons who are from time to time party to Series Purchase Agreements (in such capacity, the "**Custodian**") on May 29, 2013 (the "**Pooling and Servicing Agreement**"), and Series Purchase Agreements entered into from time to time between the Seller, the Custodian and the Trust, the Trust may, together with other co-owners (referred to in this Prospectus as "**Series Co-Owners**"), acquire a Series Ownership Interest in that portfolio, the proceeds thereof and certain related rights. Unless otherwise specified in the related pricing supplement, the Trust will use the proceeds from the issue and sale of a Series to acquire the related Series Ownership Interest. The Notes will evidence debt obligations of the Trust secured by, and with recourse limited to, the related Series Ownership Interest.

The Accounts and Account Assets

A Series Ownership Interest may be acquired (i) in all ScotiaLine Accounts that exist now or in the future, (ii) in other portfolios of revolving personal credit accounts which are designated by the Seller and meet certain eligibility requirements and/or (iii) in undivided interests in or securities backed by a pool of assets consisting primarily of receivables with characteristics similar to those receivables payable on the accounts in such portfolios (referred to in this Prospectus as "**Participations**"). The accounts included in such portfolios are referred to in this Prospectus as "**Accounts**". The principal amount of the loans made under the Accounts, together with interest and applicable administrative charges, if any, payable thereunder are referred to in this Prospectus as "**Receivables**". The Receivables arising under the Accounts and the Participations, Collections thereon, the proceeds thereof and certain related rights are referred to in this Prospectus as the "**Account Assets**", as further described under "Operations of the Trust – Assignment and Transfer of Account Assets – Account Assets below.

Series Ownership Interests

From time to time the Seller may decide to sell to the Trust and other Series Co-Owners an undivided co-ownership interest, as tenants-in-common, with the Seller in the Account Assets. The interest in the Account Assets which is not sold by the Seller is referred to in this Prospectus as the "**Retained Interest**". Each co-ownership interest in the Account Assets acquired by the Trust (referred to in this Prospectus as a "**Series Ownership Interest**") will be sold by the Seller to the Trust in accordance with a Series Purchase Agreement. It entitles the Trust to receive a portion of the Collections in respect of the Account Assets but also requires the Trust to bear its proportionate share of any losses which arise in respect of the Account Assets. The Notes in a Series that are issued by the Trust to acquire a Series Ownership Interest will be secured by a charge on, and with recourse limited to, the Series Ownership Interest that was acquired by the Trust with the proceeds of that particular Series. To date, the Trust has acquired the 2013-1 Series Ownership Interest, the Series 2014-1 Ownership Interest, the Series 2015-1 Ownership Interest and the Series 2015-2 Ownership Interest using the proceeds from the issuance of the related Series of Notes.

Collections from the Account Assets and Distributions to the Trust

The relationship among the Trust, any other Series Co-Owners and the Seller will be governed by the terms of the Pooling and Servicing Agreement and the various Series Purchase Agreements that may be entered into from time to time. The Pooling and Servicing Agreement also sets out the responsibilities of the entity designated to service and administer the Account Assets (referred to in this Prospectus as the "**Servicer**"). The Seller has been appointed as the initial Servicer.

The Servicer will establish and maintain, or cause to be established and maintained, several segregated depository accounts. One account, designated herein as the Collection Account, has been established in the name of the Custodian as

agent for all of the Series Co-Owners, the Seller and any persons providing Series Enhancement. Except in certain circumstances, Collections of Receivables will be deposited into the Collection Account. Another account, established for the related Series Ownership Interest, will be in the name of the Trust and will be designated herein as the Series Distribution Account for such Series Ownership Interest. All distributions made in respect of a Series Ownership Interest will be deposited into the related Series Distribution Account. A third account will be established for such Series Ownership Interest in the name of the Custodian as agent for the Trust and the Seller and will be designated herein as the Cash Reserve Account for such Series Ownership Interest. Certain Collections attributable to a Series Ownership Interest in excess of the interest expense on the related Series and the Trust's other expenses will be deposited in the related Cash Reserve Account when the net yield after losses on the Account Assets declines below certain levels specified for such Series Ownership Interest. The amounts deposited into a Cash Reserve Account, if any, will be limited in amount and will be distributed to the Trust if amounts otherwise received from the related Series Ownership Interest are insufficient to pay amounts due on the related Series.

Revolving Period

Prior to the occurrence of an Accumulation Commencement Day or an Amortization Commencement Day for an applicable Series, the Trust will only receive distributions from the related Series Ownership Interest in an amount sufficient to satisfy its interest payment obligations under the related Series and to pay its expenses, provided that the Seller and Servicer are meeting all of their obligations under the Pooling and Servicing Agreement. This period is referred to in this Prospectus as the "**Revolving Period**". If the Seller maintains a minimum credit rating on its short-term indebtedness as described herein under "Operations of the Trust — Collection and Series Accounts — Deposit of Collections to the Collection Account; Commingling", the Seller will only be obliged to transfer Collections from Account Assets allocable to the Trust on the day on which the Trust must pay interest to its holders of Notes or other expenses of the Trust. If the Seller does not maintain such minimum credit ratings, it must deposit Collections from the Account Assets into the Collection Account for the benefit of the Seller and other Series Co-Owners within two Business Days of processing the Collections. The Custodian will distribute the proportionate share of such Collections which the Trust is entitled to receive as directed by the Servicer and will make any deposits required to be made to the related Cash Reserve Account.

Accumulation Period

Subject to the commencement of an Amortization Period (see below), the Revolving Period in respect of a Series will end and the Accumulation Period will begin on the date specified in the related Series Purchase Agreement (and set out in the applicable pricing supplement), or such earlier date as may be specified by the Servicer. The purpose of the Accumulation Period is to accumulate enough funds to ensure that payment in full of the principal and interest on the relevant Series will be made on the applicable Expected Final Payment Date. During this period, and subject to its entitlement to commingle Collections, the Servicer will deposit a specified portion of Collections in the Series Distribution Account on a monthly basis in order to pay the applicable holders of Notes in full on the applicable Expected Final Payment Date.

On the Expected Final Payment Date for a Series, the Trust will use the money on deposit in the related Series Distribution Account available for distribution to the Notes of such Series, (a) first, to pay the interest owing on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, (b) second, to pay the principal amount owing under the Class A Notes, and if the Class A Notes are paid in full, the principal amount owing under the Class B Notes, and if the Class B Notes are paid in full, the principal amount owing under the Class C Notes, and if the Class C Notes have been paid in full, the principal amount owing under the Class D Notes. If there are insufficient funds on deposit in the Series Distribution Account to pay these amounts, the Amortization Period for such Series will begin.

Amortization Period

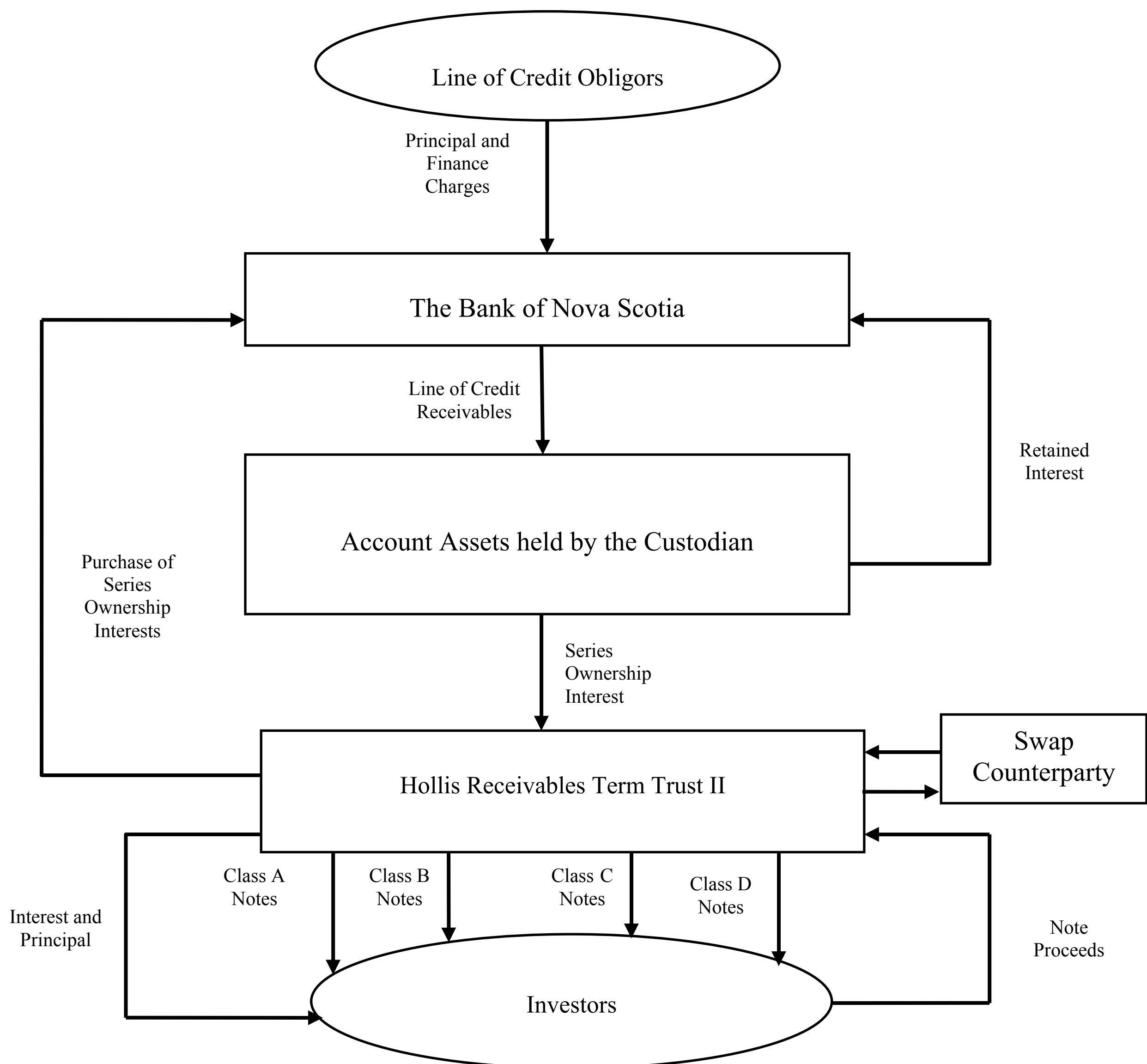
The Revolving Period or Accumulation Period in respect of a Series will end if an Amortization Commencement Day occurs following the occurrence of an Amortization Event. See "Operations of the Trust —Amortization Period" for events which constitute "**Amortization Events**". These events include, among other things, the failure of Scotiabank, in its capacity as Seller or Servicer, to make distributions when it is required to do so and the material breach of any representation or warranty made by Scotiabank in the Pooling and Servicing Agreement or applicable Series Purchase Agreement. During the Amortization Period for a Series, the Trust will make monthly payments to holders of Notes in the order of priorities set forth under "The Trust Indenture — Payment Priorities". If an Amortization Event occurs in respect of a Series, holders of Notes of such Series may receive repayment of their principal before or after the related Expected Final Payment Date.

The Cash Reserve Accounts

Certain events may occur which do not constitute an Amortization Event, but which nonetheless require a setting aside of certain amounts from Collections (referred to in this Prospectus as a "**Cash Reserve Event**"). If a Cash Reserve Event in respect of a Series occurs, specified amounts will be withdrawn from the Collection Account and placed into the related Cash Reserve Account. See "Operations of the Trust — Series Ownership Interests — Cash Reserve Accounts" for events which constitute Cash Reserve Events. The amounts on deposit in the Cash Reserve Account for a Series Ownership Interest will be distributed to the Trust and used to satisfy obligations of the Trust if there are otherwise insufficient Collections distributable to the Trust in respect of the related Series Ownership Interest to meet the Trust's obligations to make such payments as they become due.

Transaction Structure

The following diagram depicts how the transactions described hereunder will generally be structured.



THE TRUST

Issuer Trustee

The Trust was established pursuant to the Declaration of Trust. The Declaration of Trust is governed by the laws of the Province of Ontario. The Issuer Trustee is a trust company established under the laws of Canada and is licensed to carry on business as a trustee in all provinces and territories of Canada. The head office of the Issuer Trustee is at 11th Floor, 320 Bay Street, Toronto, Ontario, M5H 4A6.

The Trust may at any time change the head office and situs of the administration of the Trust to another location within Canada or have such other offices or places of administration within Canada as the Issuer Trustee may from time to time determine is necessary or desirable.

The Issuer Trustee is responsible for the acquisition, holding, managing, use, investment and disposition of the property of the Trust, subject to its right to delegate to any other person all or any of such responsibilities. See "The Trust-Administration of the Trust" herein.

The Issuer Trustee is permitted to resign as trustee of the Trust by giving written notice to the Administrative Agent. If the Issuer Trustee becomes insolvent or is unable to perform its duties under the Declaration of Trust, the Administrative Agent may terminate the Issuer Trustee's appointment. In the case of the resignation or termination of the Issuer Trustee, the Administrative Agent may appoint a trust company as a successor trustee. Any resignation by the Issuer Trustee is not effective until a successor trustee has been appointed and has accepted such appointment.

Administration of the Trust

Pursuant to the administration agreement dated as of January 23, 2013 (the "**Administration Agreement**") between the Issuer Trustee, on behalf of the Trust, and Scotiabank, Scotiabank (in such capacity, the "**Administrative Agent**") has agreed to carry out certain administrative activities for and on behalf of the Trust. The Trust has agreed to pay Scotiabank regular and periodic fees (the amounts of which shall be agreed upon by the Trust and Scotiabank from time to time and in any event not less frequently than on each anniversary date of the Administration Agreement) in consideration for the performance by Scotiabank of the activities and the fulfilment by Scotiabank of its responsibilities under the Administration Agreement, including all initial and ongoing administrative expenses of the Trust.

Indenture Trustee

Computershare Trust Company of Canada, a trust company established under the laws of Canada and licensed to carry on the business of a trust company in each province and territory of Canada, acts as indenture trustee (the "**Indenture Trustee**") pursuant to a trust indenture between the Trust and the Indenture Trustee made as of May 29, 2013, as it may be amended, restated, modified or supplemented from time to time (the "**Trust Indenture**").

THE SELLER

Scotiabank is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter. Scotiabank's head office is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are located at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1.

Scotiabank is a leading financial services provider in North America, Latin America, the Caribbean and Central America, and parts of Asia. With a team of more than 86,000 employees, Scotiabank is dedicated to helping approximately 21 million customers through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

Scotiabank may from time to time purchase Notes issued by the Trust either at the time of their initial issuance or in the secondary market.

PERSONAL LINE OF CREDIT BUSINESS OF THE SELLER

General

The Account Assets are generated from borrowings made by Accountholders under Accounts within the Seller's portfolio of ScotiaLine Accounts from time to time and future personal line of credit accounts, which may be designated by the Seller as Additional Accounts. The following discussion describes certain terms and characteristics of the ScotiaLine Accounts.

ScotiaLine Accounts may only be used by Accountholders for personal purposes and not for business purposes, and may only be utilized (i) by way of credit advances (including balance transfers, which are credit advances to fund the transfer of the Accountholder's balance from other debt to the related ScotiaLine Account) to the Accountholder, (ii) if such Accountholder has a ScotiaLine Account with a VISA access card, in addition to credit advances, by way of purchase advances. The Accountholder may obtain a credit advance from any branch of the Seller, from any of the Seller's automated banking machines, by drawing a cheque on the ScotiaLine Account, by transfers made through the Seller's facilities for telephone or internet banking and, in the case of a ScotiaLine Account with a VISA access card, from any financial institution or merchant that accepts VISA point of sale purchases.

Receivables arising as a result of such credit advances will be included in the Account Assets.

ScotiaLine accounts are originated primarily through applications in the Seller's branches, by direct solicitation of customers of the Seller by staff in the Seller's Contact Centres and by way of direct mail programs to selected customers of the Seller.

ScotiaLine Account Agreement

Each ScotiaLine Account is governed by a Line of Credit Agreement. The ScotiaLine Line of Credit Agreement provides for a predetermined credit limit for an Accountholder's ScotiaLine Account. The credit is available to be drawn by an Accountholder (i) periodically as determined by an Accountholder, including by way of credit advances or pursuant to ScotiaLine cheques, which cheques are drawn against credit available to the Accountholder, or by a single advance in an amount equal to the Accountholder's credit limit, and (ii) in the case of ScotiaLine Accounts with a VISA access card, by way of purchase advances. Credit limits may be adjusted by the Seller periodically based upon an evaluation of the Accountholder's payment performance and other credit criteria.

A variable rate of interest is payable on the advances obtained by an Accountholder from the date on which the advance is charged to the Accountholder's ScotiaLine Account. Interest is calculated based on the Seller's prime lending rate, plus an adjustment factor (which may be zero). The prime lending rate and/or adjustment factor may be adjusted by the Seller from time to time.

An Accountholder is required to make a minimum monthly payment on account of the balance outstanding on the ScotiaLine Account in accordance with a monthly statement sent by Scotiabank to the Accountholder. In addition to the required minimum monthly payment, an Accountholder must immediately pay all amounts drawn in excess of the Accountholder's credit limit. It is open to an Accountholder to make a larger payment than the required minimum payment or to make payments more frequently than monthly. Amounts received by the Seller will be allocated first to pay interest and then to pay principal. The required minimum payment amounts may be changed by the Seller from time to time by notice to the Accountholder.

Accountholders with a ScotiaLine Account with a VISA access card are able to make purchases and obtain cash advances which are applied against the credit available under their ScotiaLine Account. The Seller may terminate a ScotiaLine Line of Credit Agreement and demand repayment in full of the amount outstanding on the related ScotiaLine Account upon the occurrence of certain events of default, including the failure by the Accountholder to pay the required minimum monthly instalment, if the Accountholder dies or becomes insolvent or bankrupt or if the Seller believes, in good faith, that the Accountholder's ability to pay the amount outstanding is impaired.

Credit Policy for ScotiaLine Accounts

When the Seller receives an application for a ScotiaLine Account, the application is reviewed for completeness. In order to assess the creditworthiness of an applicant, the Seller uses a credit scoring system that contains risk models developed specifically for Scotiabank. Credit scoring models are developed using applied statistics which weight the past characteristics of credit applicants to actual repayment behaviour. A variety of factors which make up the credit applicant's profile, including, for example, income and credit history, are evaluated to arrive at a measure of the credit risk. When the model is applied to new credit applicants, their "propensity to repay" is quantified through the risk score, while their "ability to repay" is assessed using the credit industry's standard measure known as "total debt service ratio". The applicant's initial credit limit is assigned based on the combination of both measures. On a regular basis, the performance of the credit scoring model is reviewed and, if necessary, updated to reflect the applicant population and current economic conditions.

Collection of Delinquent ScotiaLine Accounts

The Seller generally considers a ScotiaLine Account to be delinquent if the minimum payment due thereunder is not received by the Seller by the due date indicated on the Accountholder's statement. Efforts to collect payments on delinquent ScotiaLine Accounts are made by the personnel of the Seller, as well as the use of automated dialer technology, supplemented by collection agencies and counsel retained by the Seller. Under current practice, the Seller includes a request for payment of overdue amounts on all billing statements issued after the ScotiaLine Account balance becomes delinquent.

While collection personnel and automated dialers may initiate telephone contact with delinquent Accountholders as early as the next statement date, generally such contact is initiated after a delinquency letter has been sent and the ScotiaLine Account is fifteen days past due. In the event that initial telephone contact fails to resolve the delinquency, the Seller continues to contact the Accountholder by telephone and mail. Generally, between thirty and sixty days past due (depending upon the Accountholder's credit profile and other factors), the account is no longer authorized for further credit until the overdue payments are received. It is within the authorization of either branch or collection personnel to block any further use of a ScotiaLine Account prior to that date if there is sufficient justification such as death or bankruptcy.

The Seller may also, at its discretion, enter into arrangements with delinquent Accountholders to extend or otherwise change payment schedules. Once a ScotiaLine Account (other than a ScotiaLine Account with a VISA access card) is 90 contractual days past due it is classified as non-accrual, which means that it will continue to accrue interest, but the Seller does not account for such accrued interest directly on such ScotiaLine Account in its records but instead accrues such interest in a separate non-accrual account until such time as such ScotiaLine Account is either returned to current status or charged-off. The current policy of the Seller is to automatically write-off a ScotiaLine Account (other than a ScotiaLine Account with a VISA access card) once it has been in non-accrual status for 365 days. The current policy of the Seller is to automatically write-off a ScotiaLine Account with a VISA access card once it has been in non-accrual status for 90 days. Should it become apparent that the account is not collectible, the account may be written off in advance of the automatic write-off policy date.

For so long as a ScotiaLine Account is in non-accrual status, no amount in respect of interest thereon will be included in Finance Charge Receivables. If such ScotiaLine Account is returned to current status, any amounts received from the Accountholder thereunder that are applied in payment of the interest that would otherwise have accrued directly on such ScotiaLine Account will be included in Finance Charge Receivables at the time of such application. If such ScotiaLine Account does not return to current status and is charged-off, any amounts received from the Accountholder thereafter will constitute Recoveries.

The credit evaluation, servicing and write-off policies and collection practices of the Seller may change over time in accordance with the business judgment of the Seller, applicable law and guidelines established by applicable regulatory authorities.

OPERATIONS OF THE TRUST

Assignment and Transfer of Account Assets

General

In connection with each sale by the Seller to the Trust of each Series Ownership Interest, the Trust will enter into a purchase agreement (each, a "**Series Purchase Agreement**"), pursuant to which the Trust and one or more other co-owners (the Trust and each such other co-owner being referred to herein as a "**Series Co-Owner**") will purchase, and the Seller will sell, transfer, assign and convey (collectively, "**Transfer**") to the Trust, a Series Ownership Interest as of the date specified therein and in the related pricing supplement (each, a "**Closing Date**"). The creation, transfer and servicing of each Series Ownership Interest is provided for in the Pooling and Servicing Agreement as supplemented by the related Series Purchase Agreement.

Assignment of Account Assets to the Custodian

On May 29, 2013, the Seller assigned, transferred, delivered to and deposited with the Custodian, as agent, nominee and bare trustee, for and on behalf of the Seller and all present and future Series Co-Owners who appoint the Custodian in Series Purchase Agreements from time to time and any persons providing Series Enhancement, all of the Seller's present and future right, title and interest in, to and under the Account Assets arising in or under the Initial ScotiaLine Accounts in existence as of April 30, 2013 (the "**Cut-Off Date**") and the New ScotiaLine Accounts on or after the applicable Reference Day for such Accounts. On each Closing Date, the Seller will transfer a Series Ownership Interest to the Trust pursuant to the related Series Purchase Agreement.

"**Initial ScotiaLine Accounts**" means all ScotiaLine Accounts existing as of the Cut-Off Date.

"**New ScotiaLine Accounts**" means all ScotiaLine Accounts established by the Seller after the Cut-Off Date.

The Account Assets

The Account Assets in which any Series Ownership Interest represents an undivided co-ownership interest, consist of (i) all present and future Receivables arising under the Accounts from time to time and any Participations, (ii) funds collected or to be collected from Obligors in respect of the Receivables (including Collections) or from Participations, if any, (iii) Interchange Fees, (iv) the Collection Account and all monies and Eligible Investments on deposit in or credited to the Collection Account, (v) such interest in the related Line of Credit Agreements as may be necessary to enforce the obligations of the Obligors under the Accounts with respect to the Receivables, and (vi) all proceeds of the foregoing (collectively, the "**Account Assets**").

The Seller receives interchange fees from financial institutions for clearing transactions arising under credit card accounts and as compensation for assuming credit risk and funding receivables for a limited period of time prior to initial billing.

"**Account**" means, as of any date and without duplication: (a) the Initial ScotiaLine Accounts; (b) the New Accounts; and (c) the Additional Accounts, but excludes a Removed Account.

"**Accountholder**" means, with respect to any Account, the person or persons primarily obligated to make payments of amounts owing from time to time under such Account.

''**Interchange Fees**'' means, for any Reporting Period, an amount equal to the product of (i) the aggregate purchase volumes for all ScotiaLine Accounts with a VISA access card during such Reporting Period, and (ii) the interchange rate in effect during such Reporting Period.

"**Obligor**" means, with respect to any Account, the Accountholder and any other person obligated to make payments of amounts owing from time to time under such Account, including any guarantor thereof.

Accounts

All Initial ScotiaLine Accounts were included as Accounts. All New ScotiaLine Accounts automatically become Accounts without further action on the part of the Seller. In addition, the Seller may, and in certain circumstances is obligated to, designate other Eligible Accounts ("**Additional Accounts**") (i) which are personal credit accounts not within a Designated Portfolio which, upon satisfaction of certain conditions, will become Accounts with effect from the applicable Addition Cut-Off Date or (ii) arising in an additional Portfolio which, upon satisfaction of certain conditions, will become a Designated Portfolio (an "**Additional Designated Portfolio**"), the accounts in which will become Accounts with effect from the applicable Addition Cut-Off Date. All Additional Accounts existing in an Additional Designated Portfolio on the applicable Addition Cut-Off Date will become Accounts and all accounts arising in such Additional Designated Portfolio thereafter will become Accounts ("**New Additional Accounts**" and, together with the New ScotiaLine Accounts, the "**New Accounts**"), in each case, as of the applicable Reference Day for such Accounts. An Account expressly excludes a Removed Account. See "Addition of Accounts" below.

An eligible account (an "**Eligible Account**") is a personal credit account which: (a) is subject to a Line of Credit Agreement; (b) provides for the extension of credit on a revolving basis, by the Seller to the Accountholder; (c) requires that the Accountholder make a minimum monthly payment in respect of the Account in accordance with the applicable Line of Credit Agreement; (d) provides that extensions of credit thereunder bear interest at a floating or variable rate; (e) is in existence, owned by the Seller and maintained and serviced by the Seller, the Servicer or any entity delegated responsibility by the Servicer; (f) is not subject to any lien and has not been sold to any other person, and the Receivables arising thereunder are not subject to any lien and have not been sold to any other person; (g) is, pursuant to the Line of Credit Agreement, required to be used only for non-business purposes; and (h) satisfies any additional criteria specified in a Series Purchase Agreement. The Seller will represent and warrant to the Series Co-Owners that each Account, as of the applicable Reference Day, is an Eligible Account.

"**Designated Portfolios**" means the Portfolio of ScotiaLine Accounts and any other Portfolio that becomes an Additional Designated Portfolio as described under "Addition of Accounts" below but excludes any Portfolio that ceases to be a Designated Portfolio as described under "Removal of Accounts" below.

"**Line of Credit Agreement**" means, with respect to an Account, the agreement or agreements between the Accountholder, any other Obligors and the Seller (or a third party that has assigned its interest to the Seller) (and, where required for settlement purposes, a third party) governing the terms and conditions of such Account, as any such agreement or agreements may be amended, modified, supplemented or otherwise changed from time to time.

"**Portfolio**" means a group of revolving personal credit accounts (a) maintained by the Seller under a common or substantially similar form of Line of Credit Agreement (aside from variances due to applicable law applicable to the accounts, the Seller or the Obligors residing in the jurisdiction in which such laws apply) and (b) which are maintained and accounted for as a distinct portfolio of accounts by the Seller.

"**Reference Day**" means, in respect of an Account: (a) the Cut-Off Date, in the case of an Initial ScotiaLine Account; (b) the date on which an Account is established by the Seller pursuant to the applicable Line of Credit Agreement, in the case of a New Account; and (c) the Addition Date, in the case of an Additional Account.

"**ScotiaLine Accounts**" means all personal unsecured credit accounts existing from time to time that (a) are maintained by the Seller in Canada (either alone or in combination with other credit facilities made available to the Accountholder by the Seller), (b) provide for the extension of credit on a revolving basis by way of credit advances and cash advances and, in the case of Accountholders with a ScotiaLine Account with a VISA access card, by way of purchase advances, in each case from the Seller to the Accountholder pursuant to the related Line of Credit Agreement, (c) are maintained and accounted for by the Seller as a Portfolio under the name "ScotiaLine Personal Line of Credit" or under a successor designation, and (d) are not accounts for which credit has been extended with respect to registered retirement savings plan loans or student loans.

Receivables

The "**Receivables**" in which the Trust will acquire undivided co-ownership interests will be the amounts owing by Accountholders under the Accounts from time to time, including all interest charges, administrative charges and fees, if any,

billed or accruing due by Accountholders, together with Interchange Fees (collectively, "**Finance Charge Receivables**") and the principal amount of loans advanced to Accountholders remaining unpaid. The aggregate dollar amount of outstanding Receivables (and therefore the Pool Balance) will fluctuate from day to day as new Receivables are generated in the Accounts and existing Receivables are collected, written off or otherwise adjusted. The "**Pool Balance**" is, on any day, equal to the aggregate balance of all outstanding Receivables owing under the Accounts as of the close of business on the immediately preceding Business Day, provided that amounts that are Defaulted Amounts at such time shall be deemed to be zero.

"**Defaulted Amount**" means, at any time, the sum of the outstanding amounts of all Receivables under all Accounts that are Defaulted Accounts at such time.

"**Defaulted Account**" means, at any time, any Account which is written off in accordance with the Servicer's practices and procedures (other than write-offs arising from small balance adjustments where the Servicer determines that the cost of collection is inordinately large compared to the amount to be collected, adjustments for fraudulent borrowings and other ordinary course adjustments), provided that (i) any ScotiaLine Account (other than a ScotiaLine Account with a VISA access card) under which any Receivable has been treated as non-accrual by the Servicer for 365 days or more shall be a Defaulted Account, and (ii) any ScotiaLine Account with a VISA access card under which any Receivable is in non-accrual status for 90 days or more shall be a Defaulted Account.

See "Personal Line of Credit Business of the Seller - Collection of Delinquent ScotiaLine Accounts".

If the Servicer adjusts downward the amount of any Receivable because of a fraudulent borrowing, a billing error or a reduction in the amount of the Receivable due to the transfer of all or a portion of the balance thereof in connection with the consolidation of the debts of the Obligor or as a result of the establishment of a secured line of credit for such Obligor that replaces the related Account, or if the Servicer writes off as uncollectible certain small balances where the Servicer determines that the cost of collection is inordinately large compared to the amount to be collected, the Pool Balance will be reduced by the amount of such adjustment or write-off. After any such reduction in the amount of the Pool Balance, the amount of such reduction will be deducted from Receivables used in the calculation of the Pool Balance and the Retained Interest Amount and the Series Accumulation Percentage and the Floating Allocation Percentage applicable to any Series. To the extent that the reduction in the amount of the Pool Balance reduces the Retained Interest Amount to an amount less than zero in any Reporting Period, the Seller is required by the Pooling and Servicing Agreement to deposit on the Distribution Day following such Reporting Period into the Collection Account in immediately available funds an amount equal to the amount by which the Retained Interest Amount would be reduced below zero (each, an "**Adjustment Payment**").

Restrictions on Amendments to the Terms and Conditions of the Accounts

Under the Pooling and Servicing Agreement, the Seller may amend or otherwise change, subject to compliance with all applicable laws, the terms and provisions of any or all of the Accounts, the terms and provisions of the related Line of Credit Agreements and its practices and procedures relating to the operation of its business in relation to personal credit accounts, in each case, in any respect whatsoever (including the calculation of the amount and the timing of write-offs, the amount and manner of payment of interest charges or service charges and other fees or amounts charged or assessed under the Accounts) if such change is made:

(a) to comply with changes in applicable laws;

(b) so that the terms and conditions of the Accounts, the related Line of Credit Agreements and/or such practices and procedures are, (i) in the opinion of the Seller acting reasonably, competitive with those currently available to customers of its competitors, or (ii) in the opinion of the Seller acting reasonably, will be competitive with those which are expected to be made available by its competitors;

(c) in a manner which satisfies the Rating Agency Condition;

(d) applicable to the comparable segment of personal credit accounts, if any, owned or serviced by the Seller which have, in the opinion of the Seller acting reasonably, the same or substantially similar credit characteristics as the Accounts which are the subject of such change; or

(e) in any other manner which, in the reasonable opinion of the Seller, will not be materially detrimental to the interests of the Series Co-Owners or any other persons providing Series Enhancement.

"**Rating Agency Condition**" means, with respect to any action, that either (i) the Rating Agencies have notified the Seller, the Servicer, the Custodian and each affected Series Co-Owner in writing that such action will not result in a reduction or withdrawal of any credit rating assigned by the Rating Agencies to any Series or to any securities or class of securities (including the Notes of each Class) issued by any Series Co-Owner to fund the acquisition of a Series Ownership Interest by such Co-Owner (the "**Related Securities**"), or (ii) if a Rating Agency does not as a policy provide written confirmation of the type described in clause (i), such Rating Agency has been provided at least ten Business Days' prior notice of such action and has not, within such notice period, advised the Seller, the Servicer, the Custodian or any affected Series Co-Owner in writing that such action will result in a reduction or withdrawal of any credit rating assigned by such Rating Agency to any Series or to any Related Securities.

"**Rating Agencies**" means the credit rating agencies named in the related pricing supplement that provide ratings on a Series or Related Securities, and their respective successors.

Addition of Accounts

If the Pool Balance is less than the Required Pool Balance as of the close of business on any Reporting Day, the Seller is required, on or prior to the close of business on the Business Day immediately preceding the Calculation Day following such Reporting Day (each a "**Required Addition Date**"), to designate Additional Accounts as of the Required Addition Date or to add participations representing undivided interests in or securities backed by a pool of assets primarily consisting of receivables with similar (but not necessarily identical) characteristics to the Receivables and collections thereon ("**Participations**") as of the Required Addition Date and Transfer to the Series Co-Owners undivided co-ownership interests in the related Account Assets or Participations such that, after giving effect to such designation and Transfer, the Pool Balance (which for such purposes includes the principal or invested amount of any Participations added to the Pool Balance) on the Required Addition Date will be at least equal to the Required Pool Balance. The inclusion of Participations would be (i) to the extent necessary, effected by an amendment by the Seller and Custodian of the Pooling and Servicing Agreement which will not require the consent or approval of any Series Co-Owners and (ii) subject to the satisfaction of the Rating Agency Condition. Any addition of Additional Accounts by the Seller on any Required Addition Date will be subject to satisfaction of the conditions outlined below, except for satisfaction of the Rating Agency Condition.

The Seller may from time to time in its sole discretion, subject to the conditions set out below, voluntarily designate additional Eligible Accounts to be included as Accounts as of the applicable Addition Date existing on and after a specified date (the "**Addition Cut-Off Date**") and Transfer to the Series Co-Owners undivided co-ownership interests in the related Account Assets existing on and after the Addition Cut-Off Date. In addition, the Seller may, from time to time, in its sole discretion, subject to the conditions set out below, voluntarily designate a Portfolio of Eligible Accounts to be added as an Additional Designated Portfolio and included as Accounts as of the applicable Addition Date and Transfer to the Series Co-Owners undivided co-ownership interests in the related Account Assets existing on and after the Addition Cut-Off Date. The Seller and the Custodian will be permitted to effect any amendments to the Pooling and Servicing Agreement required to give effect to the addition of an Additional Designated Portfolio without the consent or approval of any Series Co-Owner.

Undivided co-ownership interests in the Account Assets of an Additional Account will be Transferred to the Trust and each of the other Series Co-Owners, effective on a date (the "**Addition Date**") which is specified in a written notice (the "**Addition Notice**") provided by the Seller to the Custodian, the Series Co-Owners, each person providing Series Enhancement and each Rating Agency on or before the tenth Business Day prior to the Addition Date which identifies the Addition Cut-Off Date and the Addition Date for such Additional Accounts. Such Additional Accounts may only be added if, on or before the Addition Date, certain conditions are satisfied, including: (a) the Additional Accounts will be Eligible Accounts on the related Addition Cut-Off Date; (b) in the case of a designation of Additional Accounts in an Additional Designated Portfolio, the Seller has delivered, together with the Addition Notice, a true copy of the Line of Credit Agreements governing the accounts in such Additional Designated Portfolio; (c) as of the Addition Date, no Insolvency Event with respect to the Seller has occurred or will occur as a result of the Transfer of the related Account Assets; (d) the Transfer of the Account Assets will not result in the occurrence of an Amortization Event with respect to any Series Ownership Interest; (e) the Seller shall have executed and delivered to the Custodian and each of the Series Co-Owners an assignment agreement assigning, transferring, delivering to and depositing with the Custodian all of the Seller's present and future interest in the Account Assets arising in the Additional Accounts and Transferring an undivided co-ownership interest therein to the Trust

and, in accordance with the Pooling and Servicing Agreement, shall have filed or will file all financing statements or other documents necessary to perfect such assignments and Transfers; (f) except as expressly noted above in the first paragraph under "Addition of Accounts", the Rating Agency Condition with respect to the addition of the Additional Accounts has been satisfied; and (g) the Seller shall have delivered to the Custodian an officer's certificate confirming the satisfaction of the foregoing and a computer file or microfiche list of the Accounts to be added identifying each such Account by its account number and specifying the balance of the Receivables in each such Account as of the Addition Cut-Off Date.

New ScotiaLine Accounts will automatically become Accounts without further action on the part of the Seller; provided, however, that, unless the Rating Agency Condition has been satisfied, the balance of the Receivables in New ScotiaLine Accounts as of the most recent Reporting Day, and the number of such New ScotiaLine Accounts added (a) during a period of three consecutive months may not exceed 15% of each of the Pool Balance and the number of Accounts as of the first day of such three month period, as applicable, and (b) during any twelve month period may not exceed 20% of each of the Pool Balance and the number of Accounts as of the first day of such twelve month period, as applicable. If the Rating Agency Condition is not satisfied with respect to either of such percentages being exceeded, such New ScotiaLine Accounts shall be removed from the Account Assets in accordance with certain procedures specified in the Pooling and Servicing Agreement.

"**Business Day**" means, any day, other than a Saturday or Sunday or a day on which banks in the city of Toronto, Ontario are not open for business.

"**Calculation Day**" means, for any Reporting Period, the 18th day of the month following such Reporting Period, or if not a Business Day, the immediately preceding Business Day.

"**Reporting Day**" means, for each Series Ownership Interest, the last day of each calendar month and, for greater certainty, initially is the last day of the month immediately preceding the related Closing Date.

"**Reporting Period**" means a calendar month commencing with June, 2013 and, when modified by the word "related" in respect of any Reporting Day or Distribution Day, means, respectively, the Reporting Period in which such Reporting Day occurs and the Reporting Period ended immediately prior to such Distribution Day.

"**Required Pool Balance**" means, for any day, an amount which is the aggregate of the amount for each Series Ownership Interest, equal to the sum of the product of (i) the Invested Amount for such Series Ownership Interest on such day, and (ii) the Required Pool Percentage for such Series Ownership Interest on such day.

"**Required Pool Percentage**" means, with respect to any Series Ownership Interest, the greater of 105% and the percentage specified therefor in the related Series Purchase Agreement (as will be described in the related pricing supplement).

Removal of Accounts

The Seller has the right under the Pooling and Servicing Agreement to designate one or more Accounts which are to be removed as Accounts ("**Removed Accounts**") as of a specified date (the "**Removal Cut-Off Date**") if the following conditions are satisfied:

(a) the Seller, on or before the tenth Business Day prior to the Removal Date, has delivered a notice (the "**Removal Notice**") to the Custodian, each Series Co-Owner, each person providing Series Enhancement and each Rating Agency, specifying the aggregate outstanding balance of Receivables under the Accounts to be designated as Removed Accounts, the procedure to be used to designate the Removed Accounts, which procedure shall ensure that the Accounts to be designated as Removed Accounts are selected on a random basis, the date of such removal (the "**Removal Date**") and the Removal Cut-Off Date on and after which the Series Co-Owners will cease to have an undivided co-ownership interest in the Account Assets arising under such Removed Accounts;

(b) Accounts may not be removed more than once in any Reporting Period;

(c) on or before the Removal Date the Seller has delivered to the Custodian a list of the account numbers of such Removed Accounts and the outstanding balance of each Removed Account, as of the Removal Cut-Off Date;

(d) the Seller has represented and warranted to the Custodian and the Series Co-Owners, as of the Removal Date, that the removal of the Removed Accounts as of the Removal Date will not, in the reasonable opinion of the Seller, cause an Amortization Event to occur in respect of any Series Ownership Interest or cause the Pool Balance to be less than the Required Pool Balance;

(e) the Seller has represented and warranted to the Custodian as of the Removal Date that the related list of Removed Accounts is true and complete in all material respects; and

(f) the Rating Agency Condition with respect to all Series Ownership Interests and the Related Securities shall have been satisfied in respect of the removal of the Removed Accounts.

Mandatory Purchase of Account Assets

Scotiabank, in its capacity as Seller, has made certain representations and warranties in the Pooling and Servicing Agreement relating to the Accounts and the Account Assets. If the Seller breaches such representations or warranties and such breach has a material adverse effect on the collectability or value of any Receivable (which determination will be made without regard to whether funds are then available pursuant to any Series Enhancement or any credit enhancement relating to a Series Ownership Interest or any Related Securities) and remains unremedied for 60 days, or such longer period (not in excess of 150 days) as may be agreed to by the Custodian and which satisfies the Rating Agency Condition, subject to the provisions of the Pooling and Servicing Agreement and as may otherwise be provided in a Series Purchase Agreement, after the earlier to occur of the discovery of such breach by the Seller or receipt of written notice of such breach by the Seller from the Custodian or any Series Co-Owner, then, the Custodian will, if requested by the Seller, assign to the Seller all of the interest of the Custodian, the Series Co-Owners and the Seller in the affected Receivables ("**Ineligible Receivables**") on the first Distribution Day following the Reporting Period in which such breach was discovered by the Seller or such notice was received by the Seller.

On such Distribution Day, the Servicer will deduct the amount of the Ineligible Receivables from the aggregate amount of Receivables used to calculate the Pool Balance, the Retained Interest Amount, the Series Accumulation Percentage and the Floating Allocation Percentage for any Series Ownership Interest, in each case, regardless of whether the Ineligible Receivables are assigned to the Seller as described in the preceding paragraph, or not. If the exclusion of an Ineligible Receivable from the calculation of the Pool Balance and the Retained Interest Amount would cause the Retained Interest Amount to be a negative number, on such applicable Distribution Day the Seller will, as a purchase price adjustment in respect of the purchase of the Ineligible Receivable, make a deposit into the Collection Account in immediately available funds in an amount equal to the amount by which the Retained Interest Amount would be reduced below zero. The deposit of the required amount into the Collection Account in connection with the reassignment of any Ineligible Receivables (the amount of any such deposit being referred to herein as an "**Ineligible Receivable Deposit Amount**") will be considered a payment in full by the Seller to the Series Co-Owners for such Ineligible Receivables and will constitute the sole remedy available to the Custodian and the Series Co-Owners respecting any such breach of representations or warranties by the Seller.

Pursuant to the Pooling and Servicing Agreement, the Seller has also made representations and warranties to the Custodian and each of the Series Co-Owners to the effect, among other things, that (a) it is a Canadian chartered bank with the authority to consummate the transactions contemplated by the Pooling and Servicing Agreement and each Series Purchase Agreement; (b) the Pooling and Servicing Agreement, each Series Purchase Agreement and any agreement relating to Series Enhancement constitutes a valid, binding and enforceable agreement of the Seller; and (c) the Pooling and Servicing Agreement and each Series Purchase Agreement constitutes a valid Transfer to the related Series Co-Owner of an undivided co-ownership interest in all of the right, title and interest of the Seller in the Account Assets, until termination of the Pooling and Servicing Agreement and each such Series Purchase Agreement. If the breach of any of the representations and warranties described in this paragraph has a material adverse effect on one or more Series Ownership Interests (which determination shall be made without regard to whether funds are then available pursuant to any Series Enhancement or any credit enhancement relating to such Series Ownership Interest or any Related Securities), the Custodian may, and upon the direction of Series Co-Owners owning Ownership Interests representing not less than 50% of the Aggregate Ownership Amount of the Ownership Interests of all affected Series, the Custodian shall, by written notice to the Seller and the Servicer direct the Seller to accept

the re-assignment of the Ownership Interests owned by the Series Co-Owners within 60 days of such notice, or within such longer period (not in excess of 150 days) specified in such notice that satisfies the Rating Agency Condition. The Seller will be obligated to accept the reassignment of such Ownership Interests on the Distribution Day following the Reporting Period in which such reassignment obligation arises. The price for such reassignment generally will be equal to the aggregate of the Invested Amounts of all Series Ownership Interests on the Reporting Day immediately preceding such Calculation Date plus the Series Interest and Additional Funding Expenses in relation to such Series Ownership Interests for the period from but not including such Reporting Day to and including the date of payment in full of the aggregate purchase price and plus the Cumulative Deficiencies, if any, for all Series Ownership Interests as of the close of business on the immediately preceding Reporting Day. The payment of such reassignment price, by deposit thereof to the Collection Account in immediately available funds, will be considered a payment in full for all Ownership Interests and the funds paid to the Series Co-Owners by the Seller will be treated as Transfer Deposits and paid by the Custodian to the Series Co-Owners of all Series Ownership Interests in satisfaction and extinguishment of their Ownership Interests. If the Custodian or the requisite percentage of Series Co-Owners of all Series Ownership Interests gives a notice as provided above, the obligation of the Seller to make any such deposit will constitute the sole remedy respecting a breach of such representations and warranties available to the Series Co-Owners or any provider of Series Enhancement.

"**Transfer Deposit**" means, for any Reporting Period and the related Distribution Day, the funds deposited into the Collection Account on such Distribution Day (a) by the Seller in respect of a purchase by the Seller of a whole Series Ownership Interest as a result of an incorrect representation and warranty referred to in the immediately preceding paragraph, (b) by a person specified in a Series Purchase Agreement as being required to make a Transfer Deposit, or (c) by the Servicer if the Servicer exercises its option to purchase an Ownership Interest upon the Invested Amount of such Series Ownership Interest declining to less than 10% of the Initial Invested Amount of such Series Ownership Interest.

The Trust will, upon receipt of a Transfer Deposit in respect of a Series Ownership Interest, utilize such amount to repay the principal outstanding on the Notes of the related Series plus all accrued and unpaid Series Interest and Additional Funding Expenses incurred by the Trust to and including the Distribution Day on which such Transfer Deposit is received.

Series Ownership Interests

Description

Each Series Ownership Interest includes an undivided co-ownership interest in the Account Assets. None of the Trust, any other Series Co-Owner or the Seller will have a separate interest in any Receivable under any particular Account or any related Account Asset. As the purchaser of a Series Ownership Interest, the Trust will be entitled to receive a portion of the Collections, and will bear a share of the Pool Losses as more particularly described below. Reference is made to the Pooling and Servicing Agreement, the related Series Purchase Agreement and the related pricing supplement for the full particulars of the attributes of each Series Ownership Interest.

Under the Pooling and Servicing Agreement and pursuant to a Series Purchase Agreement, a new Series Ownership Interest may be created and transferred only upon satisfaction of certain conditions, including (a) the satisfaction of the Rating Agency Condition, and (b) the Seller having certified that, after giving effect to such Transfer, the Pool Balance will not be less than the Required Pool Balance. Upon satisfaction of all conditions specified in the Pooling and Servicing Agreement and the related Series Purchase Agreement, if any, and the payment of the consideration for the new Series Ownership Interest to the Seller, the Seller, the Servicer and the Custodian as agent for and on behalf of the Seller and the existing Series Co-Owners are required to execute the related Series Purchase Agreement.

The balance of the interest in the Account Assets and in the Collection Account and any Series Enhancement and in all investments of such deposits and the proceeds thereof, other than the undivided co-ownership interests owned by the Trust or any other Series Co-Owners, constitutes the "**Retained Interest**" owned by the Seller. The dollar amount of the Retained Interest on any date of determination will be equal to the amount, if any, by which the Pool Balance on such date exceeds the Aggregate Ownership Amount on such date (the "**Retained Interest Amount**"). The Retained Interest is not an Ownership Interest.

"**Aggregate Ownership Amount**" means, for any date of determination, the sum of the Invested Amounts for each Series Ownership Interest as of the close of business on the immediately preceding Business Day.

"**Collections**" means (i) all payments (including Recoveries) made by or on behalf of any Obligors or any other relevant person in respect of Account Assets, and (ii) all Interchange Fees.

"**Ownership Interest**" means, at any time,

(a) an undivided co-ownership interest, as a tenant-in-common with any other Series Co-Owners and the Seller, in the Account Assets acquired by the Trust pursuant to a Series Purchase Agreement, and includes the right to receive an allocation of the following amounts: (i) Collections on the Account Assets; (ii) Excess Collections; (iii) Transfer Deposits; and (iv) during the Accumulation Period for such Ownership Interest, Series Allocable Seller Collections;

(b) an ownership interest in any Series Enhancement for such Series Ownership Interest;

(c) an undivided co-ownership interest in the funds and Eligible Investments on deposit in or credited to the Collection Account and any Series Account, to the extent not described above; and

(d) all proceeds of the foregoing.

"**Series Enhancement**" means, with respect to any Series, the rights and benefits provided in respect of the Series pursuant to any letter of credit, surety bond, cash reserve account, spread account, guaranteed rate agreement, maturity liquidity facility, interest rate swap agreement, line of credit agreement, enhancement agreement or other similar arrangement established by the person providing the enhancement for the benefit of the co-owner(s) of such Series Ownership Interest.

"**Series Ownership Interest**" means the Ownership Interest acquired by the Trust pursuant to a Series Purchase Agreement.

Invested Amount

The Trust's interest in the Account Assets and Collections thereon will, with respect to each Series Ownership Interest, be calculated by reference to its "**Invested Amount**". On the related Closing Date for a Series Ownership Interest, the Invested Amount of such Series Ownership Interest will be equal to the purchase price for such Series Ownership Interest (the "**Initial Invested Amount**"), as specified in the related Series Purchase Agreement and, for any date of determination thereafter, an amount, in dollars, equal to:

(a) the Initial Invested Amount of such Series Ownership Interest;

minus,

(b) the Cumulative Deficiency, if any, for the immediately preceding Reporting Day;

plus,

(c) the stated dollar amount added to the Invested Amount of the Series pursuant to the Pooling and Servicing Agreement and the related Series Purchase Agreement in respect of Additional Ownership Interests of the Series Transferred after the Closing Date for the Series and prior to such date of determination;

minus,

(d) the aggregate of the amounts deposited into the Series Distribution Account in respect of the Invested Amount prior to such date of determination excluding, for greater certainty, deposits of Series Interest and Additional Funding Expenses and deposits made from any other Series Account or Series Enhancement.

"**Cumulative Deficiency**" means, for any Series Ownership Interest and any Reporting Day and the related Distribution Day, an amount, which shall not be less than zero, equal to:

(a) the Cumulative Deficiency on the Reporting Day immediately preceding the related Reporting Period;

plus,

(b) the amount, if any, by which (i) the sum of (x) the Series Pool Losses for such Reporting Period and (y) the Series Interest and Additional Funding Expenses (excluding the amount specified in paragraph (a)(v) in the definition of Additional Funding Expenses) for such Distribution Day exceeds (ii) the Ownership Finance Charge Receivables for such Reporting Period;

minus,

(c) the lesser of (i) the Cumulative Deficiency on the Reporting Day immediately preceding such Reporting Period; and (ii) the amount, if any, by which (x) the Ownership Finance Charge Receivables for such Reporting Period exceeds (y) the sum of the Series Interest and Additional Funding Expenses (excluding the amount specified in paragraph (a)(v) in the definition of Additional Funding Expenses) for such Distribution Day and the Series Pool Losses for such Reporting Period;

minus,

(d) the amount withdrawn from the Cash Reserve Account and deposited to the Series Distribution Account during such Reporting Period.

"**Additional Funding Expenses**" means, for any Series Ownership Interest owned by the Trust and any Reporting Period and the related Distribution Day, without duplication, the sum of the following amounts payable by the Trust with respect to such Reporting Period:

(a) all amounts in respect of the following:

(i) the Floating Allocation Percentage of Pool Expenses to be borne by the Trust (to the extent not already paid by the Custodian or the Seller) (the "**Series Co-Owner Pool Expenses**");

(ii) the Series Allocation Percentage of the amount payable to the Indenture Trustee under the Trust Indenture for such Reporting Period pursuant to the schedule of fees agreed upon between the Indenture Trustee and the Trust;

(iii) the Series Allocation Percentage of the amount payable to the Issuer Trustee in its individual capacity pursuant to the Declaration of Trust for such Reporting Period;

(iv) the Series Allocation Percentage of the monthly administration fee payable to the Administrative Agent and the full amount of any expenses paid by the Administrative Agent on behalf of the Trust pursuant to the Administration Agreement; and

(v) the amount payable to the Subordinated Lender on such Distribution Day pursuant to the applicable Subordinated Loan Agreement;

(b) any liability of the Trust for taxes, if any, for such Reporting Period that are reasonably attributable to the Series Ownership Interest; and

(c) the Series Allocation Percentage of the fixed monthly amount payable to the beneficiary pursuant to the Declaration of Trust.

"**Floating Allocation Percentage**" means, for any Series Ownership Interest for any Reporting Period, the fraction, expressed as a percentage, (a) the numerator of which is the Invested Amount of such Series Ownership Interest at the close of business on the immediately preceding Reporting Day, or, in the case of the first Reporting Period for such Series Ownership

Interest, the Initial Invested Amount, and (b) the denominator of which is the Pool Balance at the close of business on the immediately preceding Reporting Day.

"**Interest Period**" means, for any Series Ownership Interest and any Distribution Day, the period from and including the preceding Distribution Day (or the Closing Date in the case of the first Distribution Day) to and excluding such Distribution Day and the "related Interest Period" for any Distribution Day is the Interest Period ending immediately before such Distribution Day.

"**Ownership Finance Charge Receivables**" means, for any Series Ownership Interest and any Reporting Period, an amount equal to the product of (a) the Floating Allocation Percentage for such Series Ownership Interest for such Reporting Period, and (b) the Finance Charge Receivables for such Reporting Period.

"**Pool Losses**" means, for any Reporting Period, an amount equal to the amounts that became Defaulted Amounts during such Reporting Period less any Recoveries received in such Reporting Period (which amount may be a negative amount).

"**Recoveries**" means, for any period, any recoveries of Receivables by the Servicer owing under Defaulted Accounts which have been written off in accordance with normal servicing policies.

"**Series Allocation Percentage**" means, for any Series Ownership Interest on a date of determination, a fraction expressed as a percentage, (a) the numerator of which is the principal amount of the outstanding Notes in the related Series on the Reporting Day immediately preceding the date of determination, and (b) the denominator of which is equal to the aggregate principal amount of all outstanding indebtedness of the Trust, other than indebtedness under the Subordinated Loan Agreement, on such date of determination (limited, in the case of paragraph (a)(ii) of the definition of "Additional Funding Expenses", to notes which have been issued under the Trust Indenture to finance the acquisition of Ownership Interests).

"**Series Interest**" means, for any Series Ownership Interest and any Interest Period and the related Distribution Day, the amount calculated as set forth in the related Series Purchase Agreement (as will be described in the related pricing supplement).

"**Series Interest and Additional Funding Expenses**" means, in respect of any Series Ownership Interest and any Distribution Day, an amount equal to the sum (without duplication) of: (a) the Series Interest for the related Interest Period; plus (b) the Additional Funding Expenses for the related Reporting Period.

"**Series Pool Losses**" means, for any Series Ownership Interest and any Reporting Period, an amount equal to the product of (a) the Floating Allocation Percentage for such Series Ownership Interest, and (b) the Pool Losses, in each case, for such Reporting Period.

"**Subordinated Lender**" means Scotiabank.

"**Subordinated Loan Agreement**" means the subordinated loan agreement between the Subordinated Lender and the Trust relating to a particular Series Ownership Interest which allows the Trust to borrow funds from time to time as may be necessary to fund the expenses incurred by the Trust in connection with the acquisition of such Series Ownership Interest.

Cash Reserve Account

For each Series Ownership Interest, the Custodian will establish and maintain a segregated deposit account (the "**Cash Reserve Account**") with an Eligible Institution (an "**Eligible Deposit Account**") in the name of the Custodian in trust for the Seller and the Trust in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement. On each Distribution Day occurring while a Cash Reserve Event has occurred and is continuing for the related Reporting Period in respect of a Series Ownership Interest, the Servicer will deposit to the Cash Reserve Account for the related Series Ownership Interest (and not distribute to the Seller in respect of the Retained Interest) an amount of Collections equal to the Cash Reserve Account Allocable Collections for the related Reporting Period.

On each Distribution Day, the Servicer will withdraw, or instruct the Custodian to withdraw, from the funds, if any, on deposit in the Cash Reserve Account, and deposit to the Series Distribution Account the Cash Reserve Draw Amount, if any, for such Distribution Day. Any Cash Reserve Draw Amount deposited to the Series Distribution Account on any Distribution Day will be applied on such Distribution Day to pay the principal of, and the interest and other amounts accrued due on, the Notes of the related Series and the related liabilities of the Trust as described herein. See "The Trust Indenture - Payment Priorities".

If on any Distribution Day, after giving effect to all deposits to or withdrawals from the Cash Reserve Account on such day, the Available Cash Reserve Amount exceeds the Required Cash Reserve Amount, the excess will be distributed to the Seller in respect of the Retained Interest. In addition, on the earlier of (a) the Distribution Day on which the Invested Amount of a Series Ownership Interest is zero, and (b) the Prescription Date, the Servicer will (i) withdraw from the Cash Reserve Account and deposit in the Series Distribution Account the Cash Reserve Draw Amount, if any, for such Distribution Day, and (ii) release the balance, if any, remaining in the Cash Reserve Account to the Seller in respect of its Retained Interest in such Series Ownership Interest.

"**Available Cash Reserve Amount**" means, for any Series Ownership Interest on any Distribution Day, the amount, if any, on deposit in the Cash Reserve Account on such Distribution Day after giving effect to any deposits to the Cash Reserve Account on such day.

"**Cash Reserve Account Allocable Collections**" means, for each Series Ownership Interest and any Distribution Day, an amount of Collections for the related Reporting Period equal to the least of (a) the excess of (i) the Ownership Finance Charge Receivables for such Reporting Period over (ii) the sum of (x) the Series Interest and Additional Funding Expenses for such Distribution Day, (y) the Series Pool Losses for such Reporting Period and (z) the Cumulative Deficiency for such Distribution Day, (b) the excess of (i) the Required Cash Reserve Amount over (ii) the Available Cash Reserve Amount, in each case, for such Distribution Day (before giving effect to any deposits to or withdrawals from the Cash Reserve Account on such Distribution Day), and (c) the excess of (i) the Available Ownership Allocable Collections over (ii) the Series Interest and Additional Funding Expenses for such Distribution Day.

"**Cash Reserve Draw Amount**" means, for any Series Ownership Interest on any Distribution Day, the lesser of (i) the Available Cash Reserve Amount on such Distribution Day and (ii) the Cumulative Deficiency for such Distribution Day.

A "**Cash Reserve Event**" shall have occurred with respect to a Series Ownership Interest and any Reporting Period and the related Distribution Day, other than the first Reporting Period and the related Distribution Day, if, on the related Reporting Day, the number, expressed as a percentage (the "**Excess Spread Percentage**"), equal to twelve times:

(a) (i) the Ownership Finance Charge Receivables for such Reporting Period minus (ii) the sum of (A) the Series Interest and Additional Funding Expenses (excluding the amount specified in paragraph (a)(v) of the definition of Additional Funding Expenses) for such Distribution Day, and (B) the Series Pool Losses for such Reporting Period, divided by

(b) the Invested Amount as of the first day of such Reporting Period,

is less than the percentage specified in the related Series Purchase Agreement (as will be described in the related pricing supplement) (the "**Required Excess Spread Percentage**") and shall continue until the next Reporting Day on which the Excess Spread Percentage for the Reporting Period ending on such Reporting Day equals or exceeds the Required Excess Spread Percentage. A Cash Reserve Event cannot occur with respect to the first Reporting Period and the related Distribution Day.

"**Distribution Day**" means, for any Series Ownership Interest, the day of the month specified in the related Series Purchase Agreement (as will be described in the related pricing supplement), and "**Related Distribution Day**" means, with respect to any Reporting Day, Reporting Period or Interest Period, the Distribution Day immediately following such Reporting Day, Reporting Period or Interest Period.

"**Required Cash Reserve Amount**" means, with respect to any Series Ownership Interest and any Distribution Day following the occurrence of a Cash Reserve Event, an amount not less than zero equal to:

(a) that percentage of the Initial Invested Amount specified in the related Series Purchase Agreement (as will be described in the related pricing supplement), if the Excess Spread Percentage as of the immediately preceding Reporting Day is equal to or less than the Required Excess Spread Percentage;

(b) the amount then in the Cash Reserve Account, if (i) a Cash Reserve Event has occurred, (ii) no Cash Reserve Event then exists and is continuing and (iii) the Distribution Day is one of the six consecutive Distribution Days following the Distribution Day on which the last Cash Reserve Event ceased to exist; and

(c) in all other circumstances, zero,

less, in each case, the aggregate of the amounts withdrawn from the Cash Reserve Account and deposited to the Series Distribution Account prior to such day.

"**Series Distribution Account**" means, in respect of any Series Ownership Interest, the Eligible Deposit Account established and maintained by the Servicer in the name of the Trust in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement for the purpose of depositing therein all remittances made to the Trust in respect of such Series Ownership Interest.

Collection and Series Accounts

Collection Account

The Servicer has established and will continue to maintain a segregated account with an Eligible Institution (an "**Eligible Deposit Account**") in the name of the Custodian, as agent for the Series Co-Owners, persons providing Series Enhancement and the Seller (the "**Collection Account**"). The Collection Account has been, and all Series Accounts will be, established and maintained with Scotiabank so long as it remains an Eligible Institution. Collections and Transfer Deposits will be deposited into the Collection Account by the Servicer, except in the circumstances described below, and will be held in Trust for the Trust, the Seller and all other Series Co-Owners. The proportionate share of such Collections which the Trust is entitled to receive will thereafter be transferred to the related Series Distribution Account or other related Series Accounts as may be directed by the Trust. Any amounts remaining in the Collection Account following such distributions will either be distributed to the Seller in respect of the Retained Interest or distributed to the Series Co-Owners of other Series Ownership Interests, in each case, based upon the entitlements to receive allocations and distributions of Collections and Transfer Deposits under the Pooling and Servicing Agreement and the Series Purchase Agreements.

Unless otherwise specified in the related pricing supplement, an "**Eligible Institution**" means: (a) the Custodian, (b) any other trust company (including the Issuer Trustee) or Schedule I chartered bank incorporated under the laws of Canada (including an affiliate of the Custodian or Issuer Trustee) or any province thereof (i) which has (A) either a long-term unsecured debt rating of "AA(low)" or better by DBRS Limited ("**DBRS**") or a certificate of deposit rating or short-term credit rating of "R-1(middle)" or better by DBRS, (B) either (x) a long-term unsecured debt rating of "A" or better and a certificate of deposit rating or short-term credit rating of "A-1" or better by Standard and Poor's Financial Services LLC ("**S&P**") or (y) a long-term unsecured debt rating of "A+" or better by S&P, and (C) either a long-term unsecured debt rating of "Aa3" or better or a certificate of deposit rating or short-term credit rating of "Prime-1" by Moody's Investors Service, Inc. ("**Moody's**"), and (ii) whose deposits are insured by Canada Deposit Insurance Corporation or its successors, or (c) any institution that otherwise satisfies the Rating Agency Condition.

Any of the ratings specified above with respect to a particular rating agency shall only be applicable to Series Accounts if such rating agency is one of the Rating Agencies with respect to the related Series.

Series Accounts

The Servicer will establish or cause to be established with respect to each Series Ownership Interest a Cash Reserve Account and a Series Distribution Account (the "**Series Accounts**"). The Series Distribution Account will be established in the name of and for the benefit of the Trust and the Cash Reserve Account will be established in the name of and for the benefit of the Custodian. Each such account will be an Eligible Deposit Account. The Servicer will have the power, revocable

by the Custodian, to withdraw funds from the Cash Reserve Account and the Administrative Agent will have the power, revocable by the Trust or the Indenture Trustee, to make withdrawals and payments from the Series Distribution Account, in each case, for the purpose of carrying out the respective duties of the Custodian and the Trust under the related Series Purchase Agreement and the Trust Indenture.

Eligible Investments

Unless otherwise specified in the related pricing supplement, funds in the Series Accounts generally will be invested in book-based securities, negotiable instruments, investments or securities ("**Eligible Investments**") which evidence: (a) direct obligations of, or obligations fully guaranteed as to timely payment by, the Government of Canada or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the Government of Canada; (b) short term or long term unsecured debt obligations issued or fully guaranteed by a province or municipality of Canada provided that such debt obligations receive a rating of "A-1+" or better or "AA" or better from S&P, "Prime-1" or better or "Aa3" or better from Moody's and "R-1(middle)" or better or "AA(low)" or better from DBRS, (c) demand deposits, time deposits or certificates of deposit of any chartered bank or trust company or credit union or cooperative credit society incorporated under the laws of Canada or any province thereof and subject to supervision and examination by federal banking or depository institution authorities; provided, however, that at the time of the investment or contractual commitment to invest therein, the commercial paper or other short-term unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall have a credit rating of "A-1" or better from S&P, "Prime-1" or better from Moody's and "R-1(middle)" or better from DBRS; (d) call loans to and notes or bankers' acceptances issued or accepted by any bank, trust company, credit union or co-operative society described in (c) above; (e) commercial paper having, at the time of the investment or contractual commitment to invest therein, a rating of "A-1" or better from S&P, "Prime-1" or better from Moody's and "R-1 (middle)" or better (in the case of commercial paper of a corporation) or "R-1(high)(sf)" or better (if the case of asset-backed commercial paper backed by global style liquidity) from DBRS; (f) investments in money market funds having a rating of "AAAm" or "AAAm-g" by S&P, "Aaa" by Moody's and "AAA" by DBRS, when purchased; (g) demand deposits, term deposits and certificates of deposit which when purchased are issued by an entity, the commercial paper of which has a rating of "A-1" or better by S&P, "Prime-1" or better from Moody's and "R-1(middle)" or better from DBRS; (h) any other investment with respect to the investment in which the Rating Agency Condition shall have been satisfied at the time of the investment therein or contractual commitment to invest therein; (i) deposits in the Collection Account; or (j) deposits in a fully segregated trust account established and maintained with an Eligible Institution or such other institution as satisfies the Rating Agency Condition; provided, however, that notwithstanding anything to the contrary above, with respect to any Eligible Investment: (i) if its term to maturity is no more than 30 days following the date of investment therein, such Eligible Investment shall be rated at least "A2" or "P-1" by Moody's; (ii) if its term to maturity is more than 30 days but less than 90 days following the date of investment therein, such Eligible Investment shall be rated at least "A1" or "P-1" by Moody's; (iii) if its term to maturity is 90 days or more but less than 180 days following the date of investment therein, such Eligible Investment shall be rated at least "Aa3" and "P-1" by Moody's; and (iv) if its term to maturity is 180 days or more following the date of investment therein, such Eligible Investment shall be rated "Aaa" by Moody's.

Any of the ratings specified above with respect to a particular rating agency shall only be applicable to investment of funds in Series Accounts if such rating agency is one of the Rating Agencies with respect to the related Series.

Remittance Notice

On each Closing Date, the Trust will provide written notice to the Servicer (the "**Remittance Notice**"), specifying the remittances of Available Ownership Allocable Collections to the Series Distribution Account which the Servicer is obligated to make to the Trust in respect of the related Series Ownership Interest.

The Remittance Notice will be effective until the earlier of (a) the close of business on the Reporting Day on which the Invested Amount of the related Series Ownership Interest has been reduced to zero, and (b) the Prescription Date, unless otherwise provided.

Deposit of Collections to the Collection Account; Commingling

Unless otherwise specified in the related pricing supplement for a Series, for as long as (a) Scotiabank remains the Servicer, and (b) either (i) Scotiabank has a certificate of deposit or short-term credit rating of at least P-1 by Moody's, R-1

(low) by DBRS and A-1 by S&P, or (ii) the obligations of Scotiabank to deposit Collections received by it into the Collection Account are fully guaranteed by an entity with such ratings (such conditions, the "**Commingling Conditions**"), and for two Business Days following any withdrawal or reduction of such ratings, Scotiabank may use for its own benefit all Collections received with respect to the Receivables in each Reporting Period until the related Distribution Day, at which time Scotiabank will deposit all such Collections, to the extent described below, into the Collection Account, and will make the deposits and payments to the accounts and parties described herein on the date of such deposit. However, if Scotiabank is no longer the Servicer or the Commingling Conditions are no longer being met, the Servicer will make such deposits, as described below, not later than two business days after the date on which the related Receivables are processed. Subject to satisfaction of the Partial Commingling Conditions (as defined below), at any time during which the Commingling Conditions are not being met and provided the long-term credit rating of the Servicer by DBRS is at least "BBB(low)", (x) the Servicer will be required to deposit Collections into the Collection Account only up to the aggregate amount of Collections required to be deposited into an account established for any Series or, without duplication, paid on the related Distribution Day to holders of Notes of any Series or to the issuer of any Series Enhancement pursuant to the terms of any Related Supplement or Series Enhancement agreement and (y) if at any time prior to a Distribution Day the amount of Collections deposited in the Collection Account exceeds the amount required to be deposited pursuant to clause (x) above, the Servicer will be permitted to withdraw such excess from the Collection Account and, if the Servicer is not the Seller, remit it to the Seller.

Any of the ratings specified above with respect to a particular rating agency shall only be applicable with respect to the deposit of Collections if such rating agency is one of the Rating Agencies with respect to any then outstanding Series. The Partial Commingling Condition shall only apply if DBRS is rating a Series of Notes.

"Partial Commingling Condition" means a requirement that:

(a) an asset test be conducted by the Servicer on each Business Day to ensure that the Pool Balance as of the close of business on such day is at least equal to the Required Pool Balance;

(b) a daily monitoring of the occurrence of any Amortization Event be completed by the Servicer; and

(c) on or before the fifth Business Day following each calendar month and unless there has been a breach of the daily asset test described in clause (a) or an Amortization Event has occurred during such calendar month, the Servicer shall have delivered to the Rating Agencies an officer's certificate confirming that (i) the daily asset test referred to in paragraph (a) above has been completed by the Servicer on each Business Day of such calendar month and that no breach of the daily asset test occurred on any Business Day during such calendar month, and (ii) no Amortization Event has occurred on or prior to the last Business Day of such calendar month.

Ownership Allocable Collections

Collections on the Receivables for each Reporting Period will initially be allocated to each Series Ownership Interest in an amount equal to the Ownership Allocable Collections for such Reporting Period.

"**Ownership Allocable Collections**" means, for any Series Ownership Interest and any Reporting Period and the related Distribution Day, the sum of:

(a) the product of:

(i) (x) if such Series Ownership Interest is in its Revolving Period, the Floating Allocation Percentage for such Series Ownership Interest, or (y) if such Series Ownership Interest is in its Accumulation Period or an Amortization Period, until the earlier of (A) the date on which the Invested Amount of such Series Ownership Interest has been reduced to zero on a Distribution Day, and (B) the Prescription Date, the Series Accumulation Percentage for such Series Ownership Interest; and

(ii) the amount of Collections received by the Servicer for the related Reporting Period; plus

(b) the Series Allocation Percentage of the aggregate amount of Adjustment Payments and Ineligible Receivable Deposit Amounts on deposit in the Collection Account on such Distribution Day;

provided, however, that if for any Reporting Period the sum of (x) the Floating Allocation Percentages for all Series Ownership Interests in their Revolving Periods and (y) the Series Accumulation Percentages for all Series Ownership Interests in their Accumulation Periods or Amortization Periods, exceeds 100%, then the Ownership Allocable Collections for the particular Series Ownership Interest determined under paragraph (a) above means a pro rata allocation of Collections received by the Servicer based on its Floating Allocation Percentage or Series Accumulation Percentage, as the case may be.

"**Series Accumulation Percentage**" means, for any Series Ownership Interest and any Reporting Period during the Accumulation Period or the Amortization Period for such Series, the sum of:

(a) a fraction, expressed as a percentage, the numerator of which is an amount equal to the product of:

(i) (x) the amount of Finance Charge Receivables for such Reporting Period, divided by (y) the Collections for such Reporting Period; and

(ii) the Invested Amount for such Series Ownership Interest as of the close of business on the immediately preceding Reporting Day;

and the denominator of which is the Pool Balance as of the close of business on such immediately preceding Reporting Day; and

(b) a fraction, expressed as a percentage, the numerator of which is an amount equal to the product of:

(i) (x) the Collections for such Reporting Period minus the amount of Finance Charge Receivables for such Reporting Period, divided by (y) the Collections for such Reporting Period; and

(ii) the Invested Amount for such Series Ownership Interest as of the close of business on the Reporting Day immediately preceding the earlier to occur of the Accumulation Commencement Day and the Amortization Commencement Day for such Series Ownership Interest, as the case may be,

and the denominator of which is the Pool Balance as of the close of business on the Reporting Day immediately preceding the earlier to occur of the Accumulation Commencement Day and the Amortization Commencement Day for such Series Ownership Interest, as the case may be.

Revolving Period

After the determination and allocation of Ownership Allocable Collections for any Reporting Period, the Available Ownership Allocable Collections for such Reporting Period shall be determined and allocated to the related Series Ownership Interest.

On each Distribution Day with respect to the Revolving Period, Available Ownership Allocable Collections for the related Reporting Period will be applied (a) first, to pay the Series Co-Owner Pool Expenses for such Reporting Period, (b) second, to deposit an amount equal to the Series Interest and Additional Funding Expenses required to be deposited to the related Series Distribution Account for such Distribution Day, and (c) third, to make deposits, if any, of the Cash Reserve Account Allocable Collections for such Reporting Period to the Cash Reserve Account. The balance of any remaining Available Ownership Allocable Collections for any Reporting Period will be allocated and applied as described below under "Shared Excess Collections For All Series Ownership Interests".

In addition, on each Distribution Day with respect to the Revolving Period, there will be withdrawn from the Cash Reserve Account and deposited to the Series Distribution Account, the Cash Reserve Draw Amount, if any, for such Distribution Day.

"**Available Ownership Allocable Collections**" means, for any Series Ownership Interest and any Reporting Period and the related Distribution Day:

(a) during the Revolving Period and the Amortization Period, the sum of (x) the Ownership Allocable Collections for such Distribution Day, and (y) the aggregate amount of Excess Collections for such Distribution Day allocated by the Servicer to such Series Ownership Interest as described below under "Shared Excess Collections For All Series Ownership Interests"; and

(b) during the Accumulation Period, the sum of (i) the amount in (a), and (ii) the Series Allocable Seller Collections for such Distribution Day.

Shared Excess Collections For All Series Ownership Interests

Ownership Allocable Collections for any Series Ownership Interest and any Distribution Day will (a) first, be applied to pay Series Co-Owner Pool Expenses for such Series Ownership Interest for the related Reporting Period, (b) second, to deposit an amount equal to the Series Interest and Additional Funding Expenses required to be deposited to the related Series Distribution Accounts for such Distribution Day, (c) third, to make deposits of Cash Reserve Account Allocable Collections for such Series Ownership Interest for such Reporting Period to the Cash Reserve Account, and (d) fourth, during the Accumulation Period or Amortization Period for such Series Ownership Interest, to make deposits to the related Series Distribution Account in respect of the outstanding principal amount of Notes and other amounts payable by the Trust in respect of Notes as described herein. The Servicer will determine the amount of Ownership Allocable Collections for any Reporting Period remaining after such required payments and deposits and the amount of any similar excess for any other Series Ownership Interests (collectively, "**Excess Collections**"). The Servicer will use the Excess Collections to cover any payments to Series Co-Owners and deposits to Series Distribution Accounts or other Series Accounts for any Series Ownership Interests which are either scheduled or permitted and which have not been covered out of the Ownership Allocable Collections and certain other amounts for such Series ("**Excess Requirements**"). If Excess Requirements exceed Excess Collections for any Reporting Period, Excess Collections will be allocated pro rata among the applicable Series Ownership Interests based on the relative amounts of such Excess Requirements.

Following the allocation of Excess Collections contemplated above, to the extent that Excess Collections exceed Excess Requirements, the balance will be allocated and distributed (a) first, to the payment of certain amounts, if any, owing to any Successor Servicer or the Custodian, and (b) second, to the Seller, except to the extent allocated to Series Ownership Interests in their Accumulation Period in accordance with "Accumulation Period", below.

Accumulation Period

Subject to the earlier commencement of an Amortization Period, the Revolving Period for a Series Ownership Interest will end, and the accumulation period for such Series Ownership Interest (the "**Accumulation Period**") will commence at the opening of business on the day (the "**Accumulation Commencement Day**") which is the earlier of (i) the day specified as such by the Servicer in a written notice to the Trust, the Custodian, the Seller and the Indenture Trustee, and (ii) the date specified in the related Series Purchase Agreement (as will be described in the related pricing supplement) (such date, the "**Specified Accumulation Commencement Date**"). In deciding whether the Accumulation Commencement Day should be earlier than the Specified Accumulation Commencement Day, the Servicer will determine whether the level of Collections during the Accumulation Period will be sufficient to repay the related Notes in full on the related Expected Final Payment Date.

Unless and until the Amortization Period shall have commenced, on each Distribution Day with respect to the Accumulation Period (commencing with the second Distribution Day following the end of the Revolving Period), there will be deposited to the Series Distribution Account, to the extent of Available Ownership Allocable Collections, an amount equal to the sum of (a) (i) the Series Interest and Additional Funding Expenses minus (ii) the Series Co-Owner Pool Expenses minus (iii) the Cash Reserve Draw Amount, in each case, for such Series Ownership Interest and Distribution Day, and (b) the lesser of (i) the Controlled Distribution Amount for such Series Ownership Interest and Distribution Day and (ii) the Invested Amount for such Series Ownership Interest for the immediately preceding Reporting Day; provided, however, that so long as (a) Scotiabank remains the Servicer and (b) the Commingling Conditions are met and provided the long-term credit rating of the Servicer by DBRS is at least "BBB(low)", then during the Revolving Period the Servicer need not make deposits of Series Interest into the Series Distribution Account until the Distribution Day on which payments of interest are due on the Notes and prior thereto may commingle and use such amounts with and as its general funds. In addition, on each Distribution Day with

respect to the Accumulation Period there will be withdrawn from the Cash Reserve Account and deposited to the Series Distribution Account the Cash Reserve Draw Amount, if any, for such Distribution Day.

If on any Distribution Day following the allocation of Excess Collections as described above under "Revolving Period", the aggregate amount of Excess Collections for all applicable Series Ownership Interests is not sufficient to satisfy the aggregate of Excess Requirements for all Series Ownership Interests in their Accumulation Period (each, an "**Accumulating Series**"), then the Series Allocable Seller Collections will be allocated and distributed to the respective co-owners of each Accumulating Series having remaining Excess Requirements for such Distribution Day, to the extent of the Excess Requirements of each such Accumulating Series.

The Available Ownership Allocable Collections deposited in the Series Distribution Account on the Expected Final Payment Date will be used to pay the principal of, and accrued and unpaid interest on, Notes of the related Series after payment of certain Additional Funding Expenses. If on such date the balance on deposit in the Series Distribution Account (including the amount of the Cash Reserve Draw Amount, if any, for such date deposited to the Series Distribution Account) is less than the amount necessary to pay the principal and the accrued and unpaid interest in respect of such Notes, the Amortization Period will commence and thereafter monthly on each Distribution Day, the Trust will receive payments of Available Ownership Allocable Collections until the earlier of (i) the date on which the Invested Amount is reduced to zero and (ii) the Distribution Day which is six years after the Expected Final Payment Date (the "**Prescription Date**").

"**Series Allocable Seller Collections**" means, for any Series Ownership Interest and any Reporting Period during the Accumulation Period for such Series Ownership Interest and the related Distribution Day, an amount equal to the lesser of:

(a) the product of (x) a fraction, expressed as a percentage, the numerator of which is the Invested Amount for such Series Ownership Interest as of the close of business on the immediately preceding Reporting Day and the denominator of which is the aggregate of all of the Invested Amounts for all outstanding Series Ownership Interests which are in their Accumulation Periods on the immediately preceding Reporting Day, and (y) the amount of Collections for such Reporting Period not initially allocated to any Series Ownership Interest as Ownership Allocable Collections; and

(b) the Series Notional Cumulative Excess;

provided that if any Series Ownership Interest is in its Amortization Period, the amount of Series Allocable Seller Collections for all Series Ownership Interests shall be equal to zero.

"**Series Notional Cumulative Excess**" means, for any Series Ownership Interest and any Distribution Day, the sum, from the applicable Closing Date to such Distribution Day, of all of the Excess Collections determined in respect of such Series Ownership Interest pursuant to the provisions of the Pooling and Servicing Agreement, less the sum of all Excess Collections and Series Allocable Seller Collections allocated and distributed to the Series Co-Owner in respect of such Series Ownership Interest.

It is expected that the final distributions with respect to each Series Ownership Interest will be paid on the Expected Final Payment Date, but the stated dollar amount of a Series Ownership Interest may be reduced to zero earlier or later, as described herein.

"**Controlled Accumulation Amount**" means, for any Series Ownership Interest and any Distribution Day with respect to the Accumulation Period, the amount specified as such in the related Series Purchase Agreement and the related pricing supplement, provided that if the Accumulation Period commences earlier than the Specified Accumulation Commencement Day, the Controlled Accumulation Amount shall be equal to the product of (i) the Initial Invested Amount, and (ii) a fraction, the numerator of which shall be one and the denominator of which shall equal the number of calendar months from the Accumulation Commencement Day to the Expected Final Payment Date.

"**Controlled Distribution Amount**" means, for any Series Ownership Interest and any Distribution Day with respect to the Accumulation Period, an amount equal to the sum of the Controlled Accumulation Amount and any then existing Deficit Controlled Accumulation Amount.

"**Deficit Controlled Accumulation Amount**" means, for any Series Ownership Interest, on the first Distribution Day with respect to the Accumulation Period (which shall be the second Distribution Day following the end of the Revolving Period), the excess, if any, of the Controlled Accumulation Amount over the amount of Available Ownership Allocable Collections actually deposited to the Series Distribution Account in respect of the Controlled Distribution Amount on such first Distribution Day and, on each subsequent Distribution Day with respect to the Accumulation Period, the excess, if any, of the Controlled Accumulation Amount and any then existing Deficit Controlled Accumulation Amount over the Available Ownership Allocable Collections deposited to the Series Distribution Account in respect of the Controlled Distribution Amount on such Distribution Day.

Amortization Period

The Amortization Period for a Series Ownership Interest will commence on the day (the "**Amortization Commencement Day**") which occurs on the earlier of: (i) the occurrence of an Amortization Event; and (ii) the Distribution Day on which funds are required to be deposited to the Series Distribution Account as a Transfer Deposit by the Seller or the Servicer, as applicable.

On each Distribution Day with respect to an Amortization Period for each Series Ownership Interest, there will be deposited into the Series Distribution Account for the related Series Ownership Interest, to the extent of Available Ownership Allocable Collections, an amount equal to the sum of (a) (i) the Series Interest and Additional Funding Expenses minus (ii) the Series Co-Owner Pool Expenses minus (iii) the Cash Reserve Draw Amount, in each case, for such Distribution Day, and (b) the Invested Amount of the related Series Ownership Interest as of the immediately preceding Reporting Day and, in addition, there will be withdrawn from the Cash Reserve Account and deposited to the Series Distribution Account the Cash Reserve Draw Amount, if any, for such Distribution Day. On each Special Payment Date with respect to an Amortization Period, all amounts deposited in the Series Distribution Account will be applied as described under "Trust Indenture - Payment Priorities".

"**Amortization Period**" means, with respect to any Series Ownership Interest, the period commencing on the Amortization Commencement Day with respect to such Series Ownership Interest and ending on the earliest to occur of (a) the date on which the Invested Amount of such Series Ownership Interest is zero, and (b) the Prescription Date.

The occurrence of one or more of the following events in relation to a Series Ownership Interest will constitute an "**Amortization Event**" in respect of the related Series:

(a) (i) failure on the part of Scotiabank to make any remittance, transfer or deposit required in respect of such Series Ownership Interest and such failure continues for a period of five Business Days after the delivery by the Custodian or the Issuer Trustee of written notice thereof to Scotiabank, or (ii) failure on the part of Scotiabank or the Servicer to observe or perform any covenant or agreement contained in the Pooling and Servicing Agreement or, in relation to such Series Ownership Interest, the related Series Purchase Agreement, if such failure would have a material adverse effect on the ability of the Trust to satisfy its obligations under the related Series and such failure continues unremedied for a period of sixty days after delivery by the Custodian or the Issuer Trustee of written notice thereof to Scotiabank and the Servicer;

(b) any representation or warranty made by Scotiabank in the Pooling and Servicing Agreement or, in relation to the such Series Ownership Interest, the related Series Purchase Agreement, is found to have been incorrect when made, or any information required to be given by Scotiabank, is found to have been incorrect when given, and such incorrect representation, warranty or information would have a material adverse effect on the ability of the Trust to satisfy its obligations under such Series and continues to be incorrect or unremedied for a period of sixty days after delivery by the Custodian or the Issuer Trustee of written notice thereof to Scotiabank and the Servicer;

(c) the occurrence of a Servicer Termination Event in respect of such Series Ownership Interest;

(d) certain events related to the dissolution, liquidation, bankruptcy or insolvency of Scotiabank;

(e) the Excess Spread Percentage for such Series Ownership Interest averaged over the three immediately preceding Reporting Periods is less than zero;

(f) (i) an Event of Default shall have occurred and be continuing, (ii) the Indenture Trustee shall have declared the amounts owing under the related Series to be due and payable, and (iii) such declaration shall not have been rescinded and annulled (See "The Trust Indenture - Events of Default" below);

(g) on any Reporting Day for a Reporting Period occurring during the Accumulation Period for such Series Ownership Interest, the excess of (i) Ownership Finance Charge Receivables, over (ii) the Series Pool Losses for such Reporting Period is less than the Series Interest and Additional Funding Expenses for such Series Ownership Interest for the related Distribution Day;

(h) the Pool Balance is on any Reporting Day less than the Required Pool Balance and such deficiency has not been remedied before the Calculation Day following such Reporting Day;

(i) on the related Expected Final Payment Date, the amount on deposit in the related Series Distribution Account is insufficient to satisfy in full the interest and principal due on the related Series;

(j) on any Business Day (A) the Servicer is required pursuant to the Pooling and Servicing Agreement to deposit Collections into the Collection Account not later than the second Business Day after the date of processing thereof, (B) the Servicer continues to commingle excess Collections as permitted by the Pooling and Servicing Agreement, and (C) the daily asset test described in paragraph (a) of the definition of Partial Commingling Condition indicates that the Pool Balance is less than the Required Pool Balance for such Business Day and such deficiency has not been remedied by the addition of Additional Accounts pursuant to the Pooling and Servicing Agreement within ten days after the Business Day on which such deficiency is identified by the Servicer; or

(k) on any Business Day (A) the Servicer is required pursuant to the Pooling and Servicing Agreement to deposit Collections into the Collection Account not later than the second Business Day after the date of processing thereof, (B) the Servicer continues to commingle excess Collections as permitted by the Pooling and Servicing Agreement, and (C) the Servicer fails to deliver to the Rating Agencies, if required, the officer's certificate described in paragraph (c) of the definition of Partial Commingling Condition on or before the date that is five Business Days after the date such delivery is required to be made.

In the case of an Amortization Event described in (a), (b), (c) and (k) above, an Amortization Period will commence only if, after the applicable grace period, if any, either the Administrative Agent or the Issuer Trustee provides written notice (the "**Amortization Event Notice**") to the Servicer of the Amortization Commencement Day for the Series, and the Amortization Period with respect to the Series will commence on the Amortization Commencement Day specified in such notice. In the case of an Amortization Event described in (d), (e), (f), (g), (h), (i) or (j) above, the Amortization Commencement Day will be deemed to be the day on which the Amortization Event occurs, without any notice or other action on the part of the Custodian or the Issuer Trustee.

Pooling and Servicing Agreement

The Custodian

The Custodian appointed under the Pooling and Servicing Agreement is Computershare Trust Company of Canada. The head office of the Custodian is located at 8th Floor, 100 University Avenue, South Tower, Toronto, Ontario M5J 2N1. Under the Pooling and Servicing Agreement, the Custodian, as agent, nominee and bare trustee for the Trust, the other Series Co-Owners, persons providing Series Enhancement and the Seller, is required to hold the Account Assets and the proceeds thereof and to perform the duties which are specifically set out in the Pooling and Servicing Agreement, including reviewing reports, certificates and other documents required to be delivered by the Seller or the Servicer to ensure that they substantially conform to the requirements of the Pooling and Servicing Agreement.

The Pooling and Servicing Agreement sets out eligibility requirements relating to the Custodian to be satisfied on an ongoing basis, unless otherwise acceptable to the Rating Agencies, including that the Custodian must at all times: (a) either be a Schedule I chartered bank or a trust company or insurance company organized and doing business under the laws of Canada or any province thereof, and, in each case, (b) be authorized under applicable law to exercise corporate trust powers, (c) have a combined capital and surplus of at least $50,000,000, (d) have a rating of at least AA(low) (long term) and R-1 (middle) (short term) from DBRS if DBRS is a Rating Agency and an investment grade rating from each other Rating Agency, or the appointment of such Custodian shall satisfy the Rating Agency Condition and (e) be subject to supervision or examination by federal or provincial authorities. The Pooling and Servicing Agreement provides that the Seller, as the owner of the Retained Interest, the Servicer and the Series Co-Owners may remove the Custodian and appoint a successor custodian if, among other things, the Custodian ceases to be eligible in accordance with the provisions of the Pooling and Servicing Agreement and fails to resign voluntarily. The Custodian may also resign at any time, in which event the Servicer, as agent for the Seller, the Seller as owner of the Retained Interest, and each Series Co-Owner, will appoint a successor custodian. Any resignation or removal of the Custodian will not become effective until the acceptance of its appointment by a successor custodian.

The Pooling and Servicing Agreement provides that the Series Co-Owners and the Seller, as the owner of the Retained Interest, will pay the Custodian reasonable compensation for all services rendered by the Custodian and will reimburse the Custodian for all reasonable expenses incurred in the exercise and performance of its duties under the Pooling and Servicing Agreement.

Termination of Custodial Arrangement

The custodial arrangement pursuant to the Pooling and Servicing Agreement will terminate on the earlier of (a) the Reporting Day on which the sum of the Invested Amounts for all Series Ownership Interests is reduced to zero, and no other amounts are distributable to any Series Co-Owners in respect of any Series Ownership Interest, and (b) the latest Prescription Date, and in each case, the Seller notifies the Custodian that no further Series Ownership Interests are intended to be created and sold pursuant to the Pooling and Servicing Agreement. Upon the termination of the custodial arrangement, all right, title and interest in the Account Assets and other funds held by the Custodian (other than amounts on deposit in the Collection Account, any accumulations account or other Series accounts (including the Series Accounts established in respect of the Series Ownership Interest) required for the making of final distributions to the Series Co-Owners (including the Trust)) will be delivered to the Seller in respect of the Retained Interest.

Servicing of the Receivables

Under the Pooling and Servicing Agreement, Scotiabank has been appointed the initial Servicer of the Account Assets. The Pooling and Servicing Agreement requires that the Servicer use commercially reasonable efforts to service and administer the Account Assets, collect all payments due in respect of the Account Assets, make all required distributions, transfers and deposits, maintain records with respect to the Accounts and the Receivables, make calculations and adjustments to the Series Ownership Interest and other Series in accordance with the Pooling and Servicing Agreement and the Series Purchase Agreements and report on such calculations to the Custodian, the Seller, the Series Co-Owners and each other person so specified in the Series Purchase Agreements.

The Servicer may, in the ordinary course of its business, delegate some or all of its duties as Servicer to any person which agrees to perform those duties in accordance with the Pooling and Servicing Agreement and the Series Purchase Agreement. Such delegation will not relieve the Servicer of its liability and responsibility for the performance of those duties and will not constitute a resignation of the Servicer.

Pool Expenses

Pool Expenses for each Series Ownership Interest for any Reporting Period will be paid prior to any distribution from the Collection Account to the related Series Co-Owners or Scotiabank and will be borne by each such Series Co-Owner to the extent not paid by Scotiabank (as long as it is the Servicer) and if Collections available to pay such Pool Expenses are insufficient, in an amount equal to the product of (a) the Floating Allocation Percentage for such Series Ownership Interest and such Reporting Period, and (b) the Pool Expenses for such Reporting Period referred to in paragraphs (a) and (b) of the definition of "Pool Expenses" below; provided that should the Scotiabank, as Servicer, fail to pay any Pool Expenses referred to in paragraph (c) of the definition of "Pool Expenses", such deficiency will be borne by such Series Co-Owners on the same basis as the other Pool Expenses.

"**Pool Expenses**" means, for any Reporting Period, all fees and expenses (plus any applicable sales taxes) which are payable for such Reporting Period to: (a) the Custodian; (b) the independent auditors in respect of the annual reports required by the Pooling and Servicing Agreement; and (c) subject as provided below, any successor Servicer.

As the Trust will acquire each Series Ownership Interest on a fully-serviced basis, Scotiabank is responsible for the payment of all fees of any successor Servicer. Successor Servicer fees will form part of "Pool Expenses" to the extent that Scotiabank does not pay such fees when due.

Servicing Compensation and Payment of Expenses

Scotiabank, as Seller and initial Servicer, has agreed that the consideration received by it for each Series Ownership Interest, as and when sold by Scotiabank, constitutes compensation in full for the services to be rendered by Scotiabank in its capacity as Servicer and all expenses incurred by it in such capacity. Any successor Servicer will be entitled to receive a servicing fee on each Distribution Day, which fee will constitute full compensation for the successor Servicer's servicing activities and reimbursement of its costs and expenses as Servicer. Any costs and expenses incurred by the Custodian or the successor Servicer in effecting a transfer of servicing will be the sole responsibility of Scotiabank. The Trust will not bear any liability with respect to the fees of a successor Servicer or the costs of effecting a transfer of servicing unless Scotiabank fails to pay such amounts, in which case, such amounts will form part of Pool Expenses. See "Pool Expenses" above.

Clean-up Purchase Option

Any Series Ownership Interest may, at the Servicer's sole option, be purchased by the Servicer as of any Distribution Day (the "**Purchase Date**"), if (a) the Servicer gives written notice to the Custodian and the Trust not less than ten days before the Purchase Date, and (b) the Invested Amount of such Series Ownership Interest is an amount less than or equal to the sum of (i) 10% of the Initial Invested Amount of such Series Ownership Interest (less the aggregate principal amount of any Notes or other securities issued by the Trust to fund the purchase price of such Series Ownership Interests that are beneficially owned by the Seller), and (ii) the stated dollar amount of any Additional Ownership Interests in respect of the Series acquired after the related Closing Date. The aggregate purchase price for any Series Ownership Interest will be an amount equal to the sum of (a) the Invested Amount of such Series Ownership Interest on the preceding Reporting Day; plus (b) the amount that would have been the Series Interest and Additional Funding Expenses for such Series Ownership Interest to and including the Purchase Date; plus (c) the Cumulative Deficiency for such Series Ownership Interest on the Purchase Date. The purchase price will be deposited by the Servicer into the related Series Distribution Account (minus the Series Co-Owner Pool Expenses) and applied by the Trust to make the payments in respect of the Notes issued to fund the acquisition of such Series Ownership Interest as specified in the Related Supplement therefor.

Servicer Termination Events

A "**Servicer Termination Event**" will occur in respect of all Series Ownership Interests if one or more of the following events occurs:

(a) (i) the Servicer fails to make any remittance, transfer or deposit required in respect of any Ownership Interest and such failure continues for a period of five Business Days after the delivery by the Custodian or the affected Series Co-Owner of written notice thereof to the Servicer, or (ii) the Servicer fails to observe or perform any covenant or agreement contained in the Pooling and Servicing Agreement or any Series Purchase Agreement, if such failure would have a material adverse effect on the ability of the related Series Co-Owner to satisfy its obligations to its noteholders or other creditors and continues unremedied for a period of 60 days after delivery by the Custodian or such Series Co-Owner of written notice thereof to the Servicer and the Custodian, if such notice is given by such Series Co-Owner;

(b) any representation or warranty made by the Servicer in the Pooling and Servicing Agreement or any Series Purchase Agreement is found to have been incorrect when made, or any information required to be given by the Servicer thereunder is found to have been incorrect when given, and such incorrect representation, warranty or information would have a material adverse effect on the ability of any Series Co-Owner to satisfy its obligations to its noteholders or other creditors and continues to be incorrect or unremedied for a period of 60 days after delivery by the Custodian or such Series Co-Owner of written notice thereof to the Servicer and the Custodian, if such notice is given by such Series Co-Owner; or

(c) the occurrence of certain events of bankruptcy, insolvency, receivership or liquidation with respect to the Servicer.

If a Servicer Termination Event has occurred and is continuing, (i) the Custodian will give written notice thereof to all Series Co-Owners and the Rating Agencies and (ii) Series Co-Owners representing 50% of the aggregate stated dollar amounts of all Series Ownership Interests outstanding at such time, may direct the Custodian to terminate the Servicer and appoint a successor Servicer. If a delay in obtaining such co-owner direction would be reasonably expected to have a material adverse effect on the interests of the Series Co-Owners, the Custodian may, acting for and on behalf of the Series Co-Owners and the Seller, replace the Servicer without requiring such Series Co-Owner direction but is under no obligation to do so. The appointment of any successor Servicer shall be subject to satisfaction of the Rating Agency Condition.

Certain Matters Regarding the Servicer

The Servicer may not resign from its obligations and duties under the Pooling and Servicing Agreement, except upon a determination that such duties are no longer permissible under applicable law and there is no reasonable action which the Servicer could take to make the performance of its duties permissible under applicable law. No such resignation will become effective until a successor Servicer has assumed the Servicer's responsibilities and obligations under the Pooling and Servicing Agreement.

Any person into which, in accordance with the Pooling and Servicing Agreement, the Servicer may be amalgamated or consolidated or any person resulting from any amalgamation or consolidation to which the Servicer is a party, or any person succeeding to the business of the Servicer, will be the successor Servicer under the Pooling and Servicing Agreement.

Reporting Requirements

Pursuant to each Series Purchase Agreement, the Servicer is required to deliver a monthly report (the **"Monthly Portfolio Report"**) to the Seller, the Custodian, the Trust, any other Series Co-Owners and the Rating Agencies. The Monthly Portfolio Reports will provide various items of information relating to the most recent distributions with respect to the particular Series Ownership Interest and a statement setting forth the recent status of the Accounts. Although the form of the Monthly Portfolio Report may change upon the agreement of the Servicer, the Seller and the Trust, the content will be consistent with the requirements of the related Series Purchase Agreement.

From the Monthly Portfolio Report for a Series Ownership Interest, the Administrative Agent will prepare an investor-oriented report (the **"Investors' Monthly Portfolio Report Summary"**) for holders of Notes containing the following information: (i) the outstanding principal amount and interest rate for Notes of each Class; (ii) Pool Balance; (iii) Required Pool Balance; (iv) Invested Amount for such Series Ownership Interest and the aggregate Invested Amount for all Series Ownership Interests; (v) Ownership Finance Charge Receivables; (vi) Series Interest and Additional Funding Expenses; (vii) Series Pool Losses; (viii) Excess Spread Percentage; (ix) Cash Reserve Account balance for such Series Ownership Interest; and (x) Payment Rate.

"**Payment Rate**" means, for any Reporting Period, a fraction, the numerator of which is the aggregate Collections for such Reporting Period and the denominator of which is the amount of the Pool Balance on the last day of the prior Reporting Period.

It is intended that certain of the information contained in the Investors' Monthly Portfolio Report Summary will be posted on SEDAR® (www.sedar.com). Additionally, the Administrative Agent will distribute the Investors' Monthly Portfolio Report Summary via e-mail or regular post directly to holders of the Notes who provide a written request to the Administrative Agent. Such written request must be forwarded to the following address: The Bank of Nova Scotia, in its capacity as Administrative Agent for Hollis Receivables Term Trust II, Scotia Plaza, 40 King Street West, Toronto, Ontario M5W 2X6, Attention: Securitization and Structured Finance.

Except as described above, to the extent Notes are represented by Book-Entry Notes, the foregoing information will be available to the related holders of Notes only to the extent it is forwarded by or otherwise available through CDS and its Participants. The manner in which notices and other communications are conveyed by CDS to Participants, and by Participants to the holders of Notes, will be governed by arrangements among them, subject to any statutory or regulatory requirements as

may be in effect from time to time. The Servicer, the Issuer Trustee, the Indenture Trustee and the Administrative Agent may recognize as owner of a Note the person in whose name the Note is registered on the books and records of the Indenture Trustee, as registrar in respect of the Notes.

Indemnification

The Pooling and Servicing Agreement provides that the Servicer will indemnify the Custodian, the Series Co-Owners and any persons providing Series Enhancement from and against any loss, liability, expense, damage or injury suffered or sustained arising out of the Servicer's or the Custodian's actions or omissions with respect to its servicing and administration of the Accounts and the Account Assets pursuant to the Pooling and Servicing Agreement. In the event of a transfer of servicing to a successor Servicer, the successor Servicer will be obligated to indemnify and hold harmless the Seller for any losses, claims, damages and liabilities of the Seller as described in this paragraph arising from the actions or omissions of such successor Servicer.

Under the Pooling and Servicing Agreement, the Seller has agreed to indemnify the Custodian, the Series Co-Owners and any persons providing Series Enhancement against any loss, liability, expense, damage, claim or injury suffered by reason of any representations and warranties, acts, omissions or alleged acts or omissions arising out of activities of the Seller or the Custodian pursuant to the Pooling and Servicing Agreement or any Series Purchase Agreement, including reliance on any representation or warranty made by the Seller in the Pooling and Servicing Agreement which was incorrect in any material respect when made; provided, however, that such indemnity will not extend to acts, omissions or alleged acts or omissions of the Custodian which constitute fraud, gross negligence, breach of fiduciary duty (other than negligent action) or wilful misconduct.

Except as provided in the preceding two paragraphs, the Pooling and Servicing Agreement and the Series Purchase Agreement provide that none of the Seller or any of its directors, officers, employees and agents will be under any other liability to the Custodian, any Series Co-Owner or any person providing Series Enhancement for any action taken, or for refraining from taking any action, in good faith pursuant to the Pooling and Servicing Agreement or any Series Purchase Agreement, as the case may be. However, the Seller will not be protected against any liability which would otherwise be imposed by reason of wilful misfeasance, bad faith or gross negligence of any such person in the performance of their duties or by reason of reckless disregard of their obligations and duties thereunder.

Amendments to the Pooling and Servicing Agreement

The Pooling and Servicing Agreement may be amended by the Servicer and the Seller without obtaining the consent of the Series Co-Owners to cure any ambiguity, to correct or supplement any provisions therein which may be inconsistent with any other provisions therein, to add other identifying factors to the definition of "Account" (and related definitions) or to add any other provisions with respect to matters or questions raised under the Pooling and Servicing Agreement which are not inconsistent with the provisions of the Pooling and Servicing Agreement, provided that such amendment shall not, as evidenced by an opinion of counsel, adversely affect in any material respect the interests of any existing Series Co-Owners in relation to their Ownership Interests (without regard to the availability of any Series Enhancement or Series Account balances).

The Pooling and Servicing Agreement may also be amended by the Servicer, the Seller and the Custodian (upon receipt by the Custodian of a direction of affected Series Co-Owners which, by Series Ownership Interest, have Invested Amounts as of the most recent Reporting Day that in aggregate exceed 66-2/3% of the aggregate of the Invested Amounts of all such affected Series Ownership Interests), for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Pooling and Servicing Agreement or of modifying in any manner the rights of the Series Co-Owners or the Seller; provided, however, that no such amendment shall:

(a) reduce in any manner the amount, or delay the timing, of any distributions to be made to Series Co-Owners or deposits of amounts to be so distributed;

(b) change the definition of or the manner of calculating the Invested Amount of any Series Ownership Interest;

(c) reduce the aforesaid percentage required to consent to any such amendment or reduce the percentage specified for any act provided for thereunder; or

(d) adversely affect the Rating Agencies' rating of any Series;

in each such case, without the consent of each affected Series Co-Owner.

The consent of the Custodian will be required in respect of any amendments which affect the Custodian's rights, duties or immunities under the Pooling and Servicing Agreement or otherwise.

DETAILS OF THE OFFERING

General

The Trust entered into a trust indenture dated as of May 29, 2013 (as supplemented, the **"Trust Indenture"**) with the Indenture Trustee for the purpose of issuing Notes. The Notes of each Series and Class will be created and issued pursuant to a supplemental indenture (each, a **"Related Supplement"** for such Series or Class) to the Trust Indenture to be entered into by the Trust and the Indenture Trustee in connection therewith. Unless otherwise specified in the applicable Related Supplement and set out in the applicable pricing supplement, each Series will be divided into four Classes, being the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. The following is a description of the material attributes and characteristics of the Notes, the Trust Indenture and certain other arrangements contemplated or permitted by the Trust Indenture. Reference is made to the Trust Indenture and other agreements referred to below for the full particulars of these attributes and characteristics. See "Material Contracts".

The Notes

The Notes are issuable from time to time at the discretion of the Trust during the period that this Prospectus remains valid on terms determined at the time of issue in an aggregate principal amount not to exceed $7,000,000,000. The Notes are offered pursuant to the MTN Program, as contemplated by the National Instrument. The National Instrument permits the omission from this Prospectus of certain variable terms of the Notes, which will be established at the time of the offering and sale of the Notes and will be included in pricing supplements, which are incorporated by reference into this Prospectus solely for the purpose of the Notes issued thereunder. A pricing supplement containing the specific terms of any particular offering of Notes will be delivered to purchasers of such Notes together with this Prospectus.

The specific variable terms of any offering of Notes including, where applicable and without limitation, the aggregate principal amount of Notes being offered, the issue price, the issue, delivery and maturity dates, the redemption or repayment provisions, if any, the interest rate or interest rate basis and the interest payment date(s), will be established by the Trust and set forth in the applicable pricing supplement that will accompany this Prospectus. The Trust reserves the right to set forth in a pricing supplement specific variable terms of an offering of Notes that are not within the options and parameters set forth in this Prospectus. Reference is made to the applicable pricing supplement for a description of the specific terms of any offering of Notes. Notes will be offered in such amounts, at such times, at such rates of discount or interest and on such other terms and conditions as the Trust may, from time to time, determine based on financing requirements, prevailing market conditions and other factors.

Unless otherwise specified in the applicable pricing supplement, each Series will be comprised of four Classes, being the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. The relevant provisions of any Series not so comprised will be set forth in the applicable pricing supplement.

The "**Expected Final Payment Date**" for the Notes of a Series will be as specified in the applicable Related Supplement and as set out in the applicable pricing supplement. Subject to the occurrence of an Amortization Event, holders of Notes will receive payments of principal and interest on or after the Expected Final Payment Date until the earlier of (a) the date on which the outstanding principal amounts of the applicable Series and all interest accrued thereon has been paid in full, and (b) the Prescription Date for the applicable Series.

Outstanding Series

The Series of Notes previously issued by the Trust and which remain outstanding are as follows: (i) the $500,000,000 2.235% Line of Credit Receivables-Backed Class A Notes, Series 2013-1 and $102,410,000 5.235% Line of Credit Receivables-Backed Class B Notes, Series 2013-1, (ii) the $500,000,000 2.434% Line of Credit Receivables-Backed Class A Notes, Series 2014-1 and $102,410,000 5.434% Line of Credit Receivables-Backed Class B Notes, Series 2014-1, (iii) the $500,000,000 1.788% Line of Credit Receivables-Backed Class A Notes, Series 2015-1 and $102,410,000 4.938% Line of Credit Receivables-Backed Class B Notes, Series 2015-1, and (iv) the $450,000,000 Line of Credit Receivables-Backed Floating Rate Class A Notes, Series 2015-2 and $92,170,000 Line of Credit Receivables-Backed Floating Rate Class B Notes, Series 2015-2. Scotiabank currently holds all of the Class B Notes of each previously issued Series of Notes. The proceeds of the issuance of each such Series of Notes was used to purchase the related Series Ownership Interest.

Interest

Interest will accrue on the unpaid principal amount of each Class of Notes in a Series on such terms as specified in the Related Supplement (and set out in the applicable pricing supplement), and be paid in arrears to the applicable holders of Notes (subject to any applicable withholding taxes) on each Interest Payment Date prior to the occurrence of an Amortization Event. Interest payments on each Interest Payment Date will include interest accrued to, but excluding, such Interest Payment Date and will be calculated on the basis of a 365 day year (unless otherwise specified in the applicable Related Supplement and set out in the applicable pricing supplement). Interest due with respect to the Notes of a Series for the first Interest Payment Date will accrue from and including the applicable Closing Date to but excluding the first Interest Payment Date. Any interest due but not paid on any Interest Payment Date will be due on the next succeeding Interest Payment Date with additional interest at the same rate on such amount. If an Amortization Period commences, unless otherwise specified in the Related Supplement (and set out in the applicable pricing supplement), interest will thereafter be paid to the applicable holders of Notes (subject to any applicable withholding taxes) in equal payments monthly in arrears on each Special Payment Date. Interest will accrue on each Class of Notes but will not be paid on any day in respect of the Class B Notes or the Class C Notes if any amount required to be paid in respect of interest on the more senior Classes of Notes on that day remains outstanding as due and payable. Interest will accrue on the Class D Notes but will not be paid on any day if any amount required to be paid in respect of interest or principal on the more senior Classes of Notes on that day remains unpaid. Unless otherwise specified in the applicable Related Supplement (and set out in the applicable pricing supplement), the record date ("**Record Date**") for holders of Notes entitled to receive interest on any Interest Payment Date or Special Payment Date will be the date that is 15 days prior to the related Interest Payment Date or Special Payment Date, as applicable (or if such day is not a Business Day, the next succeeding Business Day).

"Closing Date" means, in respect of a Series, the date specified as such in the related Series Purchase Agreement (and set out in the applicable pricing supplement).

"**Interest Payment Date**" means, in respect of a Series and prior to the occurrence of a related Event of Default, any date on which the Trust is obligated to make a payment of interest in respect of such Series as specified in the Related Supplement (and as set out in the applicable pricing supplement).

"**Special Payment Date**" means, in respect of a Series, any date during an Amortization Period on which the Trust is obligated to make a payment of interest and principal in respect of such Series as specified in the Related Supplement (and as set out in the applicable pricing supplement).

Principal

It is expected that payment in full of the principal and interest on each Series will be made on the related Expected Final Payment Date. The payment of the principal amounts owing under a Series will commence in advance of the Expected Final Payment Date if an Amortization Period commences. Repayment of a Series may also occur later than its Expected Final Payment Date if the Trust does not have sufficient funds to repay the Series in full on the Expected Final Payment Date. Failure to repay a Series in full on such date will constitute an Amortization Event and result in the occurrence of the Amortization Commencement Day for such Series. Principal payments on a Series will not be made until all of the interest owing on the Class A Notes, Class B Notes, Class C Notes and Class D Notes of such Series has been paid in full. Principal payments on the Class B Notes of a Series will not be made until all amounts due on the Class A Notes of such Series have

been paid in full. Principal payments on the Class C Notes of a Series will not be made until all amounts due on the Class A Notes and the Class B Notes of such Series have been paid in full. Principal payments on the Class D Notes of a Series will not be made until all amounts due on the Class A Notes, the Class B Notes and the Class C Notes have been paid in full. All payments of principal on a Series and interest thereon will cease on the Prescription Date for such Series. See “The Trust Indenture — Payment Priorities” herein.

Subordination of the Class B, Class C and Class D Notes

The Class B Notes will be subordinated to the Class A Notes to the extent described herein. Repayment of the principal amount of the Class B Notes will not be made until all principal and interest owing under the Class A Notes and all interest owing under the Class B Notes, the Class C Notes and the Class D Notes has been fully paid. The Class C Notes will be subordinated to the Class A Notes and the Class B Notes to the extent described herein. Repayment of the principal amount of the Class C Notes will not be made until all interest owing under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and all principal owing under the Class A Notes and the Class B Notes has been fully paid. The Class D Notes will be subordinated to the Class A Notes, the Class B Notes and the Class C Notes to the extent described herein. Repayment of the principal owing under the Class D Notes will not be made until all principal and interest owing under the Class A Notes, the Class B Notes and the Class C Notes has been fully paid. See “The Trust Indenture — Payment Priorities”.

Book-Entry Registration

The Notes will be represented by one or more fully registered book-entry only notes (each, a “**Book-Entry Note**” and collectively, the **“Book-Entry Notes**”) held by, or on behalf of, CDS Clearing and Depository Services Inc. (“**CDS**”), as custodian of the Book-Entry Notes and registered in the name of CDS or its nominee, except in the circumstances described herein. Registration of ownership and transfers of such Notes will be made only through the depository service of CDS. Except as described herein, no purchaser of a Note will be entitled to a definitive certificate or other instrument from the Trust or CDS evidencing that purchaser’s ownership thereof, and no holder of an interest in a Book-Entry Note (a “**Book-Entry Note Owner** ”) will be shown on the records maintained by CDS, except through book-entry accounts of a participant in the depository system of CDS (a “**Participant**”) acting on behalf of the Book-Entry Note Owner.

Transfers of beneficial ownership of Notes represented by Book-Entry Notes will be effected through records maintained by CDS or its nominee for such Book-Entry Notes (with respect to interests of Participants) and on the records of Participants (with respect to persons other than Participants). Beneficial owners who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, Book-Entry Notes, may do so only through Participants.

The ability of a Book-Entry Note Owner to pledge the Note or otherwise take action with respect to such owner’s interest in the Note (other than through a Participant) may be limited due to lack of a physical certificate.

Unless and until Definitive Notes are issued, Book-Entry Note Owners of the Notes will not be recognized by the Indenture Trustee as holders of Notes other than for tax purposes. All references herein or in the Trust Indenture to payments, notices, reports and statements to, or actions by, holders of Notes will refer to the same made with respect to or by CDS or its nominee, as the case may be, as the registered holder of the Notes upon instructions of a requisite number of Book-Entry Note Owners acting through Participants.

The Notes will be issued in fully registered certificated form (“**Definitive Notes**”) to Book-Entry Note Owners or their nominees other than CDS or its nominee only if (a) the Issuer Trustee advises the Indenture Trustee in writing that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to any such Series and CDS is unable to locate a qualified successor depository, (b) the Issuer Trustee advises the Indenture Trustee that it elects to terminate the use of the CDS depository system with respect to any such Series, or (c) after the occurrence and during the continuance of an Event of Default, Book-Entry Note Owners representing in aggregate more than 50% of the aggregate unpaid principal amount of the Notes then outstanding of the affected Series advise the Indenture Trustee through CDS and the Participants in writing, that the continuation of a book-entry system through CDS is no longer in the best interests of Book-Entry Note Owners of such Series.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Indenture Trustee is obliged to notify all Book-Entry Note Owners in respect of each affected Series, through CDS, of the availability of Definitive

Notes for such Series. Upon surrender by CDS of the relevant Book-Entry Note or Notes and instructions from CDS for re-registration, the Indenture Trustee will issue Definitive Notes for the applicable Series and thereafter the Indenture Trustee, the Issuer Trustee, and the Administrative Agent will recognize the registered holders of Notes of such Definitive Notes as the holders of Notes of such Series under the Trust Indenture.

Payments of principal, interest and other amounts with respect to Definitive Notes will, in accordance with the procedures set out in the Trust Indenture, be made directly to holders of Notes in whose names the Definitive Notes were registered at the close of business on the applicable Record Date. Such payments will be made by cheque mailed to the address of such holder as it appears on the Note register maintained by the Indenture Trustee or its agent. The final payment on any Note, however, will be made only upon presentation and surrender of such Definitive Note at the office or agency specified in the Trust Indenture.

Seller's Representation and Indemnity Covenant

The Seller will issue in favour of the Trust and the Indenture Trustee a representation and indemnity covenant (the "**Seller's Representation and Indemnity Covenant**") by which the Seller shall (a) represent and warrant to the Trust that all representations made in this Prospectus or any pricing supplement with respect to Scotiabank, the line of credit business of Scotiabank, the Accounts and the Receivables contain no untrue statement of a material fact and do not omit to state a material fact that is required to be stated or omit to state a material fact that is necessary to be stated in order for the statement not to be misleading in the circumstances in which it was made and (b) indemnify the Trust for any costs, claims, expenses or losses arising as a result of any misrepresentation contained in respect of such information in this Prospectus or any pricing supplement or as a result of a breach by the Seller of a material representation, warranty or covenant contained in the Material Contracts.

HEDGING TRANSACTIONS

In connection with the acquisition and ownership of Series Ownership Interests, the Trust will incur interest rate risk and other risks. To mitigate such risks, the Trust may enter into interest rate swaps or other appropriate hedging transactions. Any such interest rate swap or other hedging transaction (each, a **"Hedging Transaction"**) will be described in the related pricing supplement.

THE TRUST INDENTURE

When used in this section, "**Note**" means asset backed notes issued pursuant to the Trust Indenture, "**Series**" means any Series issued pursuant to the Trust Indenture, and "**Class**" means, in respect of a Series, each Class of Notes of such Series issued pursuant to the Trust Indenture.

General

The Related Supplement for any Series or Class will specify for the related Series or Class the designation, authorized denominations, aggregate principal amount, interest rate (or method of calculation thereof), maturity date, redemption terms, credit enhancement, if any, and any other specific terms or conditions of such Series or Class which may be specified in the Related Supplement therefor pursuant to the Trust Indenture.

Notes of any Series or Class may be issuable from time to time in the manner and subject to the terms and conditions as are specified therefor in the Trust Indenture and the Related Supplement. The aggregate principal amount of Notes which may be authorized, issued and outstanding under the Trust Indenture is unlimited. All material terms and conditions of or applicable to any Series or Class of Notes not included herein will be described in the related pricing supplement for such Series or Class.

For the purposes of determining whether holders of Notes issued under the Trust Indenture have given any request, demand, notice, consent or waiver under the Trust Indenture, the Notes will be treated and deemed to constitute a single Series; provided, however, if any action adversely affects in any material respect the rights relating to a particular Series or a

particular Class in a manner or to an extent differing from the manner in or to the extent to which it affects the rights relating to a different Series or Class, as the case may be, then holders of such affected Notes will not be bound by any such action taken at a meeting or by an instrument in writing, unless special Series or Class meetings of such holders of Notes are held, for which approval rules, as specified in the Trust Indenture, will apply.

Limited Recourse

Recourse to the Trust for amounts owing under each Series will be limited to the right to be paid amounts distributed to the Trust in respect of the related Series Ownership Interest, subject to the prior payment of certain amounts described below under "Payment Priorities". The holders of Notes will have no recourse to the Seller, the Issuer Trustee (other than in its capacity as trustee of the Trust), the Custodian, the Indenture Trustee, or any affiliate thereof, nor will they have recourse to any other Series Ownership Interest or any credit enhancement provided therefor or to any other property and assets owned by the Trust, the Issuer Trustee, in its individual capacity, the Indenture Trustee or the Custodian. Holders of Notes will have the benefit of the related Cash Reserve Account to the extent described herein.

Events of Default and Remedies

Events of Default

Subject to the right of holders of Notes of a Series to instruct the Indenture Trustee to waive any default (see "**Waiver of Default**"), the Indenture Trustee will declare the principal of and all accrued and unpaid interest and additional amounts, if any, on the Notes of a particular Series then outstanding to be immediately due and payable and the same shall forthwith become immediately due and payable to the Indenture Trustee and the security on the related Series Ownership Interest will become enforceable, on the occurrence of one or more of the following events in relation to the Notes (an "**Event of Default**") unless otherwise provided in a Related Supplement (as will be described in the related pricing supplement):

(a) the Trust fails to pay the principal amount of or interest on the Notes of such Series when the same becomes due and payable;

(b) the Issuer Trustee on behalf of the Trust admits the inability of the Trust to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of the Trust or otherwise acknowledges the insolvency of the Trust or any proceeding shall be instituted by or against the Trust seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, trustee or other similar official for the Trust or for any substantial part of its property and, if such proceeding has been instituted against the Trust, either such proceeding has not been stayed or dismissed within 45 days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part or if a receiver is privately appointed in respect of the Trust or of the property of the Trust or any substantial part thereof;

(c) an encumbrancer other than the Indenture Trustee takes possession of the related Series Ownership Interest or any part thereof which is, in the opinion of the Indenture Trustee, a substantial part thereof, or if any process or execution is levied or enforced upon or against the related Series Ownership Interest or any part thereof which is, in the opinion of the Indenture Trustee, a substantial part thereof and remains unsatisfied for such period as would permit any such property to be sold thereunder, unless such process is in good faith disputed by the Trust and the Trust gives or causes to be given security which, in the discretion of the Indenture Trustee, is sufficient to pay in full the amount thereby claimed in case the claim is held to be valid;

(d) the Trust defaults in the performance of any covenant (other than clause (a) hereof) contained in the Trust Indenture or the Related Supplement and such default remains unremedied for a period of 30 days after

notice thereof in writing is given by the Indenture Trustee specifying the nature of the default and requiring that it be remedied;

(e) the Amortization Commencement Day in respect of the related Series Ownership Interest shall have occurred; or

(f) any representation or warranty made by the Trust (or any of its agents) in or pursuant to the Trust Indenture or any other document or instrument delivered thereunder or under the Related Supplement proves to have been incorrect in any material respect when made and such incorrect representation or warranty would have a material adverse effect on the ability of the Trust to satisfy its obligations under the Notes of such Series (such material adverse effect to be determined without regard to any related Series Enhancement) and continues to be unremedied for a period of 30 Business Days after delivery by the Indenture Trustee of written notice thereof to the Trust specifying the nature of the incorrectness and requiring that it be remedied.

Subject to the provisions of the Trust Indenture relating to the duties of the Indenture Trustee, the Indenture Trustee will be under no obligation to exercise any of the rights, powers or discretions, make any elections or give any notices under the Trust Indenture at the request or direction of holders of Notes of any Series or Class if the Indenture Trustee reasonably believes that it will not be adequately indemnified against the costs, expenses and liabilities which might be incurred by it in complying with such request.

Notice of Default

The Indenture Trustee is obligated to give notice of the occurrence of every Event of Default to the holders of Notes of the applicable Series, the Administrative Agent, the Custodian, the Issuer Trustee and the Rating Agencies (and certain other persons as specified in the Trust Indenture) within five Business Days after the Indenture Trustee receives notice of the occurrence thereof.

Where notice of the occurrence of an Event of Default has been given to the holders of Notes of the applicable Series and the Event of Default is thereafter waived, notice that the Event of Default is no longer continuing will be given by the Indenture Trustee to the persons to whom notice of the occurrence of such Event of Default was given within a reasonable time, but not exceeding 30 days, after the Indenture Trustee becomes aware that the Event of Default has been waived.

Waiver of Default

If the security granted pursuant to a Related Supplement becomes enforceable pursuant to the provisions thereof, holders of Notes will, subject to the rights of the holders of Notes of a Series or Class to vote separately on a matter where applicable (see **"The Trust Indenture - General"**), have the right and power (exercisable by Extraordinary Resolution) to instruct the Indenture Trustee to waive a default pursuant to paragraph (a), (d) or (f) of the definition of "Event of Default" and the Indenture Trustee will thereupon waive such default upon the terms and conditions as such holders of Notes prescribe, provided always that no act or omission either of the Indenture Trustee or of such holders of Notes will extend to or be taken in any manner whatsoever to affect any subsequent default or any subsequent occurrence of an Event of Default or the rights resulting therefrom and no delay or omission of the Indenture Trustee or the holders of Notes will impair any rights or powers granted to them thereunder. If, as a result of any such default, the Indenture Trustee takes any steps pursuant to the provisions of the Trust Indenture to enforce the security granted pursuant to the Related Supplement and thereafter such default is waived by holders of Notes, the Indenture Trustee will, at the request and at the cost of the Issuer Trustee, on behalf of the Trust, take such action as may reasonably be required to restore the position which prevailed immediately prior to the taking of such steps and neither the Indenture Trustee nor any receiver theretofore appointed by the Indenture Trustee will incur any liability by reason of the taking of such steps.

"Extraordinary Resolution" means a resolution passed by the affirmative votes of the holders of not less than 66-2/3% of the principal amount of the Notes (or applicable Series or Class, as the case may be) then outstanding of the Trust issued pursuant to the Trust Indenture, represented and voting on a poll at a meeting of holders of Notes of the applicable Notes duly convened at which at least 25% of the aggregate principal amount of such Notes then outstanding to which such meeting relates are present in person or by proxy and held in accordance with the provisions of the Trust Indenture, or an instrument or instruments in writing signed in accordance with the provisions of the Trust Indenture.

Remedies

Subject to the provisions concerning indemnification of the Indenture Trustee described above and certain limitations contained in the Trust Indenture, if the security granted in respect of a Series Ownership Interest becomes enforceable pursuant to the provisions of the Trust Indenture and the Related Supplement and the Trust has failed to pay to the Indenture Trustee on demand such amounts as are due from the Trust and unpaid in respect of the related Notes, together with any other amounts due thereunder, the Indenture Trustee will proceed to realize upon the security for such Notes and to enforce the rights of the Indenture Trustee and of the related holders of Notes (i) by possession of the Series Ownership Interest; (ii) by appointment of a receiver by an instrument in writing subject to the provisions of the Trust Indenture; (iii) by proceedings in any court of competent jurisdiction for the appointment of a receiver or for the sale of such Series Ownership Interest or any part thereof or for foreclosure; or (iv) by any other action, suit, remedy or proceeding authorized or permitted by the Trust Indenture or by law or by equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee either in its own name or as trustee of an express trust or as attorney-in-fact for and on behalf of such holders of Notes lodged in any judicial proceedings relative to the Trust; provided, however, that the Indenture Trustee will have the right to decline to take any such action if the action may not lawfully be taken or would be unduly prejudicial to the rights of the Indenture Trustee.

Neither the Indenture Trustee nor any of its owners, agents, officers, directors, employees, successors or assigns, nor the beneficiary of the Trust will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of, interest on or other amounts due under the Notes or for the agreements of the Trust contained in the Trust Indenture.

Payment Priorities

All amounts on deposit in a Series Distribution Account for a Series on any Payment Date will be applied by the Trust and/or the Indenture Trustee in the following order of priority; provided, however, that prior to the occurrence of an Event of Default or Amortization Event, payments in respect of interest (if any) due on the Notes will only be made on an Interest Payment Date and payments in respect of the principal of the Notes will only be made on the applicable Expected Final Payment Date (or Special Payment Date after the occurrence of an Event of Default which has not been waived or remedied):

(a) first, in payment or reimbursement of all Additional Funding Expenses (other than the Series Co-Owner Pool Expenses) with respect to the related Series Ownership Interest in the order of priority that each appears in the definition thereof (other than the amounts to be paid under paragraph (e) below) including, after the occurrence of an Event of Default, of all costs, charges and expenses of the Indenture Trustee incurred in exercising any right, remedy or power granted to it under the Trust Indenture and the Related Supplement with respect to such Series Ownership Interest, including all outgoings properly paid by the Indenture Trustee in exercising such rights, remedies and powers;

(b) second, allocated proportionately between the amounts payable pursuant to the following (i) and (ii) below based on the net amount payable by the Trust under the related Hedging Transaction (other than any swap termination payment) (in the case of the payment to be made under clause (i)), and the aggregate amount payable in respect of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (in the case of payments to be made under clause (ii)):

   (i) toward payment of the net amount payable by the Trust under the related Hedging Transaction (other than any swap termination payment), and

   (ii) toward the payment of amounts due and owing under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in respect of principal, in the following order of priority:

      (A) first, toward the payment of amounts due and owing under the Class A Notes in respect of interest, *pari passu*;

(B) second, toward the payment of amounts due and owing under the Class B Notes in respect of interest, *pari passu*;

(C) third, toward the payment of amounts due and owing under the Class C Notes in respect of interest, *pari passu*; and

(D) fourth, toward the payment of amounts due and owing under the Class D Notes in respect of interest, *pari passu*;

(c) third, allocated proportionately between the amounts payable pursuant to the following (i) and (ii) below based on the amount of any termination payment payable by the Trust to the counterparty to the related Hedging Transaction where the Trust is the defaulting or sole affected party (in the case of the payment to be made under clause (i)), and the aggregate amount payable in respect of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (in the case of payments to be made under clause (ii)):

(i) toward any termination payment payable by the Trust to the counterparty to the related Hedging Transaction where the Trust is the defaulting or sole affected party, and

(ii) toward the payment of amounts due and owing under the Class A Notes, Class B Notes, the Class C Notes and the Class D Notes in respect of principal, in the following order of priority:

(A) first, toward the payment of amounts due and owing under the Class A Notes in respect of principal, *pari passu*;

(B) second, toward the payment of amounts due and owing under the Class B Notes in respect of principal, *pari passu*;

(C) third, toward the payment of amounts due and owing under the Class C Notes in respect of principal, *pari passu*; and

(D) fourth, toward the payment of amounts due and owing under the Class D Notes in respect of principal, *pari passu*;

(d) fourth, toward payment of any termination payment payable by the Trust to the counterparty to the related Hedging Transaction where the Trust is not the defaulting or sole affected party;

(e) fifth, toward payment of amounts due and owing in respect of items (a)(v),(b) and (c) of the definition of "Additional Funding Expenses" (in order of priority that each appears in the definition thereof); and

(f) sixth, to payment of the following related secured obligations in respect of the related Series Ownership Interest then owing in the following order of priority:

(i) all other amounts properly incurred and owing by the Trust and which are solely attributable to such Series, the related secured obligations or the related material contracts and not otherwise specified herein; and

(ii) the related proportionate share of all other amounts properly incurred and owing by the Trust which are not solely attributable to such Series, the related secured obligations or the related material contracts and not otherwise specified herein.

The payment priorities outlined above are subject, with respect to any Series, to such other payment priorities with respect to such Notes or any related swap agreement as may be provided in the Related Supplement (as set out in the applicable pricing supplement).

Amendments to the Trust Indenture

The Trust Indenture provides that, without the consent the Specified Creditors, the Indenture Trustee and the Trust may execute indentures supplemental to the Trust Indenture for certain purposes, including the following:

(a) correcting or amplifying the description of any property in which security is specifically granted or intended so to be;

(b) adding to the limitations or restrictions, further limitations or restrictions thereafter to be observed upon the amount of the issue of Notes under the Trust Indenture or upon the dealing with the property of the Trust, or upon the release of property forming part of the assets of the Trust; provided that, in each case, the Indenture Trustee, relying on the advice of counsel, is of the opinion that such further limitations or restrictions will not be prejudicial to the interests of the Specified Creditors;

(c) adding to the covenants of the Trust contained in the Trust Indenture for the protection of the Specified Creditors or providing for additional Events of Default;

(d) making such provisions not inconsistent with the Trust Indenture as may be necessary or desirable with respect to matters or questions arising thereunder, including the making of any modifications in the form of the Notes which do not affect the substance thereof and which, in the opinion of the Indenture Trustee, are expedient to make, if the Indenture Trustee, relying on the advice of counsel, is of the opinion that the provisions and modifications will not be prejudicial to the interests of the Specified Creditors;

(e) evidencing the succession, or successive successions, of any other persons to the Trust or the Issuer Trustee and the covenants of and obligations assumed by any such successor in accordance with the provisions of the Trust Indenture;

(f) providing for altering the provisions of the Trust Indenture in respect of the exchange or transfer of Notes;

(g) adding to or modifying, amending or eliminating any of the terms of the Trust Indenture, provided, however, that:

  (i) notice of any proposed addition, modification, amendment or elimination of the terms of the Trust Indenture must be provided to the related Rating Agencies and such proposed addition, modification, amendment or elimination must satisfy the Rating Agency Condition;

  (ii) no such addition, modification, amendment or elimination will be effective with respect to any Notes which are outstanding at the time of such addition, modification, amendment or elimination; and

  (iii) the Indenture Trustee may decline, in its discretion, to enter into any Amendment which would adversely affect its own rights, duties or immunities under the Trust Indenture or otherwise; and

(h) any other purposes considered appropriate by the Indenture Trustee, relying on the advice of counsel and which satisfies the Rating Agency Condition, which are not prejudicial to the rights and interests of the Specified Creditors;

provided, however, that the Indenture Trustee may, in its sole discretion, decline to enter into any such supplemental indenture which may not afford to it adequate protection at such time when it becomes operative.

"Specified Creditors" means, collectively, the holders of Notes, the Administrative Agent, the Indenture Trustee, counterparties pursuant to swap agreements with the Trust, the Issuer Trustee, the Custodian, the lender pursuant to Subordinated Loan Agreement, persons providing first loss protection or other credit enhancement in respect of the Notes, any person providing Series Enhancement, the Dealers and the Servicers (if other than Scotiabank);

Amendments to the Trust Indenture for any purpose other than specified above may be made by the Indenture Trustee and the Trust upon (a) satisfaction of the Rating Agency Condition, and (b) receipt of an Extraordinary Resolution of each Class of adversely affected Notes; provided, however, that no such amendment will (i) reduce in any manner the amount of, or delay the timing of, payments or distributions which are required to be made on any Notes of any Series or Class without the consent of each adversely affected holders of Notes of such Series or Class, (ii) change the amount of principal and interest to be paid to each holders of Notes of any Series or Class without the consent of each adversely affected holders of Notes of such Series or Class or (iii) reduce the aforesaid percentage required to consent to any such amendment, without the consent of each holders of Notes of each Series or Class adversely affected.

Subject to the following, the Indenture Trustee will, upon the written request from time to time of the Trust, enter into or consent to, as applicable, any proposed amendment, modification, termination or waiver of, or any proposed postponement of compliance with, any Material Contract (other than a Remittance Notice), which action may be taken without the necessity of obtaining the consent of the related creditors with respect to any and all Series, if, in the opinion of the Indenture Trustee, relying upon the advice of counsel, such amendment, modification, termination, waiver or postponement would not materially adversely affect the interests of the holders of Notes of any and all Series then outstanding; provided that, if, in the opinion of the Indenture Trustee, relying upon the advice of counsel, such amendment, modification, termination, waiver or postponement would have a material adverse effect on the interests of any such holders of Notes, the Indenture Trustee will not enter into or consent to, as applicable, such amendment, modification, termination, waiver or postponement without, subject to automatic amendments with respect to a change in the Issuer Trustee, the consent of each adversely affected holders of Notes of such Series or Class as evidenced by an Extraordinary Resolution of the holders of each Series or Class, as the case may be. Notwithstanding the foregoing, the Indenture Trustee may decline to enter into or consent to, as applicable, a proposed amendment, modification, termination or waiver of, or a proposed postponement of compliance with, any such Material Contract that adversely affects its own rights, duties or immunities under the Trust Indenture or otherwise. No proposed amendment, modification, termination, waiver of or any postponement of compliance with any such Material Contract may be entered into or consented to, as applicable, which would materially adversely affect the interests of any person to whom the Trust has incurred an obligation secured under the Trust Indenture in respect of a Series and whose consent to such proposed amendment, modification, termination, waiver or postponement is expressly required under the Related Supplement, without the consent of such person so affected. Any of the foregoing amendments, modifications, terminations or waivers shall, in addition to the foregoing conditions, require that the Rating Agency Condition be satisfied.

Certain Covenants

The Trust has agreed in the Trust Indenture that so long as any Notes remain outstanding (except as otherwise permitted with the prior consent of the Indenture Trustee and subject to satisfaction of the Rating Agency Condition), among other things, it will not:

(a) create or permit to exist any lien, charge or other encumbrance on the assets of the Trust, other than the security interest granted to the Indenture Trustee on a Series Ownership Interest and the proceeds thereof pursuant to the Trust Indenture and the Related Supplement or any related material contracts;

(b) sell or otherwise dispose of any of the assets of the Trust, except as expressly permitted by the Trust Indenture and any Related Supplement or any related material contract;

(c) other than indebtedness permitted under the Trust Indenture, incur, create or guarantee any indebtedness; and

(d) engage in any activity other than those permitted in the Trust Indenture or the other related material contracts.

Indemnification of the Indenture Trustee

The Trust Indenture provides that the Indenture Trustee may require that it be indemnified and provided with sufficient funds to its reasonable satisfaction against all actions, proceedings, claims and demands to which it may be liable,

and all costs, charges, damages and expenses which it may incur. In addition, the Trust Indenture provides that the Trust will indemnify the Indenture Trustee and its directors, officers, employees and agents from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages, liabilities and obligations which the Indenture Trustee or any of the foregoing persons may suffer as a result of anything that it does or omits to do in connection with the execution of its duties under the Trust Indenture; provided, however, that such indemnity does not apply in respect of the foregoing matters arising as a result of the dishonesty, bad faith, wilful misconduct, negligence or reckless disregard of any duty or failure to comply with the standard of care as set forth in the Trust Indenture, by the Indenture Trustee , its officers or employees.

Resignation or Removal of Indenture Trustee

The Trust Indenture provides that the holders of Notes may, for any reason, by Extraordinary Resolution remove the Indenture Trustee and appoint a successor indenture trustee. The Indenture Trustee may resign voluntarily at any time, and is obliged to resign if a material conflict of interest arises that is not remedied. Any voluntary resignation will not be effective until a successor indenture trustee acceptable to the Issuer and which satisfies the Rating Agency Condition has been appointed and has agreed in writing to assume the obligations of the Indenture Trustee.

USE OF PROCEEDS

The Trust will use all of the proceeds of the offering of the Notes of a Series to finance the purchase of a Series Ownership Interest pursuant to the Pooling and Servicing Agreement and the applicable Series Purchase Agreement.

PLAN OF DISTRIBUTION

Pursuant to the dealer agreement dated July 16, 2015 (the "**Dealer Agreement**") made between Scotiabank, the Trust, Scotia Capital Inc. and such other dealers as may be selected from time to time by the Trust (the "**Dealers**"), the Dealers are authorized as agents of the Trust to solicit offers to purchase the Notes in all provinces and territories of Canada, directly or indirectly through other investment dealers. The rate of commission payable in connection with sales by the Dealers as agents of Notes of a Series shall be as determined from time to time by mutual agreement of the Trust and the Dealers and will be set forth in the applicable pricing supplement.

The Dealer Agreement also provides that the Notes may be purchased from time to time by any of the Dealers, as principal, at such prices as may be agreed between the Trust and the Dealer for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary from purchaser to purchaser during the period of distribution. The Dealer's compensation will be increased or decreased by the amount by which the aggregate price paid for the Notes by purchasers exceeds or is less than the aggregate paid by the Dealer to the Trust.

The Trust may also offer the Notes directly to the public from time to time pursuant to any applicable statutory registration exemptions at such prices and upon such terms as may be agreed upon by the purchaser, in which case no commission will be paid to the Dealers.

Notes may be sold at fixed prices or at non-fixed prices (that is, at prices determined by reference to the prevailing price of a specified security in a specific market), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers. Accordingly, the price at which Notes will be offered and sold to the public may vary from purchaser to purchaser during the period of distribution of the Notes in which case the Dealers' overall compensation will vary depending upon the aggregate price paid for the Notes by the purchasers.

The Trust will have the sole right to accept offers to purchase Notes and may, in its absolute discretion, reject any proposed purchase of Notes in whole or in part and to close the subscription banks for the Notes at any time without notice. Each Dealer will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes received by it in whole or in part. The obligations of the Dealers under the Dealer Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Notes will not be listed on any securities exchange.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or under any state securities laws and may not be offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) except in certain transactions exempt from the registration requirements of the 1933 Act, including, if contemplated in the applicable pricing supplement, transactions under Rule 144A under the 1933 Act.

Each issue of Notes will be a new issue of securities with no established trading market. In connection with any offering of Notes, the Dealers may, subject to the foregoing, over-allot or effect transactions that stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Any Dealers to or through whom Notes are sold may make a market in the Notes, but such Dealers will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in the Notes of any issue will develop or as to the liquidity of any trading market for the Notes.

Scotia Capital Inc. is a wholly owned subsidiary of Scotiabank. As a result of the relationship between Scotiabank (and its affiliates) and the Trust described herein, the Trust may be considered a connected issuer of Scotia Capital Inc. under applicable securities legislation. Scotia Capital Inc. has agreed to act as a dealer and may receive underwriting or agency fees therefor. All proceeds of offerings under the MTN Program will be used by the Trust to finance the purchase of Series Ownership Interests from Scotiabank pursuant to the Pooling and Servicing Agreement and the applicable Series Purchase Agreement and none will be applied directly for the benefit of Scotia Capital Inc.

Scotiabank and Scotia Capital Inc. were involved in the decision to distribute the Notes and the determination of the terms of the offerings.

INVESTMENT CONSIDERATIONS

In connection with an investment in any Series of Notes, prospective investors should consider, among other things and in addition to any matters set forth in the applicable pricing supplement, the following investment considerations:

Limited Recourse

Each Series represents an obligation of the Trust with recourse limited to the related Series Ownership Interest, including a senior ranking entitlement to be paid from Collections allocable to such Series and amounts on deposit in, or eligible investments of deposits made to, the related Series Distribution Account and related Cash Reserve Account, subject to the prior payment of certain amounts and, in certain circumstances, to the prior payment of interest and principal on other Classes of such Series. The Trust is a special purpose entity with no independent business activities other than acquiring and financing the purchase of Ownership Interests and related activities, and does not have and does not expect to acquire any significant assets other than the Ownership Interests and assets related thereto. See "Operations of the Trust — Series Ownership Interest" and "Use of Proceeds". The Notes do not represent obligations of the Seller, the Issuer Trustee (other than in its capacity as trustee of the Trust), the Custodian, the Administrative Agent, the Indenture Trustee, any counterparty or any of their respective affiliates and holders of Notes of a Series will have no recourse to Ownership Interests of other Series, to credit enhancement provided therefor or to any other property and assets owned by the Trust or the Issuer Trustee in its individual capacity.

Certain Legal Matters

The sale of a Series Ownership Interest from time to time by the Seller to the Trust is intended to be a true sale for legal purposes. As sales, the Series Ownership Interests would not form part of the assets of the Seller and would not be available to the creditors of the Seller. However, in certain insolvency events relating to the Seller it is possible that an administrator or a creditor of the Seller may attempt to argue that the transactions between the Seller and the Trust are other than true sales of the Series Ownership Interests for legal purposes. This position, if accepted by a court, could prevent timely or ultimate payment of amounts due to the Trust and, consequently the holders of Notes of the Trust.

While the Seller is the Servicer, Collections held by the Seller may, subject to certain conditions, be commingled and used for the benefit of the Seller prior to each Interest Payment Date and Special Payment Date and, in the event of the liquidation, insolvency, receivership or administration of the Seller, the ability of the Trust to enforce its rights to the Collections immediately may be adversely affected and Collections that have been commingled may be unrecoverable. If the rating of the Seller, as Servicer, is reduced below required levels, the Pooling and Servicing Agreement requires the Servicer to deposit Collections directly into the Collection Account. If Insolvency Proceedings were to be commenced by or against the Seller, then an Amortization Event would occur and, pursuant to the terms of the Pooling and Servicing Agreement and the Series Purchase Agreements, new Account Assets would not be transferred to the Trust. If Insolvency Proceedings were to be commenced by or against the Servicer, then the right of the Series Co-Owners to appoint a successor Servicer may be stayed or prevented.

"**Insolvency Proceedings**" means any proceedings for the liquidation, administration, reorganization or debt restructuring of a Person including, without limiting the generality of the foregoing, proceedings under the *Bank Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Deposit Insurance Corporation Act* (Canada) and the *Winding-up and Restructuring Act* (Canada).

Reliance on the Seller as Servicer

The servicing of the Account Assets, including the collection and allocation thereof, and the making of the required deposits and transfers into and withdrawals from the Collection Account and the various Series Accounts is to be performed by the Seller, as the initial Servicer. Holders of Notes are relying on the Seller's good faith, expertise, historical performance, technical resources and judgment in servicing the Account Assets. It is possible that a material disruption in collecting the Account Assets may ensue if a Servicer Termination Event occurs and a successor Servicer assumes the Seller's servicing obligations. In addition, the collection results achieved by a successor Servicer may differ materially from the results achieved during the time the Seller is the Servicer. See "Operations of the Trust — Pooling and Servicing Agreement — Servicer Termination Events".

Social, Legal, Economic and Other Factors

Changes in personal credit use and payment patterns by borrowers result from a variety of economic, legal and social factors. Economic factors include the rate of inflation, unemployment levels and relative interest rates. The Trust is unable to determine and has no basis to predict whether or to what extent changes in applicable laws or other economic or social factors will affect personal credit use or repayment patterns. See "Personal Line of Credit Business of the Seller".

Competition in the Personal Credit Industry

The Seller faces considerable competition in the personal credit industry, particularly from other major chartered banks, all of which offer personal lines of credit both on a secured and unsecured basis. In addition, due to such competitive pressures, the Seller may from time to time offer other types of personal credit products or make changes to existing personal credit products which provide features, including lower finance charges, which are not available under the Accounts. If Accountholders choose to use other sources of credit, including competing products offered by the Seller, the composition of the Account Assets could change, thereby reducing the yield of the Series Ownership Interest to the Trust, and the rate at which new Receivables are generated in the Accounts may be reduced. The Trust will be dependent upon the Seller's ability to generate new Receivables or designate new Portfolios as Designated Portfolios having Accounts with similar credit and performance characteristics as the ScotiaLine Accounts. If the Pool Balance at any time is less than the Required Pool Balance, or if the Excess Spread Percentage falls below certain levels, an Amortization Event could occur.

Changes to Terms of the Accounts and Related Policies

Pursuant to the Pooling and Servicing Agreement and the related Series Purchase Agreement, the Seller does not transfer any interest in the Accounts to the Trust but only an Ownership Interest in the Account Assets arising under the Accounts. As owner of the Accounts, the Seller will have the right to determine the interest charges which will be applicable from time to time to the Accounts, to alter the service fees and administrative charges under the Accounts and to change

various other terms with respect to the Accounts. A decrease in the interest charges would decrease the effective yield on the Accounts and could result in the occurrence of an Amortization Event. There are limited restrictions on the ability of the Seller to change the terms of the Accounts. See "Operations of the Trust — Assignment and Transfer of Account Assets — Restrictions on Amendments to the Terms and Conditions of the Accounts". In addition, the credit evaluation, servicing and write-off policies and collection practices of the Seller may change over time in accordance with the business judgment of the Seller. There can be no assurances that changes in applicable law, changes in the market place or prudent business judgment of the Seller might not result in a determination by the Seller to decrease customer finance charges or otherwise take actions which would change other Account terms or the credit and collection policies applied to the Accounts by the Seller. In servicing the Accounts, the Seller as the initial Servicer is required to use the same servicing procedures and standards for servicing the Receivables as it uses in connection with servicing other personal credit account receivables similar to the Receivables for its own account.

Consumer Protection Laws

The relationship between the Obligors and the Seller, as lender, is regulated by the *Bank Act* (Canada) and the regulations thereunder and certain provincial consumer protection legislation which differ in each province and territory but has a fairly consistent impact. The legislation in certain provinces and territories imposes disclosure requirements before or when an account is opened and at the end of billing cycles. The information to be disclosed includes the total cost of credit, including all fees and charges. Most provinces and territories also have legislation which regulates the use of consumer reports with respect to the issuance of credit and legislation which regulates collection practices. The Trust may be liable for certain violations of consumer protection legislation either as assignee from the Seller with respect to obligations arising before the Transfer of an Ownership Interest in the Account Assets to the Trust or as the party directly responsible for obligations arising after the Transfer. In addition, an Obligor may be entitled to assert such violations by way of a defence or set-off against the obligation to pay the amount of Receivables owing or a portion thereof. Receivables that were not created in compliance in all material respects with the requirements of such laws may, if such non-compliance has a material adverse effect on the interest of the Trust, be reassigned by the Trust to the Seller. The Servicer has also agreed in the Pooling and Servicing Agreement to indemnify the Trust, among other things, for any liability arising from such violation by the Servicer. For a discussion of the Trust's rights if the Receivables were not created in compliance in all material respects with applicable laws see "Operations of the Trust — Assignment and Transfer of Account Assets — Mandatory Purchase of Account Assets".

Application of the *Bankruptcy and Insolvency Act* (Canada) to the underlying Obligors could affect the interest of the Trust in the Receivables if such laws result in any Receivables being charged off as uncollectible in whole or in part.

Absence of Public Market for the Notes

There is currently no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus and any pricing supplement. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. The Dealers expect, but are not obligated, to make a market in the Notes. There can be no assurance that a secondary market for trading in the Notes will develop or that any secondary market which does develop will continue. Accordingly, this investment should be considered only by those persons who are able to bear the economic risk of the investment until the related Expected Final Payment Date of the Notes (or the related Prescription Date).

Acquisition of Additional Account Assets

The Seller is permitted, and in some cases will be obligated, to designate Additional Accounts and may in certain circumstances, add Participations. An interest in the Account Assets arising in those Additional Accounts and/or in the Participations will be conveyed to the Trust. Additional Accounts and the personal credit accounts relating to a Participation may be subject to different eligibility criteria than the ScotiaLine Accounts. Such Additional Accounts and/or Participations may include accounts originated using criteria different from those which were applied to the ScotiaLine Accounts. Moreover, Additional Accounts and/or Participations may not be Accounts of the same type in which the Trust previously purchased an interest. Consequently, there can be no assurance that such Additional Accounts and/or Participations will be of the same credit quality as the ScotiaLine Accounts. In addition, such Additional Accounts and/or Participations may consist of personal credit accounts which have different terms than the ScotiaLine Accounts, including lower periodic finance charges, which may

have the effect of reducing the average yield on the portfolio of Accounts. The designation of Additional Accounts and the addition of Participations will be subject to the satisfaction of certain conditions described herein under "Operations of the Trust — Assignment and Transfer of Account Assets — Addition of Accounts".

Series Co-Owner Action

Subject to certain exceptions, Series Co-Owners may take certain actions, or direct certain actions to be taken, under the Pooling and Servicing Agreement or the related Series Purchase Agreement. However, under certain circumstances, the consent or approval of a specified percentage of all of the Series Co-Owners will be required to direct certain actions, including requiring the appointment of a successor Servicer following a Servicer Termination Event or the amendment of the Pooling and Servicing Agreement.

Noteholder Action

For the purposes of determining whether the holders of Notes of a Series have given any request, demand, notice, consent or waiver under the Trust Indenture, all Classes of such Series will be treated and deemed to constitute a single Series; provided, however, if any action adversely affects in any material respect the rights relating to particular Class of such Series in a manner or to an extent differing from the manner in or to the extent to which it affects the rights relating to the other Classes, then holders of such affected Class shall not be bound by any such action taken at a meeting or by an instrument in writing, unless special Class meetings of such holders of Notes are held for which approval rules, as specified in the Trust Indenture, shall apply.

Payments on the Receivables/Repayment on Expected Final Payment Date

The Receivables may be paid at any time and there is no assurance that there will be new Receivables created in the Accounts or that any particular pattern of Obligor repayments will occur. The full payment of the Invested Amount on the related Expected Final Payment Date is primarily dependent on the monthly payment rate and will not be made if the sum of such repayment amounts and the unused entitlement of the applicable Series Ownership Interest to the related Cash Reserve Account (if any) are insufficient to pay the Invested Amount in full. No assurance can be given as to the monthly payment rates which will actually occur in any future period. The actual rate of accumulation of principal in a Series Distribution Account will depend, among other factors, on the rate of Collections, the timing of the receipt of Collections and the rate of default by Obligors and no assurance can be given that the Invested Amount will be paid on the related Expected Final Payment Date.

Additional Series Ownership Interests

In addition to the Series Ownership Interests currently owned by the Trust, it is expected that additional Series Ownership Interests (which may be represented by different Classes within a single Series) may be created and sold from time to time. The terms of such additional Series may include methods for determining related allocation percentages and allocating Collections, provisions creating different or additional credit enhancement, different classes of Ownership Interests within the Series and other terms in respect only of such additional Series. As Ownership Interests of different Series will have different attributes and entitlements, it is anticipated that some Series will be in their Revolving Periods, while others are in their Accumulation Periods or Amortization Periods. Subject to certain limitations, each Series may have entirely different methods for allocating Finance Charge Receivables, and for calculating the amount and timing of distributions of Collection and Transfer Deposits to the related Series Co-Owners. Accordingly, there can be no assurance that the sale of Ownership Interests of other Series from time to time in the future might not have an impact on the timing or amount of distributions to the Trust in respect of any other Series Ownership Interest. No Series Purchase Agreement in relation to the creation and sale of other Series, however, may change the terms of any other Series Ownership Interest or the terms of the Pooling and Servicing Agreement as applied to these other Series Ownership Interest. As long as a Series Ownership Interest is existing, a condition precedent to the execution of any additional Series Purchase Agreement will be the satisfaction of the Rating Agency Condition. There can be no assurance, however, that the terms of any other Series might not have an impact on the timing or amount of payments received by the Trust.

Reliance on Historical Data

There can be no assurance that the delinquency, default and net loss trends or the collections and principal repayment data and other historical information provided with respect to the Account Assets will continue to be representative of the performance of the Account Assets during the term of the Notes. To the extent that Series Pool Losses allocable to a Series Ownership Interest exceed the amounts available to cover those losses in respect of such Series Ownership Interest, the Trust may not be able to make the required payment of interest and principal due on the related Series.

Pool Performance

An increase in the rate of default by Obligors will increase the Pool Losses and hence the Series Pool Losses of each Series Ownership Interest. To the extent that the Series Pool Losses for any Reporting Period exceeds the difference between (i) the Ownership Finance Charge Receivables and (ii) the Series Interest and Additional Funding Expenses for the following Distribution Day, and such excess cannot be satisfied by withdrawals from the related Cash Reserve Account, the Cumulative Deficiency for a Series Ownership Interest will increase and the Invested Amount will correspondingly decrease. Ownership Finance Charge Receivables in excess of Series Pool Losses and the Series Interest and Additional Funding Expenses in future Reporting Periods could reduce the Cumulative Deficiency for such Series Ownership Interest and hence reverse previous decreases to the Invested Amount. It is possible, if the Cumulative Deficiency is sufficiently large at the relevant time, that the amounts accumulated in the Series Distribution Account during the Accumulation Period will not be sufficient to fund a final distribution with respect to a Series Ownership Interest on the Expected Final Payment Date such that the Invested Amount will be reduced to zero but that such amount will not be sufficient to fully satisfy all amounts due on the related Series. Losses will be allocated in accordance with the payment priorities in the Trust Indenture. See "Trust Indenture - Payment Priorities".

RATINGS

It is a condition of the closing of the offering of any Series that each Class of Notes be assigned the ratings specified in the Related Supplement (and set out in the applicable pricing supplement) by two Designated Rating Agencies at the applicable Closing Date.

"**Designated Rating**" means a rating from any Designated Rating Agency which falls within one of the following generic rating categories of the Designated Rating Agency or a rating category that replaces a category listed below:

Designated Rating Agency	Long-Term	Short-Term
DBRS	AAA, AA, A or BBB	R-1 or R-2
Moody's	Aaa, Aa, A or Baa	Prime-1, Prime-2 or Prime-3
S&P	AAA, AA, A or BBB	A-1+, A-1, A-2 or A3
Fitch, Inc.	AAA, AA, A or BBB	F1+, F1, F2 or F3

"**Designated Rating Agencies**" means DBRS, Moody's, S&P and Fitch and certain other rating agencies specified in the relevant securities legislation.

The ratings of the Notes assigned by DBRS address the risk that the Trust will fail to satisfy its obligations in accordance with the terms of the Notes. The ratings of the Notes assigned by S&P address the likelihood of receipt by the Noteholders of their entitlement to principal and interest in various scenarios. The ratings of the Notes by Fitch, Inc. ("**Fitch**") address the vulnerability of the Notes to default. The ratings of the Notes assigned by Moody's address the expected loss posed to investors. However, the rating agencies do not evaluate and the ratings do not address the likelihood that the outstanding principal amount of the Notes of a Series will be paid by their Expected Final Payment Date. A rating is based primarily on the credit underlying the Receivables, the level of enhancement provided with respect to the Notes and the subordination of payments of interest and principal, and the credit ratings of the Seller and the Servicer, all as described in this Prospectus and any pricing supplement. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. A revision or withdrawal of such rating may have an adverse effect on the market price of the Notes. The ratings of the Notes are not a recommendation to purchase, hold or sell the Notes, inasmuch as such ratings do not comment as to market price or suitability for a particular investor. The ratings also do not address the possibility of the occurrence of an Amortization Event or an Event

of Default with respect to the Series, either of which events could result in the partial or complete payment of the outstanding principal amount of Notes of a Series prior to their Expected Final Payment Date. In addition, the ratings take into consideration the capacity of those parties in a key support relationship to the Trust and the Notes and the degree of covenant protection available to investors as contained in the Material Contracts. Certain changes to the arrangements referred to herein are subject to the satisfaction of the Rating Agencies.

Any rating of the Notes by a Rating Agency will indicate:

- its view on the likelihood that Noteholders will receive required interest and principal payments; and
- its evaluation of the Receivables and the availability of any credit support for the Notes.

Among the things a rating will not indicate are:

- the likelihood that interest or principal payments will be paid on a scheduled date;
- the likelihood that an Amortization Event or Event of Default will occur;
- the marketability of the Notes;
- the market price of the Notes; or
- whether the Notes are an appropriate investment for any purchaser.

A rating will not be a recommendation to buy, sell or hold the Notes. A rating may be lowered or withdrawn at any time by a Rating Agency.

Rating agencies other than those requested could assign a rating to the Notes and such a rating could be lower than any rating assigned by a Rating Agency and disclosed herein. Payments were, or reasonably will be, made by the Trust to each applicable Rating Agency in connection with the ratings of the Notes and in connection with ratings of other notes of the Trust that are outstanding, or will be outstanding, and continue in effect, and payments were made to DBRS, S&P, Moody's and Fitch during the last two years in connection with the ratings of other notes issued by the Trust. No payments were made to any Rating Agency in respect of any other service provided to the Trust by such Rating Agencies during the last two years.

Moody's Ratings. Definitions of the ratings categories of Moody's in which Moody's may be asked to rate the Notes are set forth below in descending order of ranking:

Aaa

Obligations that are rated "Aaa" are judged to be of the highest quality with minimal credit risk. "Aaa" is the highest rating category assigned to long-term obligations.

Aa

Obligations that are rated "Aa" are judged to be of high quality and are subject to very low credit risk. "Aa" is the second highest rating category assigned to long-term obligations.

A

Obligations which are rated "A" are considered upper-medium grade and are subject to low credit risk. "A" is the third highest rating category assigned to long-term obligations.

Baa

Obligations which are rated "Baa" are subject to moderate credit risk. They are considered medium-grade obligations and as such may possess certain speculative characteristics. "Baa" is the fourth highest rating category assigned to long-term obligations.

Moody's has five (5) ratings categories that rank below the ratings categories on the Notes. These lower ranking ratings categories range from "Ba" to "C" and are assigned to obligations that have significant speculative characteristics. The ratings from "Aa" through "Caa" may have the numerical modifiers 1, 2 and 3 applied to them. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of the generic rating category.

DBRS Ratings. Definitions of the ratings categories of DBRS in which DBRS may be requested to rate the Notes are set forth below in descending order of ranking:

AAA

An obligation rated "AAA" is of the highest credit quality, with exceptionally high capacity for repayment of principal and interest that is unlikely to be adversely affected by future events. "AAA" is the highest rating assigned to long-term obligations.

AA

An obligation rated "AA" is of superior credit quality, and capacity for payment of interest and principal is considered high. Credit quality differs from "AAA" only to a small degree. Unlikely to be significantly vulnerable to future events. "AA" is the second highest rating category assigned to long-term obligations.

A

An obligation rated "A" is of good credit quality. The capacity for payment of interest and principal is substantial, but of lesser credit quality than with "AA" rated securities, but may be vulnerable to future events, but qualifying negative factors are considered manageable. "A" is the third highest rating category assigned to long-term obligations.

BBB

An obligation rated "BBB" is of adequate credit quality. The capacity for payment of interest and principal is considered acceptable but may be vulnerable to future events. "BBB" is the fourth highest rating category assigned to long-term obligations.

DBRS has seven (7) ratings categories, ranging from "BB" to "D" or "SD", which rank below the ratings categories on the Notes. Five of the lower ranking rating categories, ranging from "BB" to "C", are assigned to obligations that are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. An obligation rated "D" means the issuer has filed under applicable bankruptcy, insolvency or winding up statutes or there is a failure to satisfy an obligation after the exhaustion of grace periods, or in certain cases that there has been a distressed exchange by such issuer (in which case DBRS may also use "SD"). The ratings with the rating categories from "AA" to "CCC" are denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the "middle" of the particular rating category.

The DBRS long-term debt rating scale is meant to give an indication of the risk that an issuer will not fulfill its full obligations in accordance with the terms under which they were issued, with respect to both interest and principal commitments.

S&P Ratings. Definitions of the ratings categories in which S&P may be asked to rate the Notes are set forth below in descending order of ranking:

AAA

An obligation rated "AAA" has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitments on the obligation is extremely strong. "AAA" is the highest rating assigned to long-term obligations.

AA

An obligation rated "AA" has the second highest rating assigned by S&P and differs from the highest rated obligation only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong. "AA" is the second highest rating assigned to long-term obligations.

A

An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. "A" is the third highest rating assigned to long-term obligations.

BBB

An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. "BBB" is the fourth highest rating assigned to long-term obligations.

S&P has six ratings categories that rank below the ratings categories on the Notes. Five of these lower ranking ratings categories range from "BB" to "C" and are assigned to obligations that have significant speculative characteristics. An obligation rated "D" is in payment default. The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within rating categories. If a rating has not been modified, this indicates that the rating ranks in the middle range of the particular rating category.

Fitch Ratings. Definitions of the ratings categories in which Fitch may be asked to rate the Notes are set forth below in descending order of ranking:

AAA

A "AAA" rating denotes the lowest expectation of default risk. Such rating is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. "AAA" is the highest rating assigned to long-term obligations.

AA

A "AA" rating denotes expectations of very low default risk. It indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. "AA" is the second highest rating assigned to long-term obligations.

A

A “A” rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. “A” is the third highest rating assigned to long-term obligations.

BBB

A “BBB rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. “BBB” is the fourth highest rating assigned to long-term obligations.

Fitch has seven ratings categories that rank below the ratings categories on the Notes. Five of these lower ranking ratings categories range from “BB” to “C” and are assigned to obligations that have significant speculative characteristics and default risks. An obligation rated “RD” is in payment default, and an obligation rated “D” indicates that the issuer has entered into bankruptcy filings, administration receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business . The ratings from “AA” to “B” may be modified by the addition of a plus or minus sign to show relative standing within rating categories. If a rating has not been modified, this indicates that the rating ranks in the middle range of the particular rating category.

ADDITIONAL INVESTMENT CONSIDERATIONS FOR PURCHASERS OF CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES

Prospective purchasers of Class B Notes, Class C Notes and Class D Notes should also consider the following additional considerations:

Subordination

The Class B Notes will serve as credit support for the Class A Notes. Repayment of the principal amount of the Class B Notes will not be made until all interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and all principal on the Class A Notes have been fully paid. In such circumstances, a holder of Class B Notes could lose some or all of its initial investment in the Class B Notes. The Class C Notes will serve as credit support for the Class A Notes and the Class B Notes. Repayment of the principal amount of the Class C Notes will not be made until all interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and all principal on the Class A Notes and the Class B Notes have been fully paid. In such circumstances, a holder of Class C Notes could lose some or all of its initial investment in the Class C Notes. The Class D Notes will serve as credit support for the Class A Notes, the Class B Notes and the Class C Notes. Repayment of the principal amount of the Class D Notes will not be made until all interest and principal has been full paid on the more senior Classes of Notes. In such circumstances, a holder of Class D Notes could lose some or all of its initial investment in the Class D Notes.

Voting

Subject to special class voting rights of holders of Notes of a Class, certain amendments may be made to the Material Contracts and certain directions may be provided, based on a direction given by the holders of the Class A Notes, Class B Notes, Class C Notes and Class D Notes voting together as a single Series. As the holders of Class B Notes, Class C Notes and Class D Notes will generally constitute a minority of the principal amount of Notes eligible to vote at a meeting of holders of Notes called to consider such amendments or to provide written directions, the holders of the Class A Notes will generally have the ability to control any direction provided to the Indenture Trustee and the Trust. Accordingly, subject to the special class voting rights of the holders of the Class B Notes, the Class C Notes and the Class D Notes, the holders of Class A Notes will, in practical terms, have the power to determine whether amendments will be permitted and actions may be taken without regard to the position or interests of the holders of the Class B Notes, the Class C Notes and the Class D Notes. In certain circumstances, the position or interests of holders of Class A Notes and of holders of the Class B Notes, the Class C Notes and

the Class D Notes may be in conflict. As a result, holders of the Class B Notes, the Class C Notes and the Class D Notes may be adversely affected by determinations made which are beyond their control.

If any business to be transacted affects the rights relating to the Class B Notes, the Class C Notes or the Class D Notes in a manner different than it affects the rights of another Class of such Series, then holders of such Class will not be bound by any action taken at a meeting or by an instrument in writing, unless a special class meeting of the holders of the Class B Notes, the Class C Notes and the Class D Notes is held for which approval rules as specified in the Trust Indenture will apply. Such rules include the requirement for matters to be passed by the holders of the affected Class of Notes by Extraordinary Resolution.

MATERIAL CONTRACTS

Contracts which have been entered into by the Issuer Trustee or Administrative Agent on behalf of the Trust or which will be entered into prior to the Closing Date and which are considered material to investors purchasing Notes of a Series are as follows (the "**Material Contracts**"):

(a) the Declaration of Trust;

(b) the Trust Indenture, including the Related Supplement relating to such Notes;

(c) the Administration Agreement;

(d) the Pooling and Servicing Agreement;

(e) the Series Purchase Agreement relating to the applicable Series and the related Distribution Notice;

(f) the agreements evidencing Hedging Transactions (if any); and

(g) the Dealer Agreement.

Copies of Material Contracts may be obtained on request without charge from Scotiabank in its capacity as Administrative Agent on behalf of the Trust, at The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes pursuant to this Prospectus and who, at all relevant times and for purposes of the Tax Act, is or is deemed to be a resident of Canada, holds the Notes as capital property, deals with the Trust and the Dealers at arm's length and is not affiliated with the Trust (a "**Noteholder**"). Generally, the Notes will constitute capital property to a holder of Notes provided that such holder does not hold the Notes in the course of carrying on a business and does not acquire them as part of an adventure in the nature of trade. Certain Noteholders who might not otherwise be considered to hold their Notes as capital property may, in certain circumstances, be entitled to have them (and all other "Canadian securities" held by the Noteholder) treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Noteholders considering making this election should consult their own tax advisors. This summary is not applicable to a Noteholder an interest in which would be a "tax shelter investment" as defined in the Tax Act, that is a "financial institution" as defined in the Tax Act for purposes of certain rules applicable to income, gain or loss arising from "mark-to-market property", or to whom the "functional currency" reporting rules in the Tax Act apply or to a Noteholder that enters into, with respect to their Notes, a "derivative forward agreement" as that term is defined in the Tax Act. Such Noteholders should consult their own tax advisers.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder (the "**Proposed Amendments**") publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current administrative practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary assumes that all Proposed Amendments will be enacted in the form proposed, however no assurances can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal

income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or administrative practice, whether by judicial, governmental or legislative decision or action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be and should not be construed to be, legal or tax advice to any particular Noteholders, and no representations with respect to the Canadian federal income tax consequences to any particular Noteholders are made. Accordingly, prospective purchasers of Notes should consult their own tax advisers for advice with respect to the tax consequences to them of acquiring, holding and disposing of Notes, having regard to their own particular circumstances.

If the principal Canadian federal income tax considerations applicable to any particular Series are materially different from those described in this summary, such Canadian federal income tax considerations will be summarized in the pricing supplement related to that particular Series.

Interest

A Noteholder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest (or amount that is considered for purposes of the Tax Act to be interest) that accrues to such Noteholder on a Note to the end of that year or that becomes receivable or is received by it before the end of that year, except to the extent that such interest (or amount considered to be interest) was included in such Noteholder's income for a preceding taxation year. Any other Noteholder, including an individual, will be required to include in computing its income for a taxation year any interest (or amount considered to be interest) on the Notes that is received or receivable by such Noteholder in that year (depending on the method regularly followed by such Noteholders in computing income) to the extent that such amount was not included in computing the Noteholder's income for a preceding taxation year.

Disposition

On a disposition or a deemed disposition of a Note, including a redemption or repayment at maturity, a Noteholder generally will be required to include in computing its income for the taxation year in which the disposition occurs any interest (or amount considered to be interest) that accrued on the Note to the date of disposition, except to the extent that such interest has otherwise been included in such Noteholder's income for that year or a preceding taxation year.

In general, on a disposition or a deemed disposition of a Note, a Noteholder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any amount included in the Noteholder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Note to such Noteholder immediately before the disposition or deemed disposition.

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Noteholder in a taxation year must be included in computing such Noteholder's income for that taxation year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Noteholder in a taxation year must be deducted from any taxable capital gains realized by the Noteholder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such years, subject to and in accordance with the provisions of the Tax Act.

PROMOTER

Scotiabank took the initiative in organizing the Trust, and as such may be considered to be a "promoter" of the Trust within the meaning of the securities legislation of certain provinces and territories of Canada. The Trust will receive proceeds from offerings of Notes hereunder and will apply the proceeds to purchase Series Ownership Interests from Scotiabank from time to time. Scotia Capital Inc., which is a wholly owned subsidiary of Scotiabank, may receive a portion of the dealer fee described under "Plan of Distribution".

Under the Administration Agreement, Scotiabank will provide services required in connection with the offering of the Notes and the ongoing operations, maintenance and regulatory compliance of the Trust. Under a Seller's Representation and Indemnity Covenant, Scotiabank, as Seller, will agree to indemnify the Trust for any loss resulting from a misrepresentation (within the meaning of applicable securities law) contained in this Prospectus. Under the Dealer Agreement, Scotiabank has agreed to indemnify the Dealers for any loss resulting from this Prospectus containing a misrepresentation within the meaning of applicable securities law.

LEGAL MATTERS

Certain legal matters relating to the Notes will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of the Seller and the Trust, and by Stikeman Elliott LLP, on behalf of the Dealers.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages where this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

UNDERTAKING

The Trust has filed with the local securities regulatory authority or regulator in each of the provinces and territories of Canada (the "**Securities Regulators**"), an undertaking that the Trust will not distribute asset-backed securities that, at the time of distribution, are "novel" (as defined in the National Instrument) without pre-clearing with the applicable Securities Regulators the disclosure to be contained in the pricing supplement pertaining to the distribution of such novel asset-backed securities.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Trust are KPMG LLP. Computershare Trust Company of Canada is the transfer agent and registrar for the Notes. Registers for the registration and transfer of the Notes will be kept by Computershare Trust Company of at its principal office in Toronto, Ontario.

INTEREST OF EXPERTS

The partners and associates of Osler, Hoskin & Harcourt LLP and the partners and associates of Stikeman Elliott LLP, as a group, beneficially own, directly or indirectly, less than 1% of the securities of the Trust as of the date of this Prospectus.

KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, are the auditors of the Trust and are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

CERTIFICATE OF THE TRUST AND PROMOTER

Dated: July 16, 2015

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to the short form prospectus relating to the securities offered by the short form prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required under securities legislation of all the provinces and territories of Canada.

HOLLIS RECEIVABLES TERM TRUST II
by its Administrative Agent,
THE BANK OF NOVA SCOTIA

By: (Signed) SEAN D. MCGUCKIN
Executive Vice-President and Chief Financial Officer

By: (Signed) ANDREW BRANION
Executive Vice-President and Group Treasurer

THE BANK OF NOVA SCOTIA
(as Promoter)

By: (Signed) IAN A. BERRY
Managing Director & Head, Funding

By: (Signed) ANDREW BRANION
Executive Vice-President and Group Treasurer

CERTIFICATE OF THE DEALERS

Dated: July 16, 2015

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, will as of the date of the last supplement to the short form prospectus relating to the securities offered by the short form prospectus and the supplement(s) constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required under securities legislation of all the provinces and territories of Canada.

SCOTIA CAPITAL INC.

By: (Signed) DOUGLAS J. NOE

BMO NESBITT BURNS INC.

By: (Signed) SUMANT INAMDAR

CIBC WORLD MARKETS INC.

By: (Signed) SEAN MANN

DESJARDINS SECURITIES INC.

By: (Signed) PIERRE ALAIN

HSBC SECURITIES (CANADA) INC.

By: (Signed) DAVID LOH

LAURENTIAN BANK SECURITIES INC.

By: (Signed) MICHEL RICHARD

MANULIFE SECURITIES INCORPORATED

By: (Signed) DAVID MACLEOD

MERRILL LYNCH CANADA INC.

By: (Signed) ERIC GIROUX

NATIONAL BANK FINANCIAL INC.

By: (Signed) RICHARD BRYAN

RBC DOMINION SECURITIES INC.

By: (Signed) NUR KHAN

TD SECURITIES INC.

By: (Signed) CHRISTOPHER STEVENS

INDEX OF DEFINED TERMS

Page

1933 Act 48
Account 14
Account Assets 14
Accountholder 14
Accumulating Series 30
Accumulation Commencement Day 29
Accumulation Period 29
Addition Cut-Off Date 17
Addition Date 17
Addition Notice 17
Addition of Accounts 18
Additional Accounts 15
Additional Designated Portfolio 15
Additional Funding Expenses 22
Adjustment Payment 16
Administration Agreement 11
Administrative Agent 11
Aggregate Ownership Amount 20
allowable capital loss 58
Amortization Commencement Day 31
Amortization Event 31
Amortization Event Notice 32
Amortization Events 9
Amortization Period 31
Available Cash Reserve Amount 24
Available Ownership Allocable Collections 28
Book-Entry Note 39
Book-Entry Note Owner 39
Book-Entry Notes 39
Business Day 18
Calculation Day 18
Cash Reserve Account 23
Cash Reserve Account Allocable Collections 24
Cash Reserve Draw Amount 24
Cash Reserve Event 24
CDS 39
Class 1
Closing Date 14, 38
Collection Account 25
Collections 21
Commingling Conditions 27
Controlled Accumulation Amount 30
Controlled Distribution Amount 30
Cumulative Deficiency 21
Custodian 8
Cut-Off Date 14
DBRS 25
Dealer Agreement 47
Dealers 1, 47
Declaration of Trust 1

Defaulted Account 16
Defaulted Amount..... 16
Deficit Controlled Accumulation Amount..... 31
Definitive Notes..... 39
Designated Portfolios..... 15
Designated Rating..... 52
Designated Rating Agencies..... 52
Distribution Day 24
Eligible Account 15
Eligible Deposit Account..... 23, 25
Eligible Institution 25
Eligible Investments 26
Event of Default..... 41
Excess Collections 29
Excess Requirements 29
Excess Spread Percentage..... 24
Expected Final Payment Date..... 37
Extraordinary Resolution..... 42
Finance Charge Receivables..... 16
Fitch 52
Floating Allocation Percentage..... 22
Hedging Transaction..... 40
Indenture Trustee 11
Ineligible Receivable Deposit Amount..... 19
Ineligible Receivables..... 19
Initial Invested Amount 21
Initial ScotiaLine Accounts..... 14
Insolvency Proceedings 49
Interchange Fees 14
Interest Payment Date..... 38
Interest Period..... 23
Invested Amount..... 21
Investors' Monthly Portfolio Report Summary 35
Issuer Trustee..... 1
Line of Credit Agreement 15
Material Contracts..... 57
Monthly Portfolio Report..... 35
Moody's..... 25
MTN Program..... 1
National Instrument 1
New Accounts..... 15
New Additional Accounts..... 15
New ScotiaLine Accounts..... 14
Note..... 40
Noteholder 57
Notes..... 1
Obligor..... 14
Ownership Allocable Collections 27
Ownership Finance Charge Receivables..... 23
Ownership Interest..... 21
Partial Commingling Condition..... 27
Participant..... 39
Participations 17
Payment Rate 35
Plan of Distribution..... 1
Pool Balance 16

Pool Expenses 34
Pool Losses 23
Pooling and Servicing Agreement 8
Portfolio 15
Prescription Date 30
Proposed Amendments 57
Prospectus 1
Purchase Date 34
Rating Agencies 17
Rating Agency Condition 17
Receivables 15
Record Date 38
Recoveries 23
Reference Day 15
Related Distribution Day 24
Related Securities 17
Related Supplement 37
Remittance Notice 26
Removal Cut-Off Date 18
Removal Date 18
Removal Notice 18
Removed Accounts 18
Reporting Day 18
Reporting Period 18
Required Addition Date 17
Required Cash Reserve Amount 24
Required Excess Spread Percentage 24
Required Pool Balance 18
Required Pool Percentage 18
Retained Interest 20
Retained Interest Amount 20
Revolving Period 9
S&P 25
Scotiabank 1
ScotiaLine Accounts 15
Seller 1
Seller’s Representation and Indemnity Covenant 40
Series 1
Series Accounts 25
Series Accumulation Percentage 28
Series Allocable Seller Collections 30
Series Allocation Percentage 23
Series Co-Owner 14
Series Co-Owner Pool Expenses 22
Series Distribution Account 25
Series Enhancement 21
Series Interest 23
Series Interest and Additional Funding Expenses 23
Series Notional Cumulative Excess 30
Series Ownership Interest 1, 21
Series Pool Losses 23
Series Purchase Agreement 14
Servicer Termination Event 34
Special Payment Date 38
Specified Accumulation Commencement Day 29
Specified Creditors 45

Subordinated Lender 23
Subordinated Loan Agreement 23
Tax Act 7
taxable capital gain 58
TFSA 7
Transfer 14
Transfer Deposit 20
Trust 1
Trust Indenture 11, 37
Waiver of Default 41