



Personal Credit Agreement Companion Booklet



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PLEASE READ THIS

Please read this Personal Credit Agreement Companion Booklet (“Companion Booklet”) carefully. It contains important agreements, terms and conditions that apply to your loan or credit facility.

For your reference, we have highlighted in the box below some of the important terms found in this Companion Booklet that affect your rights and describe your responsibilities. However this Companion Booklet also contains other terms that apply to both you and us. We encourage you to read and understand this Companion Booklet before signing the Personal Credit Agreement.

By signing the Personal Credit Agreement, you acknowledge having received, read, understood and voluntarily agreed to the terms and conditions in this Companion Booklet.

This Personal Credit Agreement Companion Booklet and the Personal Credit Agreement are legal contracts that supplement each other and are to be read as one document.

This Companion Booklet contains the Scotiabank Privacy Agreement (the “Privacy Agreement”) that also applies to your banking relationship with us. The Privacy Agreement sets out our information practices, including the type of information we collect from you, how the information is used, and with whom we may share your information.

From time to time we may change our agreement with you including introducing or changing service fees and charges. However, if we make changes to the agreement we’ll notify you of the changes in accordance with the law in your country. If you continue to use your credit facility, or be indebted to us or continue to use other services where fees or charges have been introduced or changed, that means that you have agreed to, and accept the new terms and conditions.

The *ScotiaCard*[™] Cardholder Agreement describes a number of important responsibilities that apply to using your *ScotiaCard* Banking Card including your obligation to quickly report lost or stolen cards.

If you do not follow the terms and conditions in this Companion Booklet, you are considered to be in default. If you are in default, and subject to applicable law, we may have the right to be paid the balance you owe us by taking any of the following actions: suing you for what you owe, selling or taking possession of the property held as security, or both, appointing a receiver to administer the property, or exercising any other rights we may have.

Please carefully review the parts of this Companion Booklet where we explain what default is and the potential consequences to you and your guarantor (if applicable).

If you are in default under one of your agreements with us, we may consider you to be in default of all of your agreements with us. In this case, all amounts owing to us for all your loans and credit facilities, including principal, interest and other costs and charges will be due and payable to us immediately.

If you are late in making your payment to us or do not follow other terms of the agreement then we can, subject to applicable law, increase your annual interest rate, reduce your credit limit, or both, suspend your credit privileges or close your Credit Account without ending the agreement you have with us.

If your Personal Credit Agreement shows that your loan/credit facility is secured by an “all-monies” mortgage, this means that the mortgage you have granted to us covers all debts you owe to us, now or in the future, up to the principal amount of the mortgage.

This Companion Booklet also contains terms that limit our responsibility to you in certain areas, such as the following:

- where you experience delays, losses, damages or expenses because system problems are encountered or delays occur in transmitting or implementing your instructions,
- if situations occur where you suffer delays, losses, damages or expenses due to a service we have provided or failed to provide, and
- if any errors, omissions or discrepancies occur in your Credit Account(s). We require you to review your statements and records promptly and you must tell us if there are any errors, omissions or discrepancies in your Credit Account within thirty (30) days of the statement date. If there are entries in your Credit Account that you did not authorize (for example because of fraud or forgery) or if there are any other errors, omissions or discrepancies and you did not notify us within thirty (30) days of your statement date then any and all errors, omissions and discrepancies involving your Credit Account(s) will be deemed to be conclusively correct and you will not be able to make a claim against us. This is why it is important for you to verify your statement promptly and carefully.

Quick Reference Guide

The general provisions in Part II and the Privacy Agreement in Part V of this Companion Booklet apply to all loans and credit facilities you have with us.

Please refer to the specific parts of this Companion Booklet listed below that apply to your particular credit facility.

<i>If you have been approved for</i>	<i>Please refer to</i>
a mortgage Loan	Parts III and IV on pages 16-24, 38, 44
a Personal Loan	Part III on page 24
a personal line of credit	Part III on page 27
overdraft protection	Part III on page 39

If you have granted security to us for your credit facility, please refer to the following parts.

<i>Type of security provided as security</i>	<i>Please refer to</i>
Chattel mortgage or Bill of Sale	Part IV on page 45
Funds held on deposit with us	Part IV on page 49
Assignment of life insurance policy (cash surrender value)	Part IV on page 50
Guarantee	Part IV on page 52

Depending on the type of credit facility you have been approved for and in certain situations you may be required to sign and provide us with a separate Security Agreement. If you sign a separate Security Agreement then that separate Security Agreement also forms part of the Personal Credit Agreement and this Companion Booklet.

Table of Contents

Part I – Introduction	1
Welcome to Scotiabank	1
So what's in this Companion Booklet?	1
Terms we use in this Agreement	2
Other definitions you need to know	3
Part II – General Provisions	6
General Terms And Conditions	6
Conditions	6
Who is bound by the Agreement?	6
Separate agreements	6
Security valuations	7
Amending or renewing existing Loans and/or credit facilities	7
Governing law	8
Limitation of liability	9
Your Rights & Obligations As A Borrower	9
Your promise to pay	9
Interest	10
Fees and charges	10
Adding to your debt	10
Making payments when mail service is disrupted	11
Insurance	11
Changing the Agreement	11
Changing your address or contact information	11
When you communicate with us in writing	11
Our Rights & Obligations As A Lender	12
Communicating with you	12
Late payments	12
Default	12
Set-off	14
Total balance due	14
Changing your interest rate and/or credit limit	14
Assignment	15
Disclosing information	15
Cancellation of your Loan(s) and/or credit facilities	15
Terminating the Agreement	15

Part III – Loan Products and Credit Facilities	16	Not exceeding your credit limit	28
Loan Products	16	Single advance	28
Mortgage Loans	16	Access to your account	29
Payment schedules	16	Using the account, card and cheques	29
Continuing liability	17	Additional usage requirements for cards (<i>ScotiaLine</i> Gold customers only)	29
Mortgage insurance	17	Repaying the amounts you owe	30
Term start date	17	Interest and fees	30
Amortization period	17	Dealing with transactions in a foreign currency	31
Interest rates	17	Withholding taxes	32
Interest rate calculation	19	Pre-authorized payments	32
Daily interest calculation	19	Making a minimum monthly payment	33
Simple interest calculation	19	Payment instructions	33
Prepaying your mortgage	19	Making payment when mail service is disrupted	33
Application of payments	19	Set-off	34
Property insurance	20	Applying your payment	34
Property insurance premiums payment account	21	Total balance due	34
Property tax payment account	22	Changing your interest rate and/or credit limit	35
Early payment on sale or transfer of your mortgage	23	Annual review and credit information	35
Our rights	24	Closing your account	35
<i>Scotia Plan</i> TM Loans and Other Personal Loans	24	Changes to this Personal Line of Credit Agreement or the Services we offer	36
Your promise to pay	24	Representations and warranties	36
Application of payments	25	Cancelling your personal line of credit	36
Amortization period	25	Other Services	37
Interest rates	25	Telling us about loss, theft or unauthorized use	37
How interest is calculated	25	Preparing and sending monthly statements	37
Daily interest calculation	25	Telling us about errors in your statement	37
Simple interest calculation	26	Telephone monitoring and recording	38
Changes to rates and fees	26	Change of information/notices	38
Prepaying your <i>Scotia Plan</i> Loan and Personal Loan before the maturity date	26	Subsequent mortgages/charges	38
Personal Line of Credit Agreement	27	Sale of Property	38
Definitions you need to know	27	Accepting our records	38
General terms and conditions	27	Overdraft Protection Agreement	39
Security	28	Definitions you need to know	39
Available credit	28	Overdraft protection is a temporary credit facility	39

Overdraft protection as an added feature to your deposit Account(s)	39	Accuracy	61
Overdrafts granted in absence of overdraft protection (Ad-hoc or temporary overdraft coverage)	40	Health Information	61
Overdraft limit	40	Refusing or withdrawing consent	62
Payment	40	Changes to this Privacy Agreement	62
Interest rates	41	Part VI – ScotiaCard™ Cardholder Agreement	64
How interest is calculated	41	Definitions you need to know	64
Daily interest calculation	41	Electronic Signature	64
Delinquency	42	Using your ScotiaCard Banking Card	65
Terminating the Overdraft Protection Agreement	42	CHIP cardholders and ScotiaCard Banking Cards with an expiry date	65
Part IV – Security Agreements	43	I. Automated banking services	65
Granting a security interest to the Bank	43	II. Any branch banking (“ABB”) service	66
Real or immovable Property	44	III. POS, phone, mobile, Internet, mail order purchases	66
Mortgage/charge	44	Transaction charges and fees	66
Arranging the mortgage with a lawyer/attorney-at-law	45	Transaction limits	67
Taxes	45	Transaction records/confirmation numbers	67
Property insurance	45	Accepting our records	67
Chattel mortgage/bill of sale (where applicable)	45	Posting of transactions	68
Ownership/use of the Property/enforcement	46	Limitation of liability	68
Insurance	47	Lost, stolen, authorized or unauthorized use of the ScotiaCard Banking Card	70
Maintenance	48	Limitations for authorized and unauthorized use of the ScotiaCard Banking Card	71
Authority to hold funds on deposit	49	Processing foreign currency transactions	72
Ownership	49	Changing limits and designated accounts	73
Default	49	Cancelling banking services	73
Assignment of life insurance – cash surrender value	50	Adding or changing the terms of this ScotiaCard Cardholder Agreement and the Rates and Fees Schedule	73
Ownership	50	Settling disputes	74
Maintaining the policy	51	ScotiaCard Banking Card customer service	74
Notice to insurance provider (where applicable)	51	Other agreements	74
Guarantee	52	Part VII - Telephone/Fax/E-mail Banking Agreement	75
Part V – Scotiabank Privacy Agreement	55		
How we protect your privacy	55		
Collection, use and disclosure of your information	55		
Verifying your Identity	58		
Monitoring	59		
Products and Services	60		
Retention	61		

Part I – Introduction

The loan, mortgage loan or other credit facility that you applied for, once approved, is subject to the terms and conditions set out in your Personal Credit Agreement.

Welcome to Scotiabank

The Personal Credit Agreement when signed together with the terms and conditions contained in this Companion Booklet (as applicable) and the amounts in the Rates and Fees Schedule is your promise to pay us for the loan, mortgage or other credit facility we provide to you.

For loans and mortgages, the Personal Credit Agreement outlines the amount of the loan or mortgage, the payment amount, payment schedule, the interest rate and, where applicable, the security and/or residential mortgage that you granted to us for the loan.

For all other credit facilities such as lines of credit and overdraft protection facilities, the Personal Credit Agreement outlines the authorized limit of the Credit Account, the payment amount, interest rate, and where applicable, the security that you granted to us for the credit facility.

If you have any questions about this Companion Booklet, please contact your branch.

So what's in this Companion Booklet?

This Companion Booklet is a companion document to the Personal Credit Agreement and contains important terms that form part of your Agreement with us. This Companion Booklet is divided into six parts.

Part I contains the introduction, explains what is in this Companion Booklet and includes a definitions section to ensure that we both understand the terminology that we use in this Companion Booklet.

Part II contains general terms and conditions that apply when you obtain a loan, mortgage loan or other credit facility from us. In addition, we explain your rights and obligations as a borrower or guarantor, and our rights and obligations as a lender, as well as describe the terms that are unique to each type of loan or credit facility you have been approved for.

Part III describes specific terms and conditions about the loan, mortgage loan or other credit facility you have been approved for and includes the Personal Line of Credit Agreement, that applies if you have been approved for a *ScotiaLine*[™] personal line of credit or a *ScotiaLine* Gold personal line of credit and the Overdraft Protection Agreement if you have been approved for an overdraft facility on your Scotiabank deposit account.

Part IV describes our Security Agreements. If you have granted security to us in the Personal Credit Agreement, the terms and conditions of the applicable Security Agreement came into effect when you signed the Personal Credit Agreement.

There are several types of Security Agreements, based on the type of security that we accepted from you, and depending on the security you have provided to us, you may be required to sign a separate Security Agreement. If you are required to sign a separate Security Agreement the Security Agreement and/or residential mortgage that you granted to us for the loan also forms part of the Personal Credit Agreement and this Companion Booklet.

We have included each type of Security Agreement in this Companion Booklet except for mortgages for Real Property or immovable property. The mortgage document will be given to you separately either by us, our lawyer (attorney-at-law) or your lawyer (attorney-at-law). There is, however, a short explanation of a mortgage provided for your information.

Part V contains the Scotiabank Privacy Agreement that applies to your banking relationship with us. The Privacy Agreement tells you how we protect your privacy, why we collect your personal information, how we use and to whom we may disclose your personal information.

Part VI contains the *ScotiaCard* Cardholder Agreement that applies if we have provided you with a *ScotiaCard* Banking Card. We have included the *ScotiaCard* Cardholder Agreement in this Companion Booklet because you may be able to access products such as your personal line of credit or overdraft facility by using your *ScotiaCard* Banking Card.

Part VII contains the Telephone/Fax/Email Banking Agreement which applies to instructions you provide to us and agents for whom we normally accept instructions by telephone, facsimile or e mail

Terms we use in this Agreement

We refer to a number of different terms in this Companion Booklet. Below are some of the terms we use and what they mean when they are used throughout this Companion Booklet. We also define some terms in the other agreements that form part of this Companion Booklet.

“Agreement” means collectively your Application for Credit, the Personal Credit Agreement, the terms and conditions contained in this Companion Booklet that apply to you, the Scotiabank Privacy Agreement, the Rates and Fees Schedule and as applicable, the Personal Line of Credit Agreement, the Overdraft Protection Agreement, the Telephone/Fax/E-mail Banking Agreement, the Security Agreements listed in this Companion Booklet and any separate Security Agreement(s) you may be required to sign, the *ScotiaCard* Cardholder Agreement, any supplement, other schedule, appendices or addenda, notice or other document relating to your loan or credit facility, and any amendments, renewals or replacements to any of these documents or to the Agreement.

“You” and “your” mean each person to whom a loan and/or credit facility is granted, and includes any co-borrowers, guarantor(s) and a cardholder.

“We”, “our”, “us”, “Scotiabank”, and the “Bank” mean, as applicable, The Bank of Nova Scotia and its branches and subsidiaries and affiliates operating outside of Canada including, but not limited to, its agencies and branches in the United States, Antigua, Barbados, Dominica, the Dominican Republic, Grenada, Guyana, Panama, St. Maarten, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines and the U.S. Virgin Islands, and its subsidiaries, The Bank of Nova Scotia Jamaica Limited, Scotiabank Anguilla Limited, Scotiabank (Bahamas) Limited, Scotiabank (Belize) Ltd., Scotiabank (British Virgin Islands) Limited, Scotiabank & Trust (Cayman) Ltd., Scotiabank de Costa Rica, S.A., Scotiabank El Salvador, S.A., Scotiabank de Puerto Rico, Scotiabank (Turks and Caicos) Ltd., and Scotiabank Trinidad and Tobago Limited.

“Scotiabank Group of companies” means collectively, The Bank of Nova Scotia and all its subsidiaries and affiliates.

Other definitions you need to know

“Application for Credit” means the Application for Credit form as amended, modified and/or replaced from time to time.

“Automated Banking Services” means the channels where you can access your designated deposit accounts and Credit Accounts and may, in your country, include:

- designated automated teller machines (ATMs),
- Debit Point of Sale (POS) Devices that display the symbols of any system we may designate from time to time for purchase transactions paid for using your Card;
- *Scotia*TM mobile banking,
- *Scotia OnLine*TM Internet banking, and
- *TeleScotia*TM automated telephone banking.

“Card” or “ScotiaCard Banking Card” mean the banking card and any renewal or replacement card that we issue to you that has a unique card number and that is used with your Electronic Signature to access Automated Banking Services and your Credit Accounts.

“Cardholder” means the person to whom a Card has been issued by the Bank.

“Cash Advance” means the withdrawal of cash and/or transfer of funds from your credit card, *ScotiaLine* personal line of credit or *ScotiaLine* Gold personal line of Credit Account(s) to another account regardless of whether that other account is another Scotiabank account.

“Cheque” means the Scotiabank credit card cheques, the *ScotiaLine* personal line of credit and/or the *ScotiaLine* Gold personal line of credit cheques that are issued to you for use with your Credit Account.

“Companion Booklet” means this Personal Credit Agreement Companion Booklet as amended, modified and/or replaced from time to time.

“Credit Account” means, as applicable, a Mastercard® credit card or Visa® credit card account, *ScotiaLine* personal line of credit, *ScotiaLine* Gold personal line of credit and overdraft protection facility on your Scotiabank deposit account.

“Debit Point of Sale (POS)” refers to the point or place where a transaction is concluded by a Cardholder with a business, company, merchant or retailer by whatever means and includes, but is not limited to, transactions conducted in person, over the telephone, on the Internet, through a mobile device or by mail order.

“Debit Point of Sale (POS) Device” means an electronic device used by a business, company, merchant or retailer to transmit requests for authorization and settlement of transactions made by a Cardholder at a retail establishment and evidenced by an Electronic Signature.

“Debit Transactions” include Cash Advances, Cheques drawn against your deposit accounts and Credit Accounts, bill payments, transfers, withdrawals, pre-authorized payments and any other method of direct payment.

“Default” occurs when you fail to comply with any of the terms of this Agreement or any other agreement you have entered into with us including the promise to pay. Refer to Default section on page 12 for full details.

“Domicile Account” or **“Domicile Branch”** refers to the country and the branch where your deposit account, Loan account, mortgage and/or Credit Accounts are maintained.

“Electronic Signature” refers to each combination of numbers and/or letters selected by you, for your use, as a means of your authorization to use certain services that are available from us from time to time. Your Electronic Signature includes, but is not limited to:

- (i) your personal identification number (PIN) used at branches, automated teller machines (ATMs) and POS devices,
- (ii) your personal access code (PAC) for access to *TeleScotia* telephone banking,
- (iii) your written signature at POS devices without PIN pads, or
- (iv) security codes such as access codes, security questions (personal verification questions) and answers and passwords for use with *Scotia OnLine* Internet banking and *Scotia* mobile banking, for use in association with your Card.

We treat your Electronic Signature as your authorization whenever it is used with your *ScotiaCard* Banking Card and any instruction received or transaction done using your *ScotiaCard* Banking Card and your Electronic Signature will have the same legal effect as if you signed a written direction to us.

“Loan” or **“Personal Loan”** means *Scotia Plan* loans and all other types of Personal Loans we grant to you including, without limitation, bridging loans. *Scotia Plan* loans are also called term loans because they have a fixed time period for repayment.

“Personal Property” includes movable property and means (as appropriate):

- all forms of tangible goods, such as a car, boat, aircraft, motorcycle or mobile home (any attachments, accessories, repairs or replacement parts or other equipment placed on the property are considered part of the property),
- mutual funds, bonds, term deposits, guaranteed investment certificates, bank accounts and other specified investments,
- life insurance policy (cash surrender value), and
- can include real or immovable property.

“PIN” means the secret and confidential personal identification number you have selected for your *ScotiaCard* Banking Card. The PIN is used in conjunction with your *ScotiaCard* Banking Card to confirm your identity and to authorize transactions performed using your Card.

“Primary Borrower” means the principal person or primary applicant that applied for the Loan or credit facility.

“Property” includes both Personal Property and Real Property.

“Rates and Fees Schedule” means the document that contains the rates and fees for the different Loan and/or credit facility products as amended, modified and/or replaced from time to time. The Rates and Fees Schedule forms part of this Companion Booklet and the Personal Credit Agreement.

“Real Property” includes immovable Property and means (as appropriate) real estate Property either land alone or land and improvements, structures, buildings and fixtures.

“Security Agreement(s)” refers to the documents identified as Security Agreements in this Companion Booklet. When security is specified in the security granted section and you sign the Personal Credit Agreement, the terms and conditions in this Companion Booklet for that particular Security Agreement come into effect as if you had personally signed and delivered to us a separate document containing those security terms and conditions. Depending on the type of security you have granted to us, we may require you to sign a separate document or Security Agreement. This separate document or Security Agreement is also considered a Security Agreement under this Companion Booklet. The Security Agreement grants us an interest in, lien, mortgage or charge on the Property you granted as security and we may register our interest with the appropriate registry office or government agency. We can also take legal action to own (where permitted by law), or sell the security you have granted if you are in Default on the Loan, mortgage or any other credit facility advanced to you.

“Service” means any personal or financial product or service offered by us and may also include insurance and brokerage products or services that are offered by our subsidiaries.

Part II – General Provisions

General Terms and Conditions

When you signed the Personal Credit Agreement, you acknowledged having received and read this Companion Booklet and that you understand and agree to all of its terms and conditions, including the Scotiabank Privacy Agreement.

The general terms and conditions contained in this part apply to all Loans and credit facilities that we have approved for you (unless specifically excluded or limited by another part or section of this Companion Booklet). Your Application for Credit also forms part of your Agreement with us.

Our Loans and credit facilities are granted to specific individuals for personal use. You cannot use the proceeds of the Loans or credit facilities for business purposes unless we allow it in writing.

We offer a variety of Loans and credit facilities designed to meet your needs. Not all of these products are available in every country. For more information about product or Service availability, contact your branch.

Conditions

When we say a Loan or credit facility has been approved subject to certain conditions, we mean that those conditions must be fulfilled before we will advance funds or allow you to use the Loan or credit facility.

If we request, you agree to provide us with a Certificate of Independent Legal Advice (at your cost and expense) in a form acceptable to us.

Who is bound by the Agreement?

This Agreement, including any Security Agreement(s) or other document you sign, is binding on you, your estate, your heirs, executors, administrators, your personal or legal representatives and any person to whom it is assigned. You cannot assign this Agreement, any Security Agreement(s) or any of the Personal Property covered by the Security Agreement(s) to anyone else without our prior written consent.

If more than one person signed the Personal Credit Agreement, the obligations set out in it and in this Agreement are joint and separate (this is known as joint and several liability). This means each person is fully responsible for the entire debt.

Separate agreements

Each completed portion of the Personal Credit Agreement, together with the related terms, conditions, schedules (as applicable) and the applicable Security Agreements contained in this Companion Booklet, is a separate contract. For example, if both the Personal Loan portion and the personal line of credit portion of the Personal Credit

Agreement have been completed this means the Personal Loan portion is a contract and the personal line of credit portion is another contract and if you have granted us security for either or both credit facilities then the Security Agreement is also considered a separate contract.

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

Security valuations

We may conduct or arrange for an inspection and/or appraisal of the Property you agreed to provide to us as security and you agree to pay us for all fees, costs and expenses we incur. Such inspections and appraisals are solely for our lending purposes and are not inspections and/or appraisals made on your behalf and you cannot request nor are you entitled to view or receive from us a copy of the inspection and/or appraisal report(s) unless applicable law provides otherwise.

For new constructions, mortgage advances will be made as outlined in the Personal Credit Agreement. If the purpose of the Loan is for home renovations, we may also require an inspection of the Property before each advance is made.

We reserve the right to hold back funds from any advance we make to you until we are satisfied that you have complied with any retention or other hold back provision of any lien or construction lien laws or other similar laws that may apply in order to protect the priority of the mortgage, as permitted or required by applicable law.

We can deduct from your account or deduct from the Loan proceeds to pay for the appraisal, inspection, surveying fees and all other fees, costs and expenses we incur in obtaining the security valuation.

Amending or renewing existing Loans and/or credit facilities

The Personal Credit Agreement will indicate whether the Loan and/or credit facility that is approved for you is new, or whether it is an amendment, extension, renewal or replacement of an existing Loan and/or credit facility. If it is an amendment, extension, renewal or replacement of an existing Loan or credit facility, the terms and conditions of the Loan(s) or credit facility(ies) that have changed will be described in the Personal Credit Agreement that you signed and/or renewal document you accepted. Subject only to the changes set out in the Personal Credit Agreement and/or renewal document, all other terms and conditions and provisions of your original contract with the Bank for the Loan and/or credit facility remain in full force and effect.

Automatic Renewal Process (applicable to *Scotia Plan*TM Loans and Loans secured by real or immovable Property only. Not applicable in all countries). We may, at the end of the term of your Loan, or your amended Loan, as applicable, and for each term after that, renew your Loan. If we decide to renew your Loan, we will send a notice to you at least thirty (30) days before the end of the term telling you that we will be renewing your Loan.

The notice will tell you: (i) the new term of your Loan, (ii) the new interest rate that will apply for the renewal period, (iii) the new payment amount you will be required to make, and (iv) the new maturity date. If you agree to renew your Loan on the terms in the notice, then no further action is required by you. If you do not pay us the balance outstanding (principal and interest) by the date indicated in the notice, we will consider this to mean that you have agreed to the renewal of your Loan. The notice will be a binding agreement between you and us and does not require your written signature.

If we agree with you to amend certain terms and conditions of your Loan and/or credit facility, you agree that this will not invalidate any interest in or any security, right, charge or lien we hold for the security granted, nor will it affect any of our rights against you or any other person for the recovery of any amounts owing under the Personal Credit Agreement, this Agreement or under any Security Agreement or other document, charge or any other agreement you have entered into with us. In addition, no delay in enforcing any of our rights under the Personal Credit Agreement, this Agreement, any Security Agreement or any other agreement you have entered into with us will act to diminish, cancel or will act as a waiver of our rights or interest.

You agree that we can also add, change or replace any of the terms and conditions of this Agreement from time to time. Notice of additional, amended or replaced terms and conditions will be given to you in accordance with applicable law. See the section “Communicating with you” on page 12.

If you do not agree with any of the changes made, you must immediately stop using the Credit Account, Loan account or credit facility and notify us that you are terminating your arrangement with us; however you are still responsible for all obligations to us under the Agreement until they have been satisfied in full.

Your continued use of the Credit Account, Loan account or credit facility or if you continue to be indebted to us after we have provided notice to you, or if you continue to use any of the Automated Banking Services or any other Services following notice of such change means that you agree to and accept the new terms and conditions of the Agreement as amended, modified and/or replaced.

Governing law

The Loan(s) and credit facility(ies) we provide to you and this Agreement shall be exclusively governed by and interpreted in accordance with the laws of the country where your Loan and/or credit facility was obtained. You and we irrevocably agree that the courts of the country where the Loan and/or credit facility was obtained has the power and authority to deal with any claim, action or proceeding and settle disputes that arise out of or in connection with this Agreement. The limitation period for this Agreement, the Personal Credit Agreement and any Loan and/or credit facility granted to you is extended to the longer of six (6) years or whatever period that is allowed by applicable law.

In the following sections, we describe, in general terms, your rights and obligations as a borrower, and our rights and obligations as a lender. These rights and obligations apply generally to all Loans and/or credit facilities you have with us.

We then describe the additional terms and conditions that are specific to the Loan and/or credit facility provided to you.

Limitation of liability

We are not liable to you for any delay, loss, damage or expense that you incur or any inconvenience that results from our providing or failing to provide any service, except where such losses result from technical problems, Bank errors or system malfunctions for which we are solely responsible. Also, we are not responsible for your acts or omissions or those of any third party. Furthermore, we shall in no way be liable for any accident, act of aggression, theft, loss or damage you may suffer while using Automated Banking Services or other Services, whether you are on the Bank or other premises.

We are not responsible for any losses or delays in transmission of instructions arising out of the use of any access service provider or caused by any browser software or third party software. We are not responsible for any system disruptions including disruptions caused by any computer virus, browser software or related problems by any access service provider.

Your Rights & Obligations As A Borrower

Your promise to pay

When you borrow money from us, use a credit facility, or authorize others to use it, you incur a debt.

Your primary obligation to us is to repay that debt according to the terms and conditions outlined in your Personal Credit Agreement and this Agreement. You agree to make each payment on time in full and you are in Default when you fail to honour any of the terms of the Loan and/or credit facility.

You promise to pay us the full amount of all obligations described in the Personal Credit Agreement, this Companion Booklet, the Rates and Fees Schedule, and any other document(s) or schedule(s) that form part of this Agreement or any other agreement you have with us, including any promissory note(s) that you execute. You also promise to pay the interest on those obligations when due and payable.

The balance owing at end of term assumes all payments are made on the dates specified; you don't miss or skip any payment(s), that no prepayments are made on the mortgage or Loan facility and that the AIR does not change over the term of the Loan. For payroll loan payments, in situations where the loan payment due date falls on a non-business day (Saturday, Sunday or holiday) the payment will be collected and applied to your credit facility on the previous business day, as long as the necessary funds are available in your deposit account. For regular loan payments, in

situations where the loan payment due date falls on a non-business day (Saturday, Sunday or holiday) and there are adequate funds in your deposit account, the payment will be collected on the payment due date and applied to your credit facility even on a non-business day (Saturday, Sunday or holiday).

Interest

Interest is charged on the Loan and credit facility at the rate set out in the Personal Credit Agreement, automatic renewal notice or in the Rates and Fees Schedule both before and after the final payment date, maturity, default and judgment (where permitted) and until the Loan and/or credit facility has been paid off in full.

Fees and charges

There are a number of fees and charges that may apply to your Loan and credit facility, including, without limitation, over limit fees, late payment fees and overdraft charges. These fees and charges are described in the Personal Credit Agreement that you signed, in this Companion Booklet, and in the Rates and Fees Schedule provided to you when you signed the Personal Credit Agreement. You agree to pay us these fees and charges and you also agree that we can collect these fees and charges from any account you have with us even if it overdraws the account.

Our rates, fees and charges may change from time to time and we may add new fees and charges from time to time. When we change our rates, fees or charges, or add new fees or charges, we will notify you of these changes.

We will provide you with notice of these changes in accordance with legal requirements. See the section “Communicating with you” on page 12.

Your continued use of the Credit Account, Loan account or credit facility or if you continue to be indebted to us after we have provided notice to you, or if you continue to use any of the Automated Banking Services or any other Services following notice of such change means that you agree to and accept the new rates, fees and charges as amended, modified and/or replaced.

If you do not agree with any of the changes made, you must immediately stop using the Service and notify us that you are terminating the Service; however you are still responsible for all obligations to us under the Agreement until they have been satisfied in full.

Adding to your debt

If we have to take steps to enforce or realize on the security granted to us or collect any amount you owe to us, you agree that you will pay us for any action we take to collect the amounts due and our reasonable costs, including legal fees and collection costs, that we incur in order to protect or realize on security that you have granted to us.

If you Default under any of the terms of the Personal Credit Agreement, the Security Agreement, the Rates and Fees Schedule, this Agreement or any other agreement you have entered into with us, and we require the services of a third party to enforce any of our rights or to retrieve from you Property we have accepted as security, including any

credit card or Cheques we have issued to you, you agree that we can add the cost of the retrieval, enforcement and/or legal costs to your debt and to the extent permitted by law we can charge you interest on these costs at the highest rate of interest applicable to your Loan and/or credit facility.

Where applicable, you also promise to pay us the costs of preparing, stamping (where applicable), registering and recording (where appropriate) any Security Agreement or notice with respect to security that we hold or may hold as collateral in support of your obligations, as well as the costs associated with the stamping, registering and recording any discharges of the security once your indebtedness to us has been paid in full.

Making payments when mail service is disrupted

Even when normal mail service is disrupted, you must continue to make payments to us. If appropriate, we will tell you where to do so, and where to pick up your statement (if applicable), by advertising on the radio, television or in newspapers. Your statement will be considered to have been delivered to you on the day it is available for you to pick up, whether you pick it up or not.

Insurance

You have the option of applying for creditor protection insurance on all Loans and credit facilities except overdraft protection. Any creditor protection insurance only applies to the product for which it was designed. The coverage available may vary by product and by country.

Changing the Agreement

Changes can be made to your Loan and/or credit facility as long as you are not in Default under any of the terms and conditions of this Agreement and we agree to the changes in writing.

Changing your address or contact information

You agree to tell us in writing, or by any other means that we may allow, if you change your address, change your home, cellular or business telephone number and e-mail address (if this service is available to you) and you also agree to give us other information that we may need from time to time to keep records up to date.

When you communicate with us in writing

You may have to, or want to, give us written notice for certain types of information or requests. We consider written notice from you to be received by us when it is received by your Domicile Branch or office servicing your Credit Account or Loan account.

Our Rights & Obligations As A Lender

Any of our subsidiaries or related companies within the Scotiabank Group of companies may act as our agent in any transaction or correspondence for your Loan, mortgage or Credit Account. Dealing with them is the same as dealing with us; however any claims you may have can only be made against the member of the Scotiabank Group of companies that granted your Loan and/or credit facility.

Communicating with you

We consider having given you notice in writing: (i) when we send you the notice by fax transmission, by electronic communication, by regular mail, (ii) when we hand deliver it, to the last address we have on file for you, (iii) when it is posted in our branches, posted on our website, displayed at our ATMs or on our ATM screens or announced on our voice-response-unit, or (iv) by any other means that we may allow from time to time.

We consider you to have received the notice: (i) on the same day that it was sent if sent by fax or by electronic communication, (ii) on the day it was hand delivered, (iii) when it is posted in our branches, posted on our website, displayed at our ATMs or on our ATM screens or announced on our voice-response-unit, (iv) printed in your statement, and (v) on the fifth (5th) calendar day if sent by regular mail. If your address is in The Bahamas, St. Maarten, Turks & Caicos Islands, Guyana, or in Grenada we consider you to have received the notice on the fourteenth (14th) day of it being mailed.

If there is more than one borrower, we will send the notice to the Primary Borrower only (that is the primary person who applied for the Loan and/or credit facility) at the last address we have on file and we consider notice to the Primary Borrower as having given notice to all of you including any co-borrower(s). As co-borrower, you agree that all notices will be provided to the Primary Borrower and such notices will be deemed to have been received by you when provided to the Primary Borrower. As Primary Borrower, you also agree to give a copy of all notices you have received from us to all co-borrowers.

Late payments

If your payment is not made on the due date, we can withdraw the payment amount (either a partial payment amount or the full payment) from any account(s) you have with us.

Default

We consider you to be in Default on your Loan(s) and/or credit facility(ies) when you fail to honour or comply with any of the terms of your Agreement or any other agreement you have entered into with us, including, without limitation, if:

- any one of you willfully give us untrue or incomplete material information relating to any application or Service we have provided to you during the course of your relationship with us;
- you exceed your credit limit;

- you fail to make a payment or any part of a payment on time ; for example, failure to pay any component of your mortgage loan payment can result in Default, which can include but is not limited to (where applicable): property insurance premium payment, property tax payment, add-on charge repayment plans, credit protection insurance premiums, mortgage principal, mortgage interest, and late payment fees;
- you make a payment to us that is not honoured by your financial institution;
- you fail to comply with any of the terms of any other agreement between you and us, or any other agreement that you have entered into with any other lender, including any Security Agreement;
- you have given us a mortgage on Real Property or an interest in your Personal Property and you transfer or sell any part or grant any security interest in the Real Property or Personal Property or give possession or control of it to anyone else without our prior written permission;
- you fail to maintain the value of the Real Property given as security;
- you fail to maintain adequate insurance coverage or fail to pay any insurance premiums or pay any taxes on the Property held as security when due;
- the Property you have granted to us as security reduces in value to a level we consider unacceptable;
- the Property you have granted to us as security is lost, stolen, destroyed or substantially damaged or seized in any legal proceeding;
- you use your Property granted to us as security or allow it to be used for any illegal purpose(s);
- we obtain information that causes us to believe that you may be unwilling or unable to pay your debts to us or to others on time;
- you become incapacitated or die;
- you file for bankruptcy or take advantage of any law relating to bankruptcy or insolvency or for the relief of debtors;
- a receiver, liquidator or trustee is appointed to manage your Property or the Property you have granted to us as security;
- any guarantee that has been granted to us in support of your Loan and/or credit facility is cancelled or rendered unenforceable for any reason whatsoever;
- a judgment is rendered against you or there is attachment, execution or levy or any other type of recovery or enforcement against you, your estate or against the Property you have granted to us as security; or
- anything else happens that we believe endangers your ability to pay or that we believe endangers the Property in any way.

Under this Agreement and subject to applicable law, if you Default on your Loan and/or credit facility, we have the right to be paid the total outstanding balance immediately, without prior notice or demand, by doing any of the following:

- suing you for what you owe;
- selling or taking possession of the Property held as security;
- both of the above;
- appointing a receiver to administer the Property; and/or
- exercising any other rights we may have.

If any of the events described in this section occur, we have no further obligation to pay any Cheques or make any further advances to you even if you are within your authorized credit limit.

Set-off

We can at any time, without prior notice to you, apply any credit balance you have in any account against any Loan account, Credit Account, credit facility or any other debt or obligation of any kind owing to us or to any Scotiabank Group of companies member (whether or not presently due). This right is in addition to any other rights that we may have regarding set-off or combining accounts.

Total balance due

Default of any Loan, Credit Account, credit facility or Security Agreement under this Agreement is considered Default of all agreements with us. In that case, all amounts owing to us under all Loans, Credit Accounts and credit facilities, including principal, interest and other costs and charges will be due and payable to us immediately.

Changing your interest rate and/or credit limit

The occurrence of late payments, no payments, incomplete payments, or any of the default events listed in the “Default” section above may, subject to applicable law, cause us to increase your annual interest rate and/or reduce your credit limit, suspend your credit privileges or close your Credit Account, Loan account and any other account you have with us with or without terminating the Agreement.

If we decide not to increase your annual interest rate and/or reduce your credit limit, suspend your credit privileges or close your Credit Account and Loan account even though there is a Default, we can increase your annual interest rate and/or reduce your credit limit, suspend your credit privileges or close your Credit Account and Loan account at any time for any subsequent Default. We can, in our discretion, charge reduced default rates or reinstate standard rates for all or selected balances on the Credit Account or Loan account.

We may issue a notice to you about the changes. The notice will be a binding agreement between you and us and may not require a written signature from you. Any such notice shall form part of this Agreement and any other agreement between you and us that relate to your Loan and/or credit facility.

Assignment

We can, subject to applicable law, sell, assign or transfer any Credit Account, Loan account, mortgage or credit facility you have with us and any of our rights and obligations under this Agreement, including any Security Agreement, to one or more third parties without prior notice to you or without your consent.

If we sell, assign or transfer any Credit Account, Loan account, mortgage or credit facility to a third party we, the assignee or the transferee will provide notice to you. If we do, you agree that the Security Agreement shall continue to secure all present and future amounts borrowed under all agreements, including all amounts owing under any Loan or agreement that have been sold, assigned or transferred. The Security Agreement, any agreement and any amount borrowed by you, once sold, assigned or transferred may be repurchased by us, whether or not in Default.

Disclosing information

You agree that we can give information about you in the Personal Credit Agreement, the Security Agreement(s) and in any other agreement(s) including any Credit Account, Loan account or credit facility you have entered into with us to:

- any person to whom we assign your Credit Account, Loan account and/or credit facility;
- a trustee or custodian; or
- any person that acts as a service provider for any Credit Account, Loan account, credit facility or agreement that you have entered into with us.

Cancellation of your Loan(s) and/or credit facility(ies)

We can cancel any of the Loan(s) and/or credit facility(ies) we have approved for you at any time if we find there has been any material change to your financial situation as disclosed to us in your Application for Credit, if you have misrepresented any of the facts in your Application for Credit or any other documentation you or someone else provided to us.

Terminating the Agreement

If the Agreement is terminated for any reason, you are not relieved of any of your obligations existing under the Agreement at the time of the termination until they have been satisfied in full.

Part III – Loan Products and Credit Facilities

Loan Products

Mortgage Loans

Residential mortgages are available to individuals who qualify, to finance the construction of new homes, to purchase new or existing homes, for renovations and repairs, for refinancing purposes, to purchase a rental property, or to switch an existing mortgage from another financial institution, or for other purposes that we may allow from time to time.

A mortgage is a security created by a document used to register our interest in your Real Property in accordance with the requirements of the applicable land registration system in the country where the Real Property is located.

When we lend you money to purchase Real Property or for other purposes, we will register a mortgage, charge or lien on that Real Property. When the Loan is paid in full, and where applicable we will either provide you with or register (if required by applicable law) a release of our interest in the Real Property which is also referred to as a discharge (or proof of discharge).

If you Default on the Loan, we may be entitled to become owner of the Real Property or we may sell the Real Property to recover the amount owing to us in accordance with the laws of the country where the Real Property is located.

We offer fixed-rate and variable-rate mortgages. However, the type(s) of mortgages that are available, and their features, vary from country to country and in accordance with applicable laws.

Payment schedules

When we lend you money, you must pay it back according to the payment schedule in your Personal Credit Agreement.

You must maintain a personal deposit account with us for the collection of your mortgage/loan payment(s).

When you sign the agreement for a mortgage Loan, you are promising to repay the mortgage amount plus interest at the annual interest rate stated for the Loan, as described below.

In some countries we may require that you establish an automatic payment plan. Your payment, which may include a tax installment, is due on the date and in the frequency indicated in the Personal Credit Agreement and in regular installments thereafter, up to and including the final payment date, which is your maturity date. At that time, the balance of the principal amount, together with all interest and all other costs and charges, shall be due and payable to us.

In some countries, and for some, but not all, of the mortgages we offer, you may pay your

mortgage more frequently than monthly by selecting a weekly, bi-weekly or semi-monthly payment frequency. The semi-monthly payment frequency does not accelerate repayment nor save on interest costs. For all payment frequencies, when your first regular mortgage payment is more than one frequency period from your term start date, we will collect from your deposit account the amount of interest owing for the excess number of days.

Regardless of which repayment frequency you choose, each of your payments is applied first to pay credit protection insurance premiums (if applicable), then to any accumulated interest; then to pay the principal; and then to pay any fees outstanding including property insurance premium payment accounts, property tax payment accounts and add-on charge repayment plans, unless otherwise specified in the agreement. If your mortgage is in Default we may require your mortgage payment to be paid on a payment frequency basis that we select.

Continuing liability

Even if you have made a prepayment (for example, by making a principal only payment or a lump sum payment against your mortgage balance) and a balance remains owing on your mortgage after you've made the prepayment, you must continue to make your regularly scheduled loan payments for the entire duration of the mortgage term.

Mortgage insurance

Mortgage default insurance, where required, will only apply to the particular mortgage or Loan insured.

Term start date

The term start date is commonly referred to as the date of the advance. It is the date that your mortgage Loan is 100% advanced and is the date your mortgage term starts.

For a construction progress draw mortgage (during the construction period) the term start date is the day of your first (1st) advance. You must pay interest only payments on the money advanced to you during the construction period starting one (1) month from the first (1st) advance date. Your last interest-only payment will be due on the date the mortgage becomes 100% advanced.

At that time, the total Loan amount plus interest will become due and payable, unless converted as set out in your Personal Credit Agreement approval conditions.

Amortization period

The amortization period for your mortgage Loan is the period of time (in months or years) that it would take you to repay the Loan in equal monthly payments assuming that the interest rate remained the same and all payments are made as agreed throughout the life of the mortgage.

Interest rates

Fixed-rate mortgages (where available)

The interest rate payable by you on the Loan amount is a fixed rate expressed as a rate per year. The method as to how we calculate interest varies from country to country.

The interest rate that applies to your mortgage, and the method we use to calculate interest, is described in your Personal Credit Agreement.

If you have been granted a fixed-rate mortgage, the interest rate is set or fixed for the period of time (in months or years) set out in your Personal Credit Agreement. We refer to this period of time as the “**term**” of your mortgage Loan.

At the end of the term (referred to as the “**maturity date**”), we may require you to pay the balance owing under the mortgage or we may decide to extend or renew your mortgage balance owing on the maturity date. If we decide to extend or renew your mortgage when it matures, we will send you a notice, renewal document or an automatic renewal notice (as applicable) and, if the mortgage is extended or renewed, the new interest rate will be fixed for a further term as set out in the applicable notice or renewal document.

If upon renewal, the remaining amortization period is five (5) years or less, the mortgage will be renewed for a period that corresponds with the remaining amortization period.

Variable-rate mortgages (where available)

If you have been granted a variable-rate mortgage, this means that the interest rate will vary from time to time. The type of variable-rate mortgage we offer varies from country to country. In some countries, we can change the annual interest rate or residential mortgage rate on your variable-rate mortgage and give you notice and in other countries the annual interest rate on your variable-rate mortgage will fluctuate automatically without prior notice to you because it is tied to changes in our prime rate, base rate, or some other published index rate. We will not automatically notify you of any changes in our prime rate, base rate, mortgage market reference rate or in any other published index rate that is used to calculate the annual interest rate or residential mortgage rate on your variable-rate mortgage. However, you can obtain the prime rate, base rate, mortgage market reference rate or other published index rate (as applicable) at any time by contacting your branch.

If your variable-rate mortgage is based on a prime rate, base rate, mortgage market reference rate or other public index rate plus an adjustment factor or percentage amount or margin, we may also change your adjustment factor or percentage amount or margin. We will notify you in writing if we change your adjustment factor or percentage amount or margin on your mortgage, in accordance with applicable law or the term of your mortgage. The type of variable rate mortgage you have is indicated in your Personal Credit Agreement.

Upon receipt of a notice of a rate change, you will have the following options:

- continue to make your payments at the new interest rate;
- convert your mortgage to a fixed-rate mortgage in accordance with the term options that are available at that time in that country (i.e., three (3) years, five (5) years, or other terms); however, an early payment amount (or interest-rate differential, as applicable) may apply;

- repay the mortgage in full (so long as you provide us with thirty (30) days prior written notice); an early payment amount (or interest-rate differential, as applicable) may apply.

In accordance with the mortgage Loan and applicable legal requirements, the notice will include the new interest rate, the new payment amount, the effective date (i.e. the date the new interest rate and new payment amount come into effect), the previous interest rate and the previous loan payment amount. However, if your mortgage Loan is in arrears by more than one payment period, it will not be converted to the new interest rate.

Interest rate calculation

We use one of two methods to calculate the interest on your mortgage, whether it is a fixed-rate mortgage or a variable-rate mortgage. The method we use to calculate the interest for your mortgage is described in your Personal Credit Agreement.

Daily interest calculation

With this method, interest is calculated by multiplying the daily outstanding principal balance on your Loan account by the annual interest rate to determine the annual interest payable. This amount is multiplied by the number of days since the date of last payment and divided by 360 or 365 as applicable in order to determine the amount of interest owing for the period. Under the daily interest calculation method, interest does not compound or capitalize which means you do not pay interest on the interest.

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

Simple interest calculation

With this method, interest is calculated by multiplying the daily outstanding principal balance on your Loan account by the annual interest rate to determine the annual interest payable. This amount is then divided by 12 months in order to determine the amount of interest owing for the period. Under the simple interest calculation method, interest does not compound or capitalize which means you do not pay interest on the interest.

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

Prepaying your mortgage

Your ability to prepay your mortgage and the terms and conditions under which you can prepay your mortgage may vary from country to country. Your Personal Credit Agreement describes the prepayment terms and conditions that apply to your mortgage.

Application of payments

Regardless of which payment frequency you choose, we apply your payments first to credit protection insurance premiums (if applicable), then to accumulated interest,

then to the principal amount and then to pay any fees outstanding, including property insurance premium payment accounts, property tax payment accounts and add-on charge repayment plans, unless otherwise specified in the agreement.

Property insurance

You will without delay insure, and keep insured, in the Bank's favour and until the mortgage, charge or lien is discharged, all buildings covered by the mortgage, charge or lien (including those which will be built in the future both during construction and afterwards) and all chattels (this means all moveable property fixed to the building) in the buildings against loss or damage by all risks usually covered by homeowners' insurance policies (including fire, vandalism, earthquake, flood, cyclone, hurricane, tsunami, tidal wave and other types of sea wave damages and windstorm coverage where the buildings are in recognized earthquake, cyclone, hurricane, flood plain and windstorm zones) and against any other perils we request.

For condominium units, we may require you to obtain insurance that covers the condominium unit and the content of your condominium unit. If we do, this will be indicated in Schedule 1: Terms & Conditions for Mortgage Facilities to your Personal Credit Agreement.

Such insurance must be provided by a company approved by us for the full replacement cost of the buildings and chattels in the buildings in the currency of the account.

Your policy must be in a form satisfactory to us and must include a clause stating that any loss is payable to us and it must also insure our interest as a separate insured party so that your acts, omissions or neglect will not affect our right of recovery under the insurance policy. In other words, in addition to the loss payable clause, the insurance policy must also provide that our coverage or interest in the property insurance policy will not be invalidated by, for example, your non-disclosure, misrepresentation, breach of warranty, or a foreclosure, a change in ownership, a more hazardous use of the Property or any other loss caused by your acts, omissions or neglect provided that we pay any premiums demanded from us if you fail to do so.

You will do all necessary acts to enable us to obtain payment of the insurance proceeds including providing us with a power of attorney (if required) so we can make a claim on your behalf, by assigning and transferring to us all insurance policies and receipts you have on the buildings and chattels in the buildings, in order that we may secure the proceeds.

If you do not:

- maintain insurance on the Property or buildings that, in our opinion, complies with this section;
- deliver a copy of any insurance policy or receipt to us at our request; or
- provide us with evidence, at our request, of any renewal or replacement policy covering the full replacement value of the buildings, at least fifteen (15) full days before your insurance expires, is cancelled or terminated,

we can, but are not obliged to, insure any of the buildings with a provider of our choice, and we may, but are not obliged to, limit such insurance coverage to an amount representing our financial interest in the mortgage at the time we place such insurance. The result of this action is that your financial interest would not be protected.

The amount we pay for this insurance coverage will be added to the amount you owe under the mortgage and we can charge you interest at the mortgage interest rate. This amount is secured by the mortgaged Property and is due immediately. It is your responsibility to ensure repayment. We can, but are not obliged to, incorporate repayment of this amount into your regular mortgage payment. If such action is taken, we will notify you of the changes to your payment amount.

If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of the mortgage, charge or lien document will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

We can apply either all or a part of the insurance proceeds as follows:

- a) applied to rebuild or repair the damaged buildings;
- b) paid to you;
- c) paid to any other person who owns or owned the Property, as established by the registered title document; or
- d) applied, in our sole discretion, to reduce any part of the Loan amount, whether due or not yet due.

Property insurance premiums payment account

(This section applies if your Personal Credit Agreement indicates that you have established a payment account to pay your property insurance premiums - marketing documents may refer to this account as a 'property insurance escrow' account).

You agree to pay all insurance premiums on the Property when they are due. If we require it, you will make payments to us for the insurance premiums with each loan payment.

The amount of each insurance premium payment, which is based on our estimate of one year's insurance premiums on the Property next coming due and payable, will be indicated in your Personal Credit Agreement. We can change the insurance premium payment amount from time to time to reflect changes in the annual insurance premiums on the Property and the balance of your property insurance premiums account and we will notify you of the new amount.

The accumulated insurance premium payments should allow us, at our discretion, to pay all property insurance premiums on the Property, or provide you with the funds to pay them on or before the due date. Or, if the insurance premiums are payable in installments, the insurance premium payments should allow us to pay the full year's installments of insurance premiums on or before the date on which the first installment is due.

We will apply the insurance premium payments we receive from you towards your property insurance premiums payment account as long as you are not in default under the mortgage. We are not obliged to make insurance payments on multiple installment dates or more often than once a year.

If, on the expiration date of your existing insurance policy, there are insufficient funds in your property insurance premiums payment account to renew your policy, we can, but are not obliged to, use the proceeds in this account to procure a new insurance policy with a provider of our choice to insure any of the buildings, and we may, but are not obliged to, limit such insurance coverage to an amount representing our financial interest in the mortgage at the time we place such property insurance. The result of this action is that your financial interest would not be protected.

The difference between the cost of the insurance policy and the balance of your property insurance premiums payment account will be added to the amount you owe under the mortgage and we can charge you interest at the mortgage interest rate. This amount is secured by the mortgaged Property and is due immediately. It is your responsibility to ensure repayment. We can, but are not obliged to, incorporate repayment of this amount into your regular mortgage payment. If such action is taken, we will notify you of the changes to your payment amount.

We may, at our discretion, pay you interest on any credit balance in your property insurance premiums payment account. If we do, the applicable interest rate to be paid will be indicated in the Rates and Fees Schedule.

If you fail to make your regular scheduled principal and interest payments under your mortgage, we may apply the credit balance in your property insurance premiums payment account towards your delinquent principal and interest payments.

We can deduct from any mortgage advance enough money to pay all insurance premiums due that have not been paid. For the purpose of this clause, you acknowledge and agree that any insurance premium payment made to us will be held without any trust or fiduciary obligation on our part with respect to the intended purpose of such payment and you authorize us to apply your property insurance premiums against any debt or obligation owing to us whether or not Default has occurred.

You will immediately provide us all insurance premium notices, insurance bills or any other notice you receive regarding your property insurance and you agree to provide us with receipts for all insurance premiums paid, if we require.

Property tax payment account

(This section applies if your Personal Credit Agreement indicates that you have established a payment account to pay your property taxes - marketing documents may refer to this account as a 'property tax escrow' account.)

You agree to pay all rates and taxes on the Property, including property taxes and water and sewerage rates associated with the Property (where applicable), when they

are due. If we require it, you will make tax installment payments to us for the property taxes with each loan payment. The amount of each tax installment payment is based on our estimate of one year's taxes on the Property next coming due and payable and will be indicated in your Personal Credit Agreement. We can change the property tax payment amount from time to time to reflect changes in the annual taxes on the Property and the balance of your property tax payment account and we will notify you of the new amount.

The accumulated tax installment payments should allow us, at our discretion, to pay all taxes on the Property, or provide you with the funds to pay them on or before the due date. Or, if the taxes are payable in installments, the tax installment payments should allow us to pay the full year's installments of taxes on or before the date on which the first tax installment is due.

We will apply the tax installment payments we receive from you towards payment of your property taxes as long as you are not in Default under the mortgage or charge document. We are not obliged to make tax payments on multiple installment dates or more often than once a year.

If you have not paid us enough to pay for your taxes, we may, at our option, still pay the taxes owing and add the difference between the taxes owed and the balance in your property tax payment account to your mortgage and we can charge you interest at the mortgage interest rate. This amount is secured by the mortgaged Property and is due immediately. It is your responsibility to ensure repayment. We can, but are not obliged to, incorporate repayment of this amount into your regular mortgage payment. If such action is taken, we will notify you of the changes to your payment amount.

We may, at our discretion, pay you interest on any credit balance in your property tax payment account. If we do, the applicable interest rate to be paid will be indicated in the Rates and Fees Schedule.

If you fail to make your principal and interest payments under your mortgage, we may apply the credit balance in your property tax payment account towards your delinquent principal and interest payments.

We can deduct from any mortgage advance enough money to pay all taxes due that have not been paid. For the purpose of this clause, you acknowledge and agree that any property tax payment made to us will be held without any trust or fiduciary obligation on our part with respect to the intended purpose of such payment and you authorize us to apply your property tax payments against any debt or obligation owing to us whether or not Default has occurred.

You will immediately provide us all assessment notices, tax bills or other tax notices you receive and you agree to provide us with receipts of all paid tax bills, if we require.

Early payment on sale or transfer of your mortgage

If you further encumber or sell the Property that we hold a mortgage, charge or lien

on or if you transfer or allow someone to assume your mortgage (where permitted), we may immediately require you to pay all the money you owe under the mortgage and require you to pay a further amount by way of liquidated damages. This provision does not apply to a sale, transfer, assumption or other mortgage or charge to which we have given our prior written consent.

Our rights

This Agreement does not take away or lessen any of our rights against anyone who has guaranteed the mortgage or anyone else who is liable for the money owing or any other obligations under the mortgage, charge or lien. This Agreement also does not take away or lessen any of our rights and/or priorities against anyone who may have an interest in your Property subsequent to our mortgage, charge or lien.

We may exercise any of the remedies provided for under the mortgage, charge or lien document or as provided for by law. We can also apply the credit balance in your property insurance premiums payment account, your property tax payment account (as applicable) and the credit balance in any other account you have with us to reduce the mortgage principal amount outstanding.

Scotia Plan™ Loans and Other Personal Loans

A *Scotia Plan* Loan is a Personal Loan that is available for a specified term and for many purposes, including the purchase of consumer goods and services, and for debt consolidation purposes that may be secured or unsecured. The maximum amount that you can borrow under a *Scotia Plan* Loan or any other type of Personal Loan we offer will vary from one country to another.

Depending upon your preference, and the country where your Personal Loan is maintained, Personal Loans may be re-payable on a weekly, bi-weekly, semi-monthly, or monthly basis. You can arrange to have your loan payments withdrawn automatically from your Scotiabank account. (In some countries, and where permitted by law, we may require you to set up an automatic payment arrangement from your bank account.)

If you have been approved for a Personal Loan, the Personal Credit Agreement that you signed describes, among other things, the amount of the Loan, the annual interest rate, the payment amount, payment schedule and the security, if any, that you have granted to the Bank as security for the Loan.

Your promise to pay

In consideration for the Bank providing you with the Personal Loan in the amount indicated in the Personal Credit Agreement, you, jointly and severally (if more than one borrower or guarantor this means each of you individually), promise to pay us, at our address set out in the Personal Credit Agreement, both the principal amount, together with interest calculated at the annual interest rate and on the basis also indicated in the Personal Credit Agreement together with all relevant fees set out in the Rates and Fees Schedule and all costs incurred in connection with such Loan(s).

Application of payments

Regardless of the payment frequency you choose we apply your payments first to credit protection insurance premiums (if applicable), then to accumulated interest, then to the principal amount.

Amortization period

The amortization period for your *Scotia Plan* Loan or Personal Loan is the period of time (in months or years) that it would take you to repay the Loan in equal payments, assuming that the interest rate remains the same and all payments are made as agreed throughout the life of the Loan.

Some (but not all) *Scotia Plan* Loans and Personal Loans have an amortization period that is greater than the term of the Loan. If your *Scotia Plan* Loan or Personal Loan has an amortization period different from the term of the *Scotia Plan* Loan or the Personal Loan, it will be disclosed in the Personal Credit Agreement.

If the amortization period on your *Scotia Plan* Loan or Personal Loan is greater than the term of your Loan, this means that, when the term of your Loan expires (at the maturity date), you will either have to repay the balance owing on the Loan in full or renew the remaining balance owing. If you decide to renew the remaining balance owing, the Loan renewal would be based upon the terms and conditions and the interest rate that we offer you at the time of renewal.

Interest rates

Interest rates vary from country to country. *Scotia Plan* Loans and other Personal Loans we offer have either a fixed-interest rate or a variable-interest rate.

If you have a fixed-rate *Scotia Plan* Loan, the rate will be disclosed in your Personal Credit Agreement and will remain the same for the entire term of the *Scotia Plan* Loan.

The type of variable-rate *Scotia Plan* Loan and Personal Loan we offer vary from country to country. In some countries, we can change the annual interest rate on your variable-rate Loan and give you notice as indicated below and in other countries the annual interest rate on your variable-rate *Scotia Plan* Loan and Personal Loan will fluctuate automatically without prior notice to you because it is tied to changes in our prime rate, base rate, or some other published index rate.

If the interest rate is variable, your Personal Credit Agreement will tell you what the interest rate is at the time you signed the Personal Credit Agreement.

How interest is calculated

We use one of two methods to calculate the interest on your *Scotia Plan* Loan and Personal Loan, as described below. The method of interest calculation that applies to your Loan is described in your Personal Credit Agreement.

Daily interest calculation

With this method, interest is calculated by multiplying the daily outstanding principal balance on your Loan account by the annual interest rate to determine the annual

interest payable. This amount is multiplied by the number of days since the date of last payment and divided by 360 or 365 as applicable in order to determine the amount of interest owing for the period. Under the daily interest calculation method, interest does not compound or capitalize which means you do not pay interest on the interest.

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

Simple interest calculation

With this method, interest is calculated by multiplying the daily outstanding principal balance on your Loan account by the annual interest rate to determine the annual interest payable. This amount is then divided by 12 months in order to determine the amount of interest owing for the period. Under the simple interest calculation method, interest does not compound or capitalize which means you do not pay interest on the interest.

If you fail to renew, or repay the balance of the total amount you have borrowed at the end of the term, you will pay interest on these amounts until they are renewed or they are paid. Any late payments, extensions or deferred payments will increase your cost of borrowing. If you skip a payment, miss a payment, are late with a payment, defer a payment or otherwise extend your Loan, this will increase your cost of borrowing.

Changes to rates and fees

We will provide you thirty (30) days prior notice if we do any of the following:

- change your adjustment factor, your annual interest rate and/or any percentage amount(s) applicable to your *Scotia Plan* Loan or Personal Loan (except for changes in our prime rate, our base rate or any other public index rate we use);
- change any of the fees or charges that apply to your *Scotia Plan* Loan or Personal Loan, or add new fees and/or charges.

We will provide you with notice of these changes, in accordance with legal requirements. See section “Communicating with you” on page 12.

We will not automatically notify you of any changes in our prime rate, base rate or in any other published index rate that is used to calculate the annual interest rate on your *Scotia Plan* Loan or Personal Loan. However, you can obtain the prime rate, base rate, or other published index rate (as applicable) at any time by contacting your branch.

Prepaying your *Scotia Plan* Loan and Personal Loan before the maturity date

You can pay off your *Scotia Plan* Loan and Personal Loan at any time before the maturity date indicated in your Personal Credit Agreement, however a penalty may be charged as indicated in your Rates and Fees Schedule.

If your *Scotia Plan* Loan or Personal Loan is secured by Real Property, you may be required to make an interest payment on the outstanding Loan balance or on the amount of the prepayment. Your Personal Credit Agreement will indicate if an interest payment amount applies to your *Scotia Plan* Loan or Personal Loan.

Personal Line of Credit Agreement

If you have been approved for a *ScotiaLine*[™] or a *ScotiaLine* Gold personal line of credit, or *ScotiaLine* Gold Premium personal line of credit, your signature on the Personal Credit Agreement is your agreement to be bound by the terms and conditions that apply to personal lines of credit as described in this Personal Line of Credit Agreement.

Definitions you need to know

In this Personal Line of Credit Agreement, the words “**you**” and “**your**” mean the borrower, and if there is more than one borrower, each borrower and co-borrower who signs the Personal Credit Agreement. If more than one person signs the Personal Credit Agreement, the obligations set out in it and in this Personal Line of Credit Agreement and in this Companion Booklet are joint and several. This means each person who has signed the Personal Credit Agreement is responsible both individually and together for all of the obligations and for the entire debt under the personal line of credit approved for you.

The words “**account**” and “**personal line of credit**” mean either your (i) *ScotiaLine* personal line of credit and *ScotiaLine* personal line of Credit Account, (ii) *ScotiaLine* Gold personal line of credit and *ScotiaLine* Gold personal line of Credit Account, or (iii) *ScotiaLine* Gold Premium personal line of credit and *ScotiaLine* Gold Premium personal line of Credit Account, as applicable.

The word “**card**” means your *ScotiaLine* Gold card or your *ScotiaLine* Gold Premium Card if you are a *ScotiaLine* Gold customer, and this does not mean or refer to your *ScotiaCard*[™] Banking Card.

The word “**cheque**” means your personal line of credit cheques.

Any terms that have not been defined in this Personal Line of Credit Agreement have the same meaning as the terms set out in Part I (Introduction) and in the “Other Definitions you need to know” section of this Companion Booklet.

General terms and conditions

In this section, we explain the general terms and conditions that govern the use of your account, your card and your cheques and/or any other method that we may allow from time to time in accessing your account.

You will be bound by these terms and conditions if you or anyone authorized by you uses the account or activates or uses your card even if you don’t sign the reverse of your card.

In return for the Bank establishing an account at the branch named in the Personal Credit Agreement and extending any credit under this section, you agree as follows:

Security

Your obligations with respect to your personal line of credit are either secured by a mortgage on Real Property or by a charge or other security over Personal Property, or alternatively, your personal line of credit is granted to you on an unsecured basis as indicated on the first page of the Personal Credit Agreement.

Available credit

The maximum amount available under your personal line of credit is indicated on the first page of the Personal Credit Agreement or such other amount that we may tell you from time to time (“**credit limit**”). Your personal line of credit account statement (“**statement**”) will also show the available credit on your account as of the statement date.

Cheques, Cash Advances and purchases made using your card are charged against your credit limit. You can calculate the amount of credit available to you at any time by deducting the outstanding balance amount of the account from the credit limit.

Not exceeding your credit limit

You are responsible for keeping track of the account balance and making sure it remains below your credit limit. If the account balance is over your credit limit we may charge you an over limit fee as set out in the Rates and Fees Schedule. You must also pay any amount over your credit limit immediately if we ask you to.

We can increase or reduce your credit limit but if we do we will provide you with seven (7) days prior notice or we can allow you to exceed your credit limit without telling you in advance.

If we reduce your credit limit we will not be liable to you or to others for any consequences resulting from our reducing the credit limit on your account. Any change to your credit limit will not affect your obligation to pay us. Also, if we allow you to exceed your credit limit from time to time that permission shall not be considered to be a permanent increase in your credit limit.

We can refuse to pay or honor any amount borrowed under your personal line of credit if we become aware of unusual activity on your account, suspect fraud or other similar circumstances. We can also refuse to honour any use of the account that would cause you to exceed your outstanding balance or credit limit.

Single advance

In spite of anything contained in this Personal Line of Credit Agreement, we can make one single advance to you at the same time you sign the Personal Credit Agreement, in an amount equal to your credit limit (“**single advance**”).

If we make a single advance to you, (i) we will not supply you with cheques or a card, (ii) you will have no available credit, and (iii) you may not draw any other amounts on the account until we tell you in writing.

Access to your account

You can borrow funds from your account by using the cheques and the card we will supply to you or by using *Scotia OnLine* Internet banking, Scotia mobile banking, and/or *TeleScotia* telephone banking (if these services are available) or your *ScotiaCard* Banking Card at any Scotiabank automated teller machine (“**ATM**”) where accessible for this purpose or by any other method we may allow from time to time. Purchases made using the card or cheques and each withdrawal or transfer from your account using your *ScotiaCard* Banking Card are all treated as Cash Advances.

You agree that the Bank’s rules and agreements governing ATM, *Scotia OnLine* Internet banking, Scotia mobile banking, and *TeleScotia* telephone banking access will apply to all transactions made under your personal line of credit except as modified by this Personal Line of Credit Agreement or any amendments to this Personal Line of Credit Agreement.

We are not liable to you for any delay, loss, damage or inconvenience you may suffer because of your use of a Scotiabank ATM or another financial institution’s ATM or because of any failure to provide ATM, *Scotia OnLine* Internet banking, *Scotia* mobile banking or *TeleScotia* telephone banking services (where available).

We are not responsible for informing you of any mechanical failures of an ATM or for telling you when these services are changed, withdrawn or unavailable. We are also not responsible for your acts or omissions or those of any third party. In addition, the Bank shall in no way be liable for any accident, act of aggression, theft, loss or damage you may suffer while using an ATM or any Automated Banking Services, whether you are on Bank or other premises.

Using the account, card and cheques

The account can only be used for personal, household or family purposes. You cannot use the account for any business purpose or for any business you own or that you have an interest in.

You can only use the account for legal and genuine transactions. It is not our responsibility to make sure that you use the account only for permissible transactions and you will remain responsible for paying for a transaction even if it is not permissible.

The use of the account is at all times subject to any laws and regulations that any applicable government or other lawful authority may impose.

We will not be liable if a merchant or business does not accept your card or cheque for any reason.

You can only use the cheques in the country in which your personal line of credit was issued. In the case of a joint account, you authorize us to pay cheques signed by any one of you. Cheques will be deducted from the account on the date they are paid by us.

Additional usage requirements for cards (*ScotiaLine* Gold customers only)

You can obtain Cash Advances from financial institutions that accept the card. You can also obtain Cash Advances by using your card together with the personal identification number (“**PIN**”) at any ATM displaying the Mastercard/Cirrus^{®†} logo.

The amount you can transact and/or withdraw each day as a Cash Advance from an ATM or through *Scotia OnLine* Internet banking, *Scotia* mobile banking, or *TeleScotia* telephone banking may vary from time to time. If you wish to conduct online transactions, we may require that you register the card with an authorization system that we select. We will notify you if we want you to register. If you do not register, we may decline your online transactions.

You agree not to use your card after its expiry date. If, however, you use your card after the expiry date, you agree to pay any debts which are incurred by such use.

You will be considered as contributing to the unauthorized use of the card and you will be fully liable for all debts and withdrawals and account activity if: (i) the PIN number you have selected is the same or similar to an obvious number combination like your date of birth, bank account number or telephone number, (ii) you write down your PIN or keep a poorly disguised written record of your PIN such that it is available for use with your card, or (iii) you otherwise reveal your PIN resulting in the subsequent unauthorized use of your card and PIN together. You should never disclose your PIN to anyone including Bank employees.

Repaying the amounts you owe

You promise to pay us all amounts charged to the account, including purchases made using the card, the amount of any cheque drawn on the account and paid by us (“**advance**”), interest as provided in this Personal Line of Credit Agreement, applicable service charges and fees including stamp duty payable by you or us related to the operation of the account and any other costs as specified in this Agreement or elsewhere in the Personal Credit Agreement (collectively, the “**debt**”).

You agree to make each payment on time in full. If we have to take collection proceedings under the Personal Credit Agreement, the Agreement or this Personal Line of Credit Agreement, you agree, subject to applicable law, that you will pay us our legal costs, including legal fees on a lawyer (attorney-at-law) and client basis and disbursements, for any action to collect the amounts due and all other expenses we incur in order to protect or realize on the security which you have granted to us or enforcing our rights under this Personal Line of Credit Agreement, this Companion Booklet or elsewhere in the Personal Credit Agreement. You also agree, to the extent permitted by law, that we can charge you interest on these costs at the highest rate of interest applicable to your personal line of credit.

If you Default and we require the services of a third party to enforce our rights under the Agreement or this Personal Line of Credit Agreement, this Companion Booklet or elsewhere in the Personal Credit Agreement, which may include claiming Property we have accepted as security or cheques, we may add the cost of such claim, enforcement and/or legal costs to your debt.

Interest and fees

You agree to pay interest on all amounts calculated from the date each amount is charged to the account until paid in full at the annual interest rate or initial annual

interest rate (referred to in this Personal Line of Credit Agreement as the annual interest rate (“**AIR**”) indicated in the Personal Credit Agreement and the maximum AIR indicated in the Rates and Fees Schedule.

The daily periodic rate (defined below) and the AIR for your personal line of credit will change automatically, without notice to you, whenever the Bank's base rate changes and we may also change the percentage amount. If we change the percentage amount, we will let you know in writing. The Bank's current base rate and the percentage amount in effect as of the date of the Personal Credit Agreement are indicated in the adjustment factor/percentage amount section of your Personal Credit Agreement. You can find out the Bank's base rate on any day that the Bank is open for business from any branch in the country where you maintain your account.

While interest is not added to your account until the last day of the billing cycle, interest is calculated using the daily interest calculation method which means interest is calculated on a daily basis by applying the daily periodic rate (defined below) in effect for the billing cycle to the ending balance in your account each day. On the last day of the billing cycle, we will total the interest of each day and add that amount to your account.

- To get the daily ending balance for your account, we take the beginning balance each day, add any new advances and other charges, and subtract any payments or credits. This will give us the daily balance.
- To determine your daily periodic rate we divide the AIR by 365 days. We also use 365 days in the case of a leap year. An increase in the daily periodic rate means that you will have to pay higher interest charges and may also result in an increase to your minimum monthly payment.

If your account is in Default, interest will continue to accumulate on your account however interest does not compound or capitalize which means you do not pay interest on the interest.

In addition, we will charge you fees that are listed in the Rates and Fees Schedule that you received when you signed the Personal Credit Agreement or in a separate notice that we will provide to you. These fees are subject to change and we will let you know ahead of time when they do by posting them in our branches or by telling you in writing.

Dealing with transactions in a foreign currency

Transactions in any currency other than the currency of the country where your personal line of credit was issued (“**foreign currency**”) will be converted, billed and payable by you in the currency set out in the personal line of credit (“**local currency**”).

Conversion from a foreign currency to local currency will be made by us at a rate of exchange determined by the Bank on the date the transaction is processed to your account. For *ScotiaLine* Gold accounts, there may be fees or charges that apply; these fees or charges (if applicable) are described in the Rates and Fees Schedule.

We will not assume any risks associated with foreign currency exchange gains or losses from cross-currency conversions resulting from foreign currency transactions.

Any gains made and any losses incurred by you in connection with foreign currency transactions because of currency rate fluctuations between the date the debit is posted and the date any subsequent credit is posted to the account are for your account and shall be payable to or by you (as the case may be).

Withholding taxes

If at any time you are required to make any deduction or withholding in respect of any taxes from any payment due to us under the Personal Credit Agreement, the Agreement or this Personal Line of Credit Agreement, the sum due from you in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, we receive on the due date for such payment (and retain free from any liability in respect of such deduction or withholding) a net sum equal to the sum which we would have received had no such taxes been required to be deducted or withheld and you shall pay the full amount required to be deducted or withheld to the relevant authorities. You agree to provide us with a copy of the receipt or other proof of payment evidencing the amounts paid or payable regarding any deduction or withholding of taxes upon our request.

You shall indemnify us against any and all losses, costs, interest payable and penalties we incur by reason of any failure by you to timely pay such taxes by reason of any increased payment as a result of your not having filed any tax return, form or information statement that may be required by any authorities.

We do not undertake to advise you of any legal responsibilities you might have with regard to taxes. It is your sole responsibility to ensure any and all such amounts are properly and timely remitted and reported and that we receive full payment of the full amount of any minimum monthly payment, interest or other amounts due in accordance with the provisions of this Companion Booklet and the Personal Credit Agreement.

“**Tax**” means any present or future levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) by any government or other taxing authority in respect of any payment under the Personal Credit Agreement or this Agreement, including, without limiting the generality of the foregoing, income taxes, sales taxes, use taxes, goods and services taxes, excise taxes, value-added taxes, levies, assessments, stamp duties and similar taxes.

Pre-authorized payments

You are responsible for providing the merchant, retailer, store or business with whom you have set up a pre-authorized payment plan with correct and up-to-date information. This includes a change in account number or card expiry date. You are also responsible for all charges to the card until you have cancelled the pre-authorized payment plan with the merchant, retailer, store or business.

We will not be liable for any pre-authorized transactions that cannot be posted to your account and you are still liable to the merchant, retailer, store or business for making payment. It is your responsibility to contact the merchant, retailer, store or business

when you wish to cancel a pre-authorized transaction. You should check your statements to ensure that cancelled transactions have been discontinued.

Making a minimum monthly payment

If you do not repay your debt in full by your statement payment due date, you agree to pay at least the total minimum payment due as indicated on your statement. The minimum payment due varies according to a number of factors, including, whether your account is secured or unsecured, the country in which your account is maintained and the currency of your account. The minimum payment amount that applies to your account is disclosed in your Personal Credit Agreement.

If you do not pay at least your minimum monthly payment by your statement payment due date, or if you Default under any of the terms of this Personal Line of Credit Agreement or the Agreement, we can, in our discretion and without prejudice to or limiting in any way any other rights we have under this Personal Line of Credit Agreement or the Agreement, increase your AIR on all existing and new balances up to the maximum AIR indicated in the Rates and Fees Schedule. You will continue to pay the higher AIR until such a time as you have paid the minimum monthly payment by the statement payment due date for six (6) consecutive months.

If the total amount of the debt outstanding is less than the stipulated minimum monthly payment, the minimum payment required will be equal to the total debt. You can pay more than the minimum payment due and you can pay the full amount you owe us at any time.

We can change the amount of your minimum monthly payment or the payment option applicable to your account by telling you in writing with thirty (30) days' prior notice. Your minimum monthly payment may also change if your AIR increases.

Any past due amount or over limit amount is added to the total minimum payment amount due and must be paid as soon as you receive your statement.

Payment instructions

You can pay us the amounts you owe by cheque, draft, money order or we can deduct from your deposit account held with us or at another financial institution (if available).

Payments can be made by mail to the address listed on your statement, at any Bank branch or at any Scotiabank ATM in the country where you maintain your account, through *Scotia OnLine* Internet banking, *Scotia* mobile banking and/or *TeleScotia* telephone banking (where available). You will need a *ScotiaCard* Banking Card to make payments at Scotiabank ATMs or through *Scotia OnLine* Internet banking, *Scotia* mobile banking or *TeleScotia* telephone banking. Payments can take up to two (2) business days to process before they are applied to your account.

Making payment when mail service is disrupted

You must make your payments to us even if the normal mail service is disrupted. Your statement will be deemed to have been delivered to you on the day that it is available for you to pick up, whether you pick it up or not.

Set-off

We can at any time, without prior notice to you, apply any credit balance you have in any deposit account, investment account or other account you have with us against any Loan, credit facility or any other debt or obligation of any kind owing to us or to any Scotiabank Group member (whether or not presently due). This right is in addition to any other rights that we may have regarding set-off or combining accounts.

Applying your payment

We apply your payments first to unpaid interest, then to fees (such as annual fees, overlimit fees, late fees, Cash Advance fees, and any other applicable fees), then to credit protection insurance premiums (if applicable), then to the principal amount.

Subject to applicable law, we reserve the right to hold funds deposited against your personal line of credit until your payment has cleared. If we do, this will temporarily affect your available credit.

We apply your credit vouchers and returns (other than a payment) first to the principal amount then to any unpaid interest, then to fees such as annual fees, over limit fees, late payment fees and Cash Advance fees and any other applicable fees and finally to the insurance premiums.

We will not pay you any interest on any credit balances in your account. We may reduce the amount of any credit balance by the amount of new charges or fees billed to the account.

Total balance due

Under this Personal Line of Credit Agreement and subject to applicable law, if you Default, we have the right to be paid the total outstanding balance immediately, without prior notice or demand, by doing any of the following:

- suing you for what you owe;
- taking possession of, and selling the Property held as security;
- both of the above;
- appointing a receiver to administer the Property; and/or
- exercising any other rights we may have.

If any of the events described in this “Total balance due” section occur, we have no further obligation to pay any cheques or make any further advances to you even if you are within your authorized credit limit.

Default under this Personal Line of Credit Agreement or under any Security Agreement is considered Default of all agreements relating to your personal line of credit. In that case, all amounts owing to us including principal, interest and other costs and charges will be due and payable to us immediately.

We will consider you to be in Default on your account when you fail to honour or comply with any of the terms of this Companion Booklet, the Agreement, this Personal

Line of Credit Agreement or any other agreement you entered into with us, including, without limitation, all the provisions described in the section “Default” on page 12.

Changing your interest rate and/or credit limit

The occurrence of late payments, no payments (including failing to make the minimum payment amount required by your statement due date) or any of the Default events listed above may, subject to applicable law, cause us to increase your percentage amount and AIR to the maximum AIR indicated in the Rates and Fees Schedule and/or reduce your credit limit, suspend your credit privileges or close your account.

If we decide not to increase your percentage amount and AIR and/or reduce your credit limit, suspend your credit privileges or close your account even though there is a Default, we can increase your percentage amount and AIR and/or reduce your credit limit, suspend your credit privileges or close your account at any time for any subsequent Default, subject to applicable law. We can, in our discretion, charge reduced Default rates or reinstate standard rates for all or selected balances on the account.

We may issue a notice to you about the changes. The notice will be a binding agreement between you and us and may not require a written signature from you. Any such notice shall form part of this Personal Line of Credit Agreement and any other Agreement between you and us that relate to your personal line of credit.

Annual review and credit information

You agree to provide us each year with your personal net worth statement, financial statement and any other information we require or from time to time when we ask for it.

You must tell us in writing of any material change in your financial situation. Depending on the outcome of your annual review, we may increase your AIR and/or reduce your credit limit or cancel your account.

You authorize us to provide information about your account as set out in the Scotiabank Privacy Agreement.

We can also periodically review your credit history by obtaining information from credit bureaus, credit reporting agencies and others (where applicable).

Closing your account

You can close your account at any time. We too can close your account at any time or suspend your credit privileges upon the occurrence of a Default event or if we suspect fraud or misuse of the account without telling you in advance; however if we close your account or suspend your credit privileges we will let you know. We will not be liable to you or to others for any consequences resulting from our closing your account or suspending your credit privileges.

If we or you close the account, you and any authorized users must immediately stop using the account and destroy all cards, cheques or other means to access the account or return them to us upon request. You will continue to be responsible for all

obligations under this Personal Line of Credit Agreement and any other Agreement you have entered into with us that relate to your personal line of credit existing at the time of termination until they have been satisfied and any charges to the account even if they are made or processed after the account is closed and you will be required to pay the outstanding balance on the account according to the terms of this Personal Line of Credit Agreement. In addition, we may require you to pay the outstanding balance immediately or at any time after the account is closed.

Changes to this Personal Line of Credit Agreement or the Services we offer

We may extend, renew, amend or replace the terms and conditions governing your personal line of credit without diminishing our interest in the property or any of our rights or your obligations under this Personal Line of Credit Agreement, the Agreement and/or any other agreement you have entered into with us that relate to your personal line of credit. If we do so, you may cancel your personal line of credit as described in the section entitled "Cancelling your personal line of credit". In addition, no waiver or delay in enforcing our rights shall act to diminish or cancel our rights under this Personal Line of Credit Agreement, the Agreement or any other agreement you have entered into with us.

From time to time we may change the terms and conditions of this Personal Line of Credit Agreement or the Services that are available with the account or any of the features, benefits or Services that are available with your card or *ScotiaCard* Banking Card but if we do we will notify you in writing either by posting a notice in our branches, in your monthly statements, at our ATMs or on our ATM screens or on our public website except in the case of changes to ATM services or where the features, benefits or services are supplied by firms independent of us, in which case changes can be made at any time without notice to you.

Representations and warranties

We make no representations or warranties or any condition whatsoever, either express or implied, except as stated in this Personal Line of Credit Agreement. We will not be liable for any damages of any kind related to your use of the card or any of the features, benefits or Services contemplated in this Personal Line of Credit Agreement or the Agreement even if you have notified us in advance of such possible damages. This provision will apply to the full and maximum extent permitted by applicable laws.

We will not be liable for the inability to provide, in whole or in part, any features, benefits or Services contemplated under this Personal Line of Credit Agreement or in the Agreement that are reasonably beyond our control or for any computer breakdown, malfunction or other technical failure in any information technology system. In no event will we be responsible for the acts or activities of any third party.

Cancelling your personal line of credit

You can cancel your personal line of credit by telling us in writing that you want to do so and returning to us your unused cheques. We can cancel your personal line of credit

without a reason by giving you thirty (30) days written notice. Subject to applicable law, we can also cancel your personal line of credit without written notice or any notice whatsoever to you if you are not handling your account in accordance with this Personal Line of Credit Agreement, the terms of the Agreement or any of our requirements.

In addition, we can cancel your card and cheques and require you to return them to us or to someone acting on our behalf, when we ask for them. The cards and cheques are our property.

If either of us cancel your personal line of credit, you still have to pay your debt and any other amounts you owe us in full.

Other Services

You understand that optional Services may be available at an additional cost to you. You understand that all Services available with your account may be governed by separate agreements or authorizations which you agree to be bound by.

You also understand that companies independent of us may supply some of the Services and that we are neither responsible nor liable for them.

Telling us about loss, theft or unauthorized use

You will inform us immediately by telephone at (246) 431-3030 at any time and the branch in writing thereafter upon discovering the loss, theft or unauthorized use of any card, PIN, cheque or any unauthorized ATM access. If you even suspect unauthorized use of any card, PIN or cheque you will notify us immediately.

If any card and/or cheque is/are lost or stolen you will be liable for all debts, including accumulated interest, resulting from their use until you have told us that they have been lost or stolen.

If you have previously authorized someone to use your card or cheques and have subsequently withdrawn your authorization, you will continue to be liable for all debts incurred through the use of the card or cheques until they are surrendered to us.

Preparing and sending monthly statements

Monthly statements are only prepared on business days so the time between statements will vary depending on the number of business days in the month. We will send, on a regular periodic basis, at least once a month, a statement addressed to the Primary Borrower only; that is the primary person who applied for the personal line of credit. As Primary Borrower, you also agree to give a copy of all statements addressed to you to all co-borrowers.

Telling us about errors in your statement

If your statement contains any errors, omissions or discrepancies, you must tell us in writing within thirty (30) days of the date of your statement. If there are any entries on your statement that you did not authorize (for example because of fraud or forgery) and you did not notify us within thirty (30) days of your statement date then you will not be able to make a claim against us. After that time, the statement will be considered to be conclusively correct unless you can provide us with written proof that it is not.

You will tell us immediately if you do not receive your statement within thirty (30) days of the date of your last statement. Unless we have received written notice from you that you are missing a statement within thirty (30) days after the statement date, it shall be conclusively settled between the Bank and you that you have received the statement and that it contains no errors.

Telephone monitoring and recording

We, and our agents (if applicable), may listen to and record your telephone calls with us whether you or we initiate the telephone call.

Change of information/notices

We will send the statements and other notices to you at the last known address we have on file for you. See provisions under section “Communicating with you” on page 12.

You will tell us immediately in writing if you:

- change your name;
- change your address;
- change your home, cellular or business telephone number; or
- change your e-mail address (if this service is available to you).

If there is more than one borrower, we will send the notice to the Primary Borrower only (that is the primary person who applied for the loan and/or credit facility) at the last address we have on file and we consider notice to the Primary Borrower as having given notice to all of you including any co-borrower(s). As co-borrower, you agree that all notices will be provided to the Primary Borrower and such notices will be deemed to have been received by you when provided to the Primary Borrower. As Primary Borrower, you also agree to give a copy of all notices you have received from us to all co-borrowers.

Subsequent mortgages/charges

If you have given us a mortgage or charge on Real Property or a security interest over Personal Property to secure repayment of the debt, as set out in the Personal Credit Agreement, you agree not to further lien, encumber or charge the Real Property or Personal Property in any way without our prior written consent.

Sale of Property

If you have given us a mortgage or charge on Real Property or a security interest over Personal Property to secure repayment of the debt as set out in the Personal Credit Agreement, you agree to repay to us or to make suitable arrangements for the repayment of all debts owed to us as set out in the Personal Credit Agreement before selling or transferring the Property that you have mortgaged or charged, or if you further lien, encumber or charge the Property without our prior written consent.

Accepting our records

You agree to accept our records of a transaction as accurate and conclusive unless you can provide contrary proof that is satisfactory to us.

Overdraft Protection Agreement

Definitions you need to know

In this Overdraft Protection Agreement, the words “**you**” and “**your**” mean the borrower, and if there is more than one borrower, each borrower and co-borrower who signs the Personal Credit Agreement or each joint Account holder with an overdraft protection facility on the joint deposit Account. If more than one person signs the Personal Credit Agreement or if the deposit Account with the overdraft protection facility is in joint names, the obligations set out in it and in this Overdraft Protection Agreement and in this booklet are joint and several. This means each joint deposit Account holder or person who has signed the Personal Credit Agreement is responsible both individually and together for all of the obligations and for the entire debt under the overdraft protection approved for you. The word “**Account**” means any personal deposit account you have with us now and at any time in the future.

Any terms that have not been defined in this Overdraft Protection Agreement have the same meaning as the terms set out in Part I (Introduction) and the “Other definitions you need to know” section of this Companion Booklet.

Overdraft protection is a temporary credit facility

You can use your overdraft protection from the date the overdraft protection facility is approved by us as indicated in the Personal Credit Agreement or in the notice that we provide to you. Your overdraft protection facility is intended for temporary short-term borrowing requirements only. Please see the repayment requirements set out below in the “Payment” section.

Overdraft protection as an added feature to your deposit Account(s)

From time to time, in our sole discretion, we may automatically grant you an overdraft protection facility on your deposit Account(s) with a set maximum overdraft protection credit limit amount. If we do and if you use the overdraft protection facility, that means you agree to be bound by the terms and conditions in this Overdraft Protection Agreement, the Rates and Fees Schedule and the Personal Credit Agreement, as applicable, and as amended, modified and/or replaced from time to time.

We will advise you of your overdraft protection credit limit either verbally at the time you open the deposit Account(s) or in writing if the overdraft protection facility is granted after you have opened the deposit Account(s) with us.

We will provide you with written notice of your overdraft protection credit limit in accordance with legal requirements. See section “Communicating with you” on page 12.

If you want to cancel the overdraft protection credit facility on your deposit Account(s), please contact your Personal Banking Representative or the Contact Centre. However, you are still responsible for all obligations owing to us until they have been satisfied in full.

Overdrafts granted in absence of overdraft protection (Ad-hoc or temporary overdraft coverage)

From time to time, in our sole discretion, we may allow your Account(s) to be overdrawn even though you do not have overdraft protection. We call this ad-hoc or temporary overdraft coverage. Any ad-hoc or temporary overdraft balance is payable in full immediately.

Overdraft limit

You can overdraw the Account(s) up to the limit amount specified in: (i) the Personal Credit Agreement, (ii) the notice we provide to you, (iii) your statement, or any other amount we may allow and designate from time to time.

You can access the overdraft protection facility and overdraw the Account(s) by cheque, pre-authorized payment, ATM, *Scotia OnLine*TM Internet banking, *Scotia*TM mobile banking, or any other method or debit we authorize. We can refuse any cheque, withdrawal, transfer or other Debit Transaction if the amount would cause your overdraft limit to be exceeded.

Payment

You agree that within thirty (30) days from the day in which the overdraft first occurred (or immediately in the case of ad-hoc or temporary overdraft coverage):

- you will bring your Account into a positive (credit) balance and you must maintain this positive balance for at least 24 hours,
- for dishonoured items, you will pay us the handling charge for each dishonoured item we process on the Account, and all other applicable service charges. Handling charges are treated as overdraft amounts and are charged for each item we process on the Account.
- if your overdraft balance is over the authorized credit limit or if we have provided you with an ad-hoc or temporary overdraft coverage, you will pay us:
 - i. the overdraft interest charge[‡]; AND
 - ii. the minimum overdraft monthly charge; AND
 - iii. the overdraft handling charge at the rates and in the amounts set out in your Personal Credit Agreement, in your Rates and Fees Schedule and/or in the notice we provide to you.

[‡] Note: If you are over your authorized credit limit, your overdraft interest charge will be calculated using:

- i. your authorized overdraft interest rate, AND **the greater of:**
- ii. the ad-hoc or temporary overdraft interest rate on the amount in excess of your authorized credit limit, OR
- iii. the minimum ad-hoc or temporary overdraft charge

For example, if your authorized overdraft credit limit is \$500 and your overdraft balance is \$600, you will be charged overdraft interest on the \$500 at the

authorized overdraft interest rate **and the greater of** the overdraft interest charges at the ad-hoc or temporary overdraft interest rate on the over-limit amount of \$100 **or** the minimum ad-hoc or temporary overdraft charge.

[‡] If we have provided you with an ad-hoc or temporary overdraft coverage of \$500, you will be charged the greater of the overdraft interest charges at the ad-hoc or temporary overdraft interest rate on the ad-hoc or temporary amount of \$500 or the minimum ad-hoc or temporary overdraft charge.

If your overdraft balance is within your authorized credit limit you will pay us:

- the overdraft interest charge; AND
- the minimum overdraft monthly charge at the rate and in the amounts set out in your Personal Credit Agreement, in your Rates and Fees Schedule and/or in the notice we provide to you.

We can collect the fees and charges from any Account you have with us even if it causes your Account to be overdrawn. If we overdraw your Account to collect any of our fees or charges, overdraft interest charges will apply on the overdrawn amount(s).

Interest rates

The annual interest rate(s) that applies to your overdraft protection facility is disclosed in your Personal Credit Agreement, your Rates and Fees Schedule and/or in the notice we provide to you. The minimum overdraft monthly charge and the overdraft handling charge are disclosed in your Rates and Fees Schedule and/or in the notice we provide to you.

How interest is calculated

We use the daily interest calculation method to calculate the interest on your overdraft protection facility, as described below. Interest charges apply to the entire outstanding overdrawn Account balance from the date the Account became overdrawn until it is repaid in full.

Daily interest calculation

With this method, interest is calculated by multiplying the daily outstanding overdrawn balance on your Account by the Bank's prevailing annual overdraft percentage rate(s)^{**} (as applicable) divided by 360 or 365 days depending on your Account type.^{***} This process is repeated for each day your Account is overdrawn, and at the end of the statement period the daily interest calculations are added together in order to determine the total amount of interest owing for that period. If your overdraft remains outstanding in later months from the date it first occurred, we will calculate interest on the entire outstanding overdrawn balance which includes any overdraft interest charges from the previous statement period.

^{**}Please refer to your Personal Credit Agreement, your Rates and Fees Schedule and/or the notice provided to you to determine your annual overdraft percentage rate(s). NB: If you are over your authorized credit limit, the interest calculation methodology indicated in the "Payment" section above will apply.

^{***}Please refer to your Rates and Fees Schedule and/or the notice provided to you to determine the number of days (360 or 365) applicable to your Account type and to determine the annual overdraft percentage rate on ad-hoc or temporary overdraft coverage.

Delinquency

If you do not comply with the payment terms described above, we may close your Account and convert your overdraft balance to delinquent demand loan status. Interest payable will be calculated daily and applied to the balance of the demand loan.

Terminating the Overdraft Protection Agreement

Either we or you can terminate this Overdraft Protection Agreement at any time by providing the other party with ten (10) days prior written notice. However, and subject to applicable law, we can terminate this Overdraft Protection Agreement at any time, without prior notice to you, if you fail to comply with any provision of your overdraft protection facility, this Overdraft Protection Agreement or any of the terms in the Agreement.

Termination does not relieve you of any obligations under this Overdraft Protection Agreement, the Personal Credit Agreement, the Agreement or any other agreement you have entered into with us. You are responsible for all debts including the overdraft amount until the entire overdraft amount has been paid to us in full. Regardless of such termination, you are responsible for paying us for all debits and other charges made to the Account following termination.

Part IV – Security Agreements

Granting a security interest to the Bank

By signing the Personal Credit Agreement, you have agreed to provide and grant us an interest in, lien, charge or mortgage over the Property granted as security for your Loan(s) and/or credit facility(ies) as set out in the Personal Credit Agreement.

We may register your grant of security against the secured Property in such registries as we choose, including personal and Real Property registration systems.

Where required by us or by law, we will physically hold the Property as security for your obligations to us. The grant of security, lien, charge and mortgage includes any grant required to complete this grant of security, lien, charge and mortgage.

If we hold Property, we are not responsible if the Property decreases in value for any reason whatsoever. If you provide us with money or cash equivalents as security, we will be entitled to seize the money or cash equivalents and immediately set-off against your indebtedness owing to us.

The liens, charges, mortgages and security interests you grant to us over Property are to secure payment and performance of all your obligations to us as described in this Companion Booklet, the Personal Credit Agreement (including any schedule(s)), the Rates and Fees Schedule, and any other documents and agreements (including promissory notes) that form part of your Agreement with us. These obligations include but are not limited to:

- the repayment of the principal amount of all indebtedness to us,
- the payment of interest to us including, without limitation, interest on overdue interest at the default rate set out in the Rates and Fees Schedule, and
- the payment of all our costs, charges, expenses and fees including, without limitation, our legal fees, relating to this Agreement, or to the enforcement or realization of security, as provided for in this Agreement.

Unless prohibited by law, the grant of security over any Property described in the Personal Credit Agreement or in any Security Agreement you have entered into with us includes all proceeds, money and property from the secured Property, including insurance proceeds whether it is cash or other proceeds of any nature and kind. It also includes all your records relating to the Property that is secured.

We have just described the general terms and conditions that apply each time you grant security to us, as evidenced in the Personal Credit Agreement. In the remainder of Part IV of this Companion Booklet, we describe additional terms and conditions that apply depending upon the type of security that you have granted to us.

We have included each type of Security Agreement in this Part IV, “Security Agreements” section of this Companion Booklet with the exception of mortgages and collateral

mortgages for Real Property (i.e. real estate). The relevant mortgage document will be given to you separately either by us, by our lawyer (attorney-at-law) or by your lawyer (attorney-at-law). There is however, a short explanation of it provided for your information.

The applicable terms in this Part IV, Security Agreements and (where applicable) the clauses in Schedule 1: Terms & Conditions for Facility(ies) Secured by Real Estate and Other Conditions that Apply to your Mortgage of your Personal Credit Agreement titled “all monies/indebtedness clause”, “condominium insurance”, “property tax payment account”, “add-on charge repayment plan” and the “property insurance premiums payment account” are in addition and supplemental to the provisions set out in any mortgage, charge or lien document or in any separate Security Agreement you provide in support of your Loan and/or credit facility with us.

In the event of a conflict between any term contained in this Part IV, Security Agreements and any term contained in the mortgage, charge, lien document or in any separate Security Agreement you have signed in support of your Loan and/or credit facility with us, the terms of the applicable mortgage, charge, lien document or separate Security Agreement shall prevail.

In the event of a conflict between the terms of this Agreement and any separate Security Agreement you have signed in support of your Loan and/or credit facility with us, the widest interpretation shall be given to the document and any condition, representation, warranty, undertaking or covenant, express or implied, in any one document will take effect despite the fact that such condition, representation, warranty, undertaking or covenant, express or implied, is not contained or referred to in the other document(s). If the conflict between the terms of this Agreement and the Security Agreement cannot be reconciled or resolved in the manner indicated above then the terms of this Agreement will prevail.

Real or immovable Property

Mortgage / charge

This section applies if you agreed to provide us with a mortgage (either a legal mortgage or an equitable mortgage) as security for your indebtedness to the Bank when you signed the Personal Credit Agreement.

A mortgage or charge is the document we hold when we take your Real Property as security for your Loan. When you offer, and we accept, your Real Property as security for a Loan, a mortgage or charge document is registered at the appropriate registry office along with any terms and conditions applicable for the country where the Property is located. In some countries, we may hold the title to your Real Property as security for your Loan instead and register a caveat or a lien against your Real Property at the appropriate registry office. You will receive a copy of these documents from us, from our lawyer (attorney-at-law) or from your lawyer (attorney-at-law).

Arranging the mortgage with a lawyer/attorney-at-law

The mortgage and all legal work will be completed by a lawyer (attorney-at-law) at your expense. There are various cash adjustments that are made when you buy Real Property in addition to the balance of the down payment and any contractual “extras” that you are responsible for. Some of the usual adjustments are property taxes, stamp duty, legal fees, insurance premiums, utility adjustments, prepaid common expenses, etc. All taxes due prior to closing must be paid prior to closing. Please check with the lawyer (attorney-at-law) for the specific charges that you will be required to pay. You also authorize us to pay the net proceeds of the Loan to your lawyer (attorney-at-law) in trust.

Taxes

All rates and taxes including property taxes, water and sewerage rates (where applicable) and in St. Lucia the payment of income taxes and national insurance contributions that attach to the Real Property must be paid when required by the municipality or other applicable taxing authority.

We may require an installment be included with your regular payment to cover all rates and taxes that attach to the Real Property. If any of the rates and/or taxes are in Default with the municipality or taxing authority, we may demand payment of any or all amounts due.

Additional terms and conditions relating to the payment of all rates and taxes including property taxes, and property tax payment accounts, may be included in your Personal Credit Agreement, in Part III, Loan Products and Credit Facilities of this Companion Booklet, and/or in your mortgage, charge, hypothecation of title document, lien document or any other Security Agreement you have signed in support of your Loan and/or credit facility with us.

Property insurance

If your Personal Credit Agreement indicates that you are required to provide property insurance for the Real Property that is subject to the mortgage, charge, lien, caveat or other Security Agreement you have provided to us, please refer to the description of our property insurance terms and conditions that is contained in the “Property insurance” section of Part III, Loan Products and Credit Facilities of this Companion Booklet.

If your Personal Credit Agreement indicates that you will be setting up a payment account for the payment of your property insurance premiums, our requirements for such accounts are contained in the “Property insurance premium payment account” section of Part III, Loan Products and Credit Facilities of this Companion Booklet.

Chattel mortgage/bill of sale (where applicable)

(The provisions in this “Chattel mortgage/bill of sale” section and in the “Ownership/use of the Property/enforcement”, “Insurance” and “Maintenance” sections below apply if you have agreed to provide us with a chattel mortgage/bill of sale as security for your indebtedness to the Bank when you signed the Personal Credit Agreement and if you have not signed a separate chattel mortgage or bill of sale agreement.)

In consideration of our providing you with the Loan and/or credit facility as set out in the Personal Credit Agreement, you have agreed and assigned to us the Personal Property or chattel described in the Personal Credit Agreement as security to us for your repayment of your indebtedness to us.

Our security interest in the Personal Property extends to any replacements and all proceeds of the Personal Property. In addition to the rights specified here, we also have all rights, remedies and powers of a secured party under applicable Personal Property security laws in the country where the Personal Property is normally located.

For any Personal Property that you offer and we accept as security, there are three key issues:

- ownership/use of the Property/enforcement;
- insurance; and
- maintenance.

Ownership/use of the Property/enforcement

You confirm that you are the sole legal and beneficial owner of the Personal Property and no one but us has any other interest in the Personal Property you have granted to us as security.

You will keep the Personal Property clear of any and all legal claims, liens, and encumbrances against it except ours. If you do not, we may settle the claim, lien and/or encumbrance and charge you what it costs, including incidental expenses which include our legal expenses.

You agree not to lease the Personal Property, sell or transfer any interest in it, grant any security interest in it, or give possession or control of it to anyone else without our prior written permission.

The Personal Property must not be used in any illegal manner or for any illegal purpose. You also agree to notify us when you move. You agree not to remove the Personal Property from your domicile country for more than thirty (30) days without our written permission.

If we take possession of the Personal Property, we will provide you with notice as required by law. You can regain possession of the Personal Property before we sell it or have agreed to sell it, by paying us any payments in Default and related Default charges, and any reasonable costs we incurred taking, holding, repairing and maintaining your Personal Property. Local laws may indicate the number of times you can take advantage of reinstatement.

If you don't regain possession of the Personal Property, we can sell the Personal Property either at a public or private sale, in accordance with local laws. We can also sell the Personal Property on deferred payment terms or lease it. We will give you at least the amount of notice required in the country where you live of the date, time and place of any public sale or the date of any private sale will be made. We will give you

the amount left over from any sale after we subtract the total amount you owed us plus our reasonable legal costs and other expenses of taking, maintaining and selling the Property (all our costs) plus any amount we are required to pay to any other person.

We will only be responsible for amounts of money actually received by us. If there is an unpaid balance still owing to us after we have sold the Personal Property, you must pay us that amount, unless we are prohibited by law from collecting the shortfall amount from you. If we enforce our rights to be paid the balance due by court proceedings, you also agree, subject to applicable law, to pay all our costs including all our legal costs.

Insurance

You must carry all-risk comprehensive insurance on the Personal Property and keep the Personal Property granted as security to us insured to the full replacement value against any loss or damage, including any loss or damage from fire, theft, vandalism, cyclone, hurricane, earthquake, flood, tsunami, tidal wave, and other types of sea wave damages, wind, civil commotion, explosion, storm and tempest. Where required, you must also insure it against collision.

If it is a mobile home, you must also insure it against the usual motor risks on a comprehensive basis and also against loss or damage by all risks usually covered in homeowners' insurance policies (including earthquake, flood, cyclone, hurricane, tsunami, tidal wave and other types of sea wave damages and windstorm coverage where the mobile home may be located in recognized earthquake, hurricane, flood plain and windstorm zones) and against any other perils we request.

If it is an aircraft, you must carry all-risk comprehensive insurance, including collision and breach of warranty endorsement. You agree to carry additional coverage if we ask.

You may purchase any insurance required by this Agreement from an insurance company lawfully licensed or through an agent of your choice. You also agree not to assign the insurance policy or its proceeds to any other person.

The insurance you carry must be equal to the fair market value of the Personal Property granted to us as security. Your policy must also be in a form satisfactory to us and must include a clause stating that any loss is payable to us and it must also insure our interest as a separate insured party so that your acts, omissions or neglect will not affect our right of recovery under the insurance policy. In other words, in addition to the loss payable clause, the insurance policy must also provide that our coverage or interest in the insurance policy will not be invalidated by, for example, your non-disclosure, misrepresentation, breach of warranty or any loss caused by your acts, omissions or neglect provided that we pay any premiums demanded from us if you fail to do so. You give us the right to receive all insurance proceeds covering the Personal Property granted to us as security and at our discretion to apply the insurance proceeds in reduction of or for full settlement of any balance owed by you to us and you shall notify your insurer of this right.

If you fail to carry adequate insurance coverage, we may purchase it for you and charge you for the premium, the cost of which will be secured by the Personal Property granted to us as security. If the Personal Property granted to us as security is damaged, you will use the proceeds of the insurance to repair such Personal Property. However, if the Personal Property granted to us as security is lost, stolen or significantly damaged, we may decide, in our sole discretion, whether to use insurance proceeds to replace such Personal Property or to apply them to what you owe us. The loss, destruction or damage of the Personal Property granted to us as security does not excuse you from making payments to us unless the insurance proceeds paid to us pays off the total balance owing.

If we make any payments to take, hold, repair, maintain, insure or to defend claims against the Personal Property, you agree to reimburse us. The amount we pay for this insurance coverage will be added to the amount you owe under the mortgage and we can charge you interest at the mortgage interest rate. This amount is secured by the mortgaged Property and is due immediately. It is your responsibility to ensure repayment. We can, but are not obliged to, incorporate repayment of this amount into your regular mortgage payment. If such action is taken, we will notify you of the changes to your payment amount.

Maintenance

You promise to keep the Personal Property granted to us as security in good repair and replace all worn, broken or defective parts. If you fail to do this, we can make the repairs and charge you for them.

We have the right to inspect the Personal Property that you granted to us as security at any reasonable time. If the Personal Property is an aircraft, you must comply with the inspection requirements of the applicable regulatory authority.

Authority to hold funds on deposit

Applicable in St Maarten only:

(Right of pledge on funds on deposit)

This authority to hold funds on deposit – right of pledge on funds on deposit (in St. Maarten) section applies if you agreed to provide us with the authority to hold funds on deposit as security for your indebtedness to the Bank, as indicated in the Personal Credit Agreement you signed. Under the laws of St. Maarten this is referred to as a right of pledge. You agree to grant us a first ranking right of pledge on the funds in the designated bank account(s) you have with us.

Applicable in St. Lucia only: You acknowledge that the provisions in this authority to hold funds on deposit section replaces the pledge/pawn of the funds document you would normally sign and you confirm that the funds have been pawned in accordance with the relevant sections of the Civil Code (St. Lucia).

This document allows us, and in St. Maarten on the basis of the right to pledge, to hold the money in your Scotiabank account(s) indicated on the Personal Credit Agreement until the Loan and/or credit facility has been paid in full or the arrangement between us ends. For accounts granted or pledged to us as security, there are two key issues:

- ownership, and
- Default

Ownership

You represent and warrant to us that you are the sole and legal owner(s) of the account(s) described in the Personal Credit Agreement and that no other person(s) has/have any interest including any beneficial interests in the account(s) granted/pledged/pawned to us as security.

You irrevocably agree that you cannot withdraw funds from these account(s) except those funds that are in excess of the amount granted/pledged/pawned to us as security as indicated in the Personal Credit Agreement until your Loan(s), credit facility(ies) and all other obligations owing to us are satisfied in full. Your agreement to provide this security to us is not revocable.

It is understood that, if we allow you to withdraw funds from such account(s) in the ordinary course at any time, we may require you to repay in full your Loan with us, and such permission shall be without any prejudice to our right to hold the balance(s), and in St. Maarten on the basis of the right of pledge, in any such account(s) as security and is not to be considered as a waiver by us of any such right.

Default

In the event of your death or the Default of any payment of any money or in fulfilling of any of your obligations under the Personal Credit Agreement, the Security Agreement, this Agreement or in any other agreement you have entered into with us, we may

immediately, without notice or consent of any person, combine or consolidate any and all of your account(s) and set-off any credit balance in the account(s) against what you owe us, or to satisfy all other obligations to us, whether they are due and payable or not, and in whatever order we may determine from time to time. If there are insufficient amounts in your account(s) to discharge all of your obligations and liabilities owing to us, you and/or your estate representative agree to immediately cover any deficiency owing to us.

Assignment of life insurance – cash surrender value

(The provisions in this assignment of life insurance – cash surrender value section and in the “Ownership”, “Maintaining the policy” and “Notice to insurance provider” sections below apply if you have agreed to provide us with an assignment of the cash surrender value of your life insurance policy as security for your indebtedness to the Bank when you signed the Personal Credit Agreement.)

You have provided the Personal Property listed in the security granted section of the Personal Credit Agreement as security to us for your Loan and/or credit facility.

An assignment of life insurance is the document we hold when you provide security by way of the cash surrender value of your life insurance as security on your Loan. This document grants us an interest in the insurance policy and all amounts accumulated to your credit or benefit such as bonuses, additions, profits or other amounts to the extent of your indebtedness to us.

When you offer, and we accept, this assignment as the security for your Loan and/or credit facility, there are two key issues:

- ownership, and
- maintaining the policy

Ownership

You warrant that the life insurance policy you are assigning is valid and that it has not been forfeited, surrendered, assigned or otherwise disposed of or rendered void, and that you have the right to assign the policy.

You also warrant that the beneficiary of the life insurance policy agrees to this assignment and that we may deal with you without further reference to the beneficiary.

You irrevocably authorize us as assignee of the policy to do anything in relation to the policy as part of this assignment.

We will send a notice to your insurance company advising them of your assignment of the cash surrender value of your life insurance policy. A copy of the text is included at the end of this assignment of life insurance – cash surrender value section. We will also keep a copy of the notice attached to the copy of your insurance policy that we will keep on file.

This assignment remains as a continuing security for any and all future borrowings between you and us. We may deal with you or any other person in relation to the policy or any other agreement without releasing any of our rights under this assignment.

While the policy is assigned to us, we may:

- take the benefit of any option granted by the terms of the policy or arising subsequently;
- accept any policy in lieu of or substitution for the policy listed in the security granted section of the Personal Credit Agreement and in so doing, have all the rights of that policy;
- sell, dispose of, or accept the cash surrender value of the policy or substituted policy, or accept one or more paid up policies or exercise any other rights, remedies or recourses permitted by applicable law, if you Default on any payment to the Loan secured by this policy; and/or
- demand or sue to recover any amount under the policy and give the insurance company a final receipt for any such payment. The insurance company in making a payment to us will not be required to determine how much money you owe us; and
- we will not be responsible for any loss that may occur in the value of the policy, or for the negligence of any lawyers (attorneys-at-law) or agents employed by us.

Our interest in your policy ends when the Loan has been paid in full.

Maintaining the policy

You are responsible for paying all premiums and any other charges required and to do everything else to keep the policy in force. If you do not, we can pay the premiums and/or charge you and we can add these costs to your Loan and/or credit facility which will bear interest at the same interest rate as the Loan and/or credit facility.

You cannot change the name of the beneficiary in the policy without our written consent. You also cannot assign or otherwise dispose of the policy by will, contract or other means and you cannot change the insurance plan of the policy during the period the policy is assigned to us.

Notice to insurance provider (where applicable)

If the security granted in your Personal Credit Agreement is the cash surrender value of your life insurance policy, we will ask you to sign a Notice to Insurance Provider. We will provide your insurance provider with a copy of the signed notice and ask that they acknowledge and return a copy to us.

This notice is your direction to your insurance company that you are using the cash surrender value of your life insurance policy as security on a Loan and/or credit facility: Here is the wording that appears in the Notice to Insurance Provider:

“I am informing you that I have assigned and transferred as security all rights, title and interest in the policy identified above to Scotiabank. Scotiabank can do anything in relation to my policy that I am entitled to do. Scotiabank has the right to sell, dispose of, or accept the cash surrender value of the policy listed above, or substituted policy, or accept one or more paid up policies should I default in any of my obligations to the Bank.

This assignment shall remain as a continuing security in favour of the Bank until expressly cancelled by the Bank. This assignment is irrevocable by me unless consented to by the Bank in writing.”

Guarantee

A guarantee (“**guarantee**”) is the document we hold as security for the borrower’s Loan(s) and/or credit facility(ies) when an individual, business or company (referred to as a “**guarantor**”) has agreed to pay the borrower’s debts and liabilities if he or she fails to pay or perform the obligations set out in the Personal Credit Agreement, this Agreement or in any Security Agreement.

For the purposes of this guarantee section, “**you**” and “**your**” refer to the guarantor(s) that signed the Personal Credit Agreement and it also includes a business and company. If an incorporated business or company has provided the guarantee then the business or company providing the guarantee is personally liable for repayment of the borrower’s debts and obligations to us.

This guarantee section applies if you agreed to provide a guarantee for any of the borrower’s (including any co-borrowers) debts or obligations as described in the Personal Credit Agreement and if you signed as guarantor on the Personal Credit Agreement. As a guarantor you will receive a copy of this guarantee.

In consideration of our providing the borrower(s) with the Loan(s) and/or credit facilities and by signing the Personal Credit Agreement each guarantor agrees to be bound by the following terms of this guarantee:

- the guarantee is a continuing guarantee which means it applies to all guaranteed debts and to any balance(s) due or owing to us until they have been paid in full and is not discharged or released by any change in capacity or death of the guarantor(s) and is security for the guaranteed debts. It also means the guarantee will not be considered to be satisfied (either fully or partially) simply because you have made a payment to us as long as there are any guaranteed debts left owing after you have made the payment to us;
- as guarantor you agree that you are responsible to us up to the maximum extent allowed by applicable law for all debts and obligations (including present, future, direct, indirect, absolute, contingent, matured or not) outlined in the Personal Credit Agreement, this Companion Booklet and this guarantee and in any other Security Agreement including all interest, fees, legal and other costs and all charges and expenses (collectively we refer to these in this section as “**guaranteed debts**”), we are entitled to demand payment from you even if we have not tried to get payment from the borrower(s), or from any other person, seized and/or realized on any other security or collected under any other guarantee or from any other guarantor. You give up all benefits of discussion and division.

“Benefit of discussion” is the right you have to ask us to use all available procedures or legal solutions against the borrower(s), other guarantors or any other person before

being entitled to full payment from you under the guarantee. “Benefit of division” is when there are other guarantors who also guaranteed the borrower(s)’ debt and you insist on paying us only for your proportionate share of the guaranteed debts;

- we do not have to demand or get payment from all guarantors; we can demand and get the whole amount from any guarantor or guarantors we choose (this is often called joint and several liability);
- if the borrower(s) Default(s) on any payment or obligation owed to us, we are entitled to treat all guaranteed debts as due and payable. We can then immediately demand and collect the total guaranteed amount from you;
- you must pay us immediately after we demand payment and your liability and obligation to make payment arises immediately after we have demanded payment from you. We will demand payment in writing and will mail or deliver our demand letter or notice to the last address we have on file for you;
- until we are paid in full, you agree that any interest(s) you have as guarantor including all dividends and proceeds of any securities and all amounts and obligations owing to you by the borrower(s) are fully postponed to us and you waive all rights to take legal action against the borrower(s) and to exercise rights of subrogation which are the rights to take our position and security. We are not required to marshal property which is the act of realizing security in a certain order; and
- your liability as guarantor includes the obligation to pay to us any interest the borrower(s) has not paid at the same rate payable by the borrower(s) as indicated in the Personal Credit Agreement whether it is before or after judgment (where permitted) from the date of the demand until paid in full. Subject to applicable law, you must also pay all of the costs and expenses we incur to get the money the borrower(s) owe(s) us including any costs and expenses of collecting from you including without limitation legal fees on a lawyer or attorney-at-law and his/her own client basis.

You are not released from your liabilities or obligations as guarantor or from the guarantee and this guarantee is not discharged or affected in any way if, from time to time:

- we change the terms of your or the borrower’s indebtedness or if we deal with the borrower(s) on different terms than in the Personal Credit Agreement, this Agreement or Security Agreement. These changes include the terms of the credit arrangement such as discontinuing, reducing, increasing, or otherwise varying the amount of the Loan(s) and/or credit facility(ies) and the granting of time, extensions, renewals, amendments, indulgences, releases and discharges. We do not have to notify you if we make any of these changes;
- we delay or refuse to require or enforce payment of the Personal Credit Agreement, this guarantee, this Agreement or realize under any Security Agreement;

- we do not take or perfect any security interest we may have in Property or if we give up any Property or security that has been provided to us for a Loan(s) and/or credit facility(ies);
- you or the borrower(s) die or if there is any change in the borrower(s) name or change in your or the borrower(s) capacity or status including bankruptcy or insolvency or any other event that results in the borrower(s) not being under a legal obligation to pay the indebtedness owing to us, even if we advance more money after the loss of capacity, death, bankruptcy or insolvency but before we have received notice of any of these events occurring; or
- by any other event that would otherwise have the effect of discharging you from your liabilities or obligations as a guarantor unless we have agreed to such a waiver or indulgence.

You or your executors, administrators, personal or legal representatives can terminate any further liability under this guarantee by giving us thirty (30) days' notice in writing at the branch where the Loan(s) and/or credit facility(ies) is/are maintained or administered; however the termination only applies to debts and liabilities that you would have to pay on behalf of the borrower(s) after the thirty (30) day notice period has expired. You cannot terminate any debts, liabilities or obligations you have guaranteed that are owed by the borrower(s) or that arose from our dealings with the borrower(s) before we received the termination notice or for any debts, liabilities or obligations that arose during the thirty (30) day notice period even though these debts or liabilities may not yet be due or matured.

You acknowledge and agree that we can fulfill any of the borrower(s)' requirements based on any agreements (either express or implied) we made with the borrower(s) before the thirty (30) day notice period expires and that any debts, liabilities and obligations that result from our dealings with the borrower(s) are also covered by this guarantee. If there is more than one guarantor and this guarantee is terminated by one or more guarantor, the guarantee will remain a continuing guarantee for all other guarantors.

This guarantee is in addition to any security and any other guarantee we hold. The liability under the guarantee may be limited, however, only if the limitation is set out in the Personal Credit Agreement.

Part V – Scotiabank Privacy Agreement

How We Protect your Privacy

Your privacy is important to Scotiabank. This Privacy Agreement (the “Privacy Agreement”), as amended from time to time, sets out the information practices for Scotiabank, its branches, subsidiaries, affiliates and joint ventures; including the type of information that will be collected, how the information will be used, and with whom the information will be shared.

This Privacy Agreement applies to each individual, or business (where personal information is collected for the purpose of offering products or providing services) that have applied for, signed an application, enrolled in, or use any personal or business banking, insurance, brokerage or financial product or service offered by us (the “service(s)”) including any co-applicant(s), guarantor(s) and personal representatives.

This Privacy Agreement replaces all previous agreements, either written or oral, between you and us regarding the collection, use and disclosure of your personal and financial information.

In this Privacy Agreement:

“we”, “Our”, “Us”, “Scotiabank”, and the “Bank” mean, as applicable, The Bank of Nova Scotia, including but not limited to and its branches, agencies, subsidiaries and affiliates operating in and outside of your home jurisdiction.

“you” and “your” mean an individual, or business (where personal information is collected for the purpose of offering products or providing services) that has applied for, signed an application, has enrolled in or uses any service and includes any co-applicants, guarantors and personal representatives.

Collection, use and disclosure of your information

Scotiabank is a global organization with legal entities, business processes, management structures and technical systems that cross borders. Our privacy practices are designed to provide protection to your personal and financial information within Scotiabank in every jurisdiction in which we operate.

What We Collect from You

When you apply for, or provide a guarantee in respect of, or enroll in a survey, promotion or contest with Scotiabank, or use any service and while you are our customer, you acknowledge and consent that we may collect certain personal and financial information from you and about you, including but not limited to:

- Your full name, address, National Identification Number (where applicable), date of birth, occupation and the nature and type of business you operate (if applicable), which is required by law in many of the jurisdictions that Scotiabank does business;
- At least one piece of government-issued identification with a picture, such as a valid passport, national identification card, voter's card or driver's license, as well as other documents or means of confirming your identity that are acceptable to us. We may also ask for documents such as a recent utility bill to verify your name and address;
- Your education, annual income, assets, liabilities and credit history;
- Information about your transactions, including payment history, business account activity, how you intend to use the account, certificate of deposit, term deposit, products or services and the source of any incoming funds, wealth, or assets;
- Information we may need in order to provide you with a service, such as asking you for health information if you are applying for certain insurance products. In some instances, providing this information is optional;
- Information about third parties such as your spouse if you are applying for certain services, where this information is permitted by law; and
- Information about beneficial owners, intermediaries and other third parties where this information is required by law.

For legal entities such as corporations, partnerships, trusts, estates, organizations, joint ventures or investment clubs, we may collect the information referred to above for each authorized person, including, without limitation: officers, partners, trustees, executors and club members, as appropriate.

In addition, when you apply for, enroll in or use a service, or participate in any contest, survey or event via a digital channel (such as online or mobile banking), we may collect information about your computer or device, operating system, internet connection or telephone account, settings, IP address, device locational data, and transaction data, as well as personal information as described above. We may collect, use, disclose and retain this information for the purposes described below, as well as to determine which settings are appropriate for your computer system, so we can provide or enhance digital functionality and banking options, for security purposes, internal analysis and reporting. You may withhold consent to the collection, use and disclosure of this information, although in some cases this may prevent you from using the digital channel to apply for or use a service or to communicate with us, or may reduce the functionality of that channel.

Scotiabank or its service providers may also use various web tools including Cookies (please see our Cookies Policy), Web Beacons and Tagging on our websites and advertisements to evaluate and improve our websites and other electronic offerings, tailor our services, enhance our customer experience and communicate with you regarding products and services that may be of interest.

- Tagging is a customized code on our websites that provides the ability to monitor user activity on Scotiabank websites. This software can be used to capture user activity to be used by us or a third party for analysis so that we can understand and enhance our user experience and provide further security controls.
- Web Beacons are small images embedded in our websites that, when combined with Cookies, help provide us with information about the use and effectiveness of our website. Uses and Disclosures of Your Information.

Use and Disclosure of Your Information

You hereby acknowledge and consent that we may collect, use and disclose personal information and financial information from you, use said information, and disclose it to, any person or organization for the following purposes:

- To confirm your identity;
- To understand your needs;
- To determine the suitability of our services for you;
- To determine your eligibility for our services;
- To set up, manage and offer services that meet your needs;
- To provide you with on-going services;
- To provide you with various options for applying for and accessing Services;
- To meet our legal and regulatory requirements that we believe are applicable to us, including the requirements of any self-regulatory organization to which we belong;
- To help us collect a debt or enforce an obligation owed to us by you;
- To respond to a local or foreign court order, search warrant or other lawful demand or request that we believe to be valid, or to comply with the rules of production of a local or foreign court;
- To manage and assess our risks;
- To investigate and adjudicate insurance claims, other claims or complaints; and
- To prevent or detect fraud or criminal activity or to manage and settle any actual or potential loss in connection with fraud or criminal activity.

When we collect health information about you for the purpose of providing an insurance service, we will use such information strictly for that purpose. (See below for more information.)

The information that we collect is used strictly for banking purposes. Our employees' access to your records is restricted and limited to facilitate the business or provide ongoing customer service. We permit only authorized employees, trained in the proper handling of customer information, to have access to your records.

We have adopted and implemented physical, electronic and procedural safeguards and security practices to ensure that your information remains confidential, safe and secure as required by law, and internal procedures and practices.

Scotiabank may use video surveillance in and around our branches, bank machines and other locations for the purpose of safeguarding our clients and employees and protecting against theft, fraud and vandalism. Any video images recorded are destroyed when they are no longer required for business or other purposes, and any personal information is safeguarded in accordance with this Privacy Agreement.

Third Parties

We do not provide directly all the services related to your relationship with us. There are often times when we may be required to use third party service providers to process or treat personal and financial information on our behalf, and to assist us with various services including but not limited to: printing, mail distribution, data processing, marketing, providing customer support, or performing statistical analysis of our services. You hereby acknowledge and consent that we can release personal and financial information about you to third parties for the purposes described above.

When personal information is provided to our service providers, we will require them to protect the information in a manner that is consistent with Scotiabank privacy policies and practices.

International Transfer/Outsourcing of Personal Information

Our service providers may be located in different jurisdictions. As a result, your personal and financial information may be accessible to regulatory authorities in accordance with the laws of the countries where our service providers operate.

We may share your personal and financial information within Scotiabank, its branches, subsidiaries and affiliates operating outside of your home jurisdiction for any of the purposes set out above. As a result, your personal and financial information may be accessible to regulatory authorities in accordance with the laws and regulations of the respective jurisdiction(s).

For transfers of data, Scotiabank will take the necessary measures to ensure that third parties protect the personal and financial information they receive from us in a manner that is consistent with our policies and practices, and ensure that such information will only be used for its identified purposes.

You hereby expressly authorize Scotiabank to transfer personal and financial information for the purposes identified above.

Verifying your Identity

We may ask you for your social security number, tax or national identification number (where applicable), or other government-issued personal identification information, where permitted by law, for income tax purposes and to fulfil other regulatory

requirements, as required by law. In addition, we may also use this information to verify and report credit information to credit bureaus and credit reporting agencies as well as to confirm your identity. You may refuse to consent to its use or disclosure for purposes other than as required by law. However, this may result in a denial of a service or product.

In addition, information may also be shared with foreign taxation authorities such as the U.S. Internal Revenue Service or to any local taxation authority as required under the U.S. Foreign Account Tax Compliance Act (“FATCA”), or similar legislation from other countries or under local law.

Also, we may contact your employer in order to verify the relevant information you provide us. We may contact your references, or other reliable independent sources, and you consent to any person whom we contact in this regard to provide information to us.

If you apply for or enroll in a service and during the time you have the service, we may consult various financial service industry databases, third parties or privacy investigative bodies maintained in relation to the type of service you have applied for, enrolled in, or have. You also authorize us to release information about you to these databases and investigative bodies.

The aforementioned, will allow us to ensure accuracy of personal and financial information provided.

We may refuse to enter into, or continue business relationships, or conduct transactions with you for certain legal reasons including without limitation: failure to ascertain your identity, if you insist on anonymity or provide false, inconsistent or conflicting information where the inconsistency or conflict cannot be resolved to our satisfaction after reasonable inquiry.

Monitoring

You acknowledge and consent that we may monitor your account(s), certificate(s) of deposit, term deposit(s) and any other account(s) you have with us to meet our legal and regulatory obligations, including using automated surveillance systems to prevent or detect fraud, or criminal activity such as money laundering or terrorist financing.

You acknowledge and consent that we may share your information within Scotiabank its branches, subsidiaries, joint ventures and affiliates for the aforementioned purposes, and other account activity, which includes: investigating unusual or suspicious activity and, if necessary, reporting such activity to law enforcement agencies.

In order to establish a record of the information you provide, to ensure that your instructions are followed properly and to ensure customer service levels are maintained, you acknowledge and consent that an original of our permanent business record(s) (in any form, including microfilm, photocopy, CD-ROM or image) or any communication may be substituted for a copy of such document. You acknowledge and consent that such records, or any recorded verbal communication, may be used, to the extent permitted by

law, as conclusive evidence of the content of that communication in any legal or other proceedings.

You acknowledge and consent that we may monitor, record, and retain any telephone call or electronic communication we have with you. The records of calls and electronic communications may be retained for legal purposes, to establish a record of the information you provide, to ensure that your instructions are followed properly, and to ensure customer service levels are maintained.

Records of calls and electronic communications are safeguarded in accordance with this internal privacy practices, and will be destroyed subject to regulatory retention periods and internal processes. We may inform you before proceeding with the call of this possibility.

Products and Services

If you have a service with us, you acknowledge and consent that we may use, disclose to and collect from credit bureaus, credit reporting agencies or financial service industry databases (where applicable), credit and other information about you in order to offer you pre-approved credit products or margin facilities.

When you apply for, accept, guarantee a loan or credit facility, or otherwise become indebted to us, and from time to time during the course of the loan or credit facility, you acknowledge and consent that we may use, give to, obtain, verify, share and exchange credit and other information (except health information) about you with third parties, including: credit bureaus, mortgage insurers, creditor insurers, registries, our branches, subsidiaries and affiliates, and other persons with whom you may have financial dealings, as well as any other person as may be permitted or required by law. You expressly consent that we may do this throughout the relationship we have with you.

YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT, REFLECTING ON YOUR CREDIT RECORD, MAY BE SUBMITTED TO A CREDIT REPORTING AGENCY IF YOU FAIL TO FULFILL THE TERMS OF YOUR CREDIT OBLIGATIONS.

If you have a service with us such as a *ScotiaCard* Banking Card, credit card or line of credit product, you consent that we may give information (except health information) about you to electronic payment service providers, credit or charge card associations, loyalty program partners and their employees and agents for the purposes of processing, authorizing and authenticating your transactions (as the case may be), providing you with customer assistance services, and for other purposes related to your services. We may also give this information in respect of your participation in contests and promotions administered by the electronic payment service providers, credit or charge card associations and loyalty program partners on our behalf. You expressly consent that we may do this throughout the relationship we have with you.

Where allowed by law, we may share personal and financial information (except health information) about you within Scotiabank so that our companies, subsidiaries, joint

ventures and affiliates may contact you directly about their products and services. Scotiabank provides services such as deposits, loans and other personal financial services, credit, charge, debit and payment card services, full-service and discount brokerage services, mortgage loans, trust and custodial services, insurance services, investment management and financial planning services and mutual funds investment services. Your consent will cover any subsidiaries and affiliates that form part of Scotiabank in the future. You also consent that we may provide you with information from third parties we select, to provide you with ongoing service and to meet and to facilitate our business with you. Your consent to this is not a condition of doing business with us and you may withdraw it at any time.

If you have a service with us, we may use, disclose to and collect from credit bureaus or financial service industry databases, credit and other information about you in order to offer you pre-approved credit products or margin facilities.

We may ask you for contact information such as your telephone, mobile, fax number or e-mail address and you consent that we may keep and use this information as well as disclose within Scotiabank so that we may contact you directly through these channels for the purpose of marketing, including telemarketing. Your consent will cover any subsidiaries and affiliates that form part of Scotiabank in the future. Your consent to this is not a condition to doing business with us and you may withdraw it at any time.

If we sell a subsidiary, affiliate, or a portion of the business of Scotiabank, you consent that we may release information we hold about you to the prospective purchaser. We will require any prospective purchaser to protect the information provided, and to use it in a manner that is consistent with Scotiabank's privacy policies and practices.

Retention

You consent that we may keep and use information about you in our records for as long as it is needed for the purposes described in this Privacy Agreement, even if you cease to be a customer, subject to applicable law.

Accuracy

You acknowledge that all the information provided by you will, at any time, be true and complete. If any personal or financial information changes or becomes inaccurate or out of date, it will be your responsibility to advise us so we can update our records.

Health Information (Only applicable in countries where we are legally entitled to offer insurance services to you)

Subject to applicable legal requirements, when you apply for, or sign an application in respect of or accept an insurance service from us, you expressly consent that we may use, give to, obtain, verify, share and exchange information about you with third parties, including without limitation: the references you have provided, from hospitals and health practitioners, from government health insurance plans, from other insurers, from medical information and insurance service bureaus, from law enforcement representatives, from

private investigators, and from other groups or companies where collection is necessary to underwrite or otherwise administer the service requested, including the assessment of claims. You also authorize any person whom we contact in this regard to provide such information to us.

If you accept an insurance service with us, or if an insurance service is issued on your life, you agree that you may only withdraw your consent, as indicated above, so long as the consent does not relate to the underwriting or claims where Scotiabank must collect and report information to insurance service bureaus after the application has been underwritten or the claim has been adjudicated. This is necessary to maintain the integrity of the underwriting and claims systems.

Refusing or withdrawing consent

Subject to legal, regulatory and contractual requirements, you can refuse to consent to our collection, use or disclosure of information about you, or you may withdraw your consent to our further collection, use or disclosure of your information at any time in the future by giving us reasonable notice. However, depending on the circumstances, withdrawal of your consent may prevent us from providing you, or continuing to provide you, with some Services, means of access to Services, or information that may be of value to you.

We will act on your instructions as quickly as possible but there may be certain uses of your information that we may not be able to stop immediately.

You may not withdraw your consent for the following purposes:

- To meet our legal and regulatory requirements that we believe are applicable to us, including the requirements of any self-regulatory organization to which we belong;
- To respond to a local or foreign court order, search warrant or other lawful demand or request that we believe to be valid, or to comply with the rules of production of a local or foreign court;
- To prevent or detect fraud or criminal activity or to manage and settle any actual or potential loss in connection with fraud or criminal activity.

You cannot refuse our collection, use and disclosure of information required by third party service providers essential for the provision of the Services or required by our regulators, including self-regulatory organizations.

You may inform us at any time to stop using information about you to promote our Services or the products and services of third parties we select. If you wish to refuse consent or to withdraw consent as outlined in this Agreement, you may do so at any time by contacting the branch or office with which you are dealing.

Changes to this Privacy Agreement

You acknowledge and consent that we can amend, modify, change or replace this Privacy Agreement at any time to take into consideration changes in laws and regulations, or other issues that may arise. We will post the revised Privacy Agreement on our public

website and make it available at our branches. We may also notify you of any changes to this Privacy Agreement in accordance with applicable law, which may be in any of the following ways:

- A notice addressed to you at your last address in our records;
- An announcement through the Voice-Response-Unit (VRU);
- A notice on our public website;
- A notice in our branches;
- A notice in your statement;
- A notice prominently displayed at our ATMs or on our ATM screens; or
- Notice in the official gazette (local newspaper)

We consider you to have received the written notice:

- a) On the same day that it was sent if sent by fax or by Electronic Communication;
- b) On the day it was hand delivered;
- c) When it is posted in our branches, posted on our website, displayed at our ATMs or on our ATM screens, or announced on our voice-response-unit;
- d) Printed in your statement;
- e) On the fifth (5th) calendar day if sent by regular mail. If your address is in The Bahamas, St. Maarten or in Grenada, we consider you to have received the notice on the fourteenth (14th) day of it being mailed; or
- f) Thirty days after notice has been published in the official gazette (local newspaper).

Your continued use of the business account, certificate of deposit, term deposit or any other account, product or service, or if you have funds on deposit with us in the business account, in a certificate of deposit or term deposit or any other account following notice of such change, means that you agree to and accept the new terms and conditions of the Privacy Agreement as amended. If you do not agree with any of the changes made, you must immediately stop using the business account, certificate of deposit, term deposit or account, product and/or services and notify us that you are terminating your respective agreement with us and close the business account(s), certificate(s) of deposit and/or term deposit(s) (where permitted).

If you have a general question about Scotiabank's privacy policies, please contact the branch or office you deal with or call your local Scotiabank Contact Centre.

Part VI – *ScotiaCard* Cardholder Agreement

This *ScotiaCard* Cardholder Agreement (“**ScotiaCard Cardholder Agreement**”) sets out the terms that apply to your *ScotiaCard* Banking Card. It replaces all previous *ScotiaCard* Cardholder Agreements and it applies if we send or provide you a renewal or a replacement *ScotiaCard* Banking Card.

You agree to use your *ScotiaCard* Banking Card and/or your Electronic Signature according to the terms of this *ScotiaCard* Cardholder Agreement and any other terms or conditions that we may advise you of from time to time.

Definitions you need to know

In this *ScotiaCard* Cardholder Agreement,

“**Account**” means a deposit account, credit card account or loan account such as a *ScotiaLine* personal line of Credit Account or *ScotiaLine* Gold personal line of Credit Account you have with us that can be accessed by using your *ScotiaCard* Banking Card and your Electronic Signature.

“**Bill Payment Company**” refers to a business, company, utility company or other party that has an arrangement with Scotiabank to be a payee of bill payments through the service for which you have been registered by Scotiabank for branch, telephone banking, ATM, *Scotia OnLine* Internet banking and/or Scotia mobile banking bill payment access.

“**Rates and Fees Schedule**” means the document that contains the rates and fees for the different banking products and services you have with us, as amended from time to time in accordance with applicable law. It also includes the Rates and Fees Schedule to the Personal Credit Agreement Companion Booklet and the Rates and Fees Schedule to the Personal Financial Services Agreement booklet as applicable.

“**ScotiaCard Cardholder Agreement**” means this *ScotiaCard* Cardholder Agreement as amended, modified and/or replaced from time to time. The *ScotiaCard* Cardholder Agreement also includes the Rates and Fees Schedule.

“**You**” and “**Your**” mean the person to whom we have issued a *ScotiaCard* Banking Card.

Any terms that have not been defined in this *ScotiaCard* Cardholder Agreement have the same meaning as the terms set out in Part I (Introduction) and in the "Other Definitions you need to know" section of this Companion Booklet.

Electronic Signature

Protecting the security of your Card and your Electronic Signature is important. You agree to keep your Electronic Signature confidential and separate from your Card at

all times. You further agree to select an Electronic Signature that cannot be easily guessed and not to use a combination selected from your name, date of birth, telephone number(s), bank account number(s), addresses or identification numbers such as your social security number or national identification number.

No one but you is permitted to know or use your Electronic Signature. If someone obtains your Card and your Electronic Signature in a way that allows them to be used together, you may be liable for their use of your Card. Please refer to the “Limitations for authorized and unauthorized use of the *ScotiaCard* Banking Card” section in this *ScotiaCard* Cardholder Agreement for more information regarding when you are liable and when you are not.

Using your *ScotiaCard* Banking Card

Upon your request, we will issue a *ScotiaCard* Banking Card to you, in your name. When you receive the Card or any renewal Card or if you select a PIN, sign the reverse of the Card, activate or use the Card or use your *ScotiaCard* Banking Card number, that means you have received and read this *ScotiaCard* Cardholder Agreement and you agree with its terms and conditions.

Once your *ScotiaCard* Banking Card is activated, you may access any of the following automated banking services (where available) by using your *ScotiaCard* Banking Card and your Electronic Signature specific to that service.

CHIP cardholders and *ScotiaCard* Banking Cards with an expiry date

If your Card has an expiry date, a replacement Card will be issued to you prior to expiry and ready for pick up at your Domicile Branch up to 30 days prior to expiry. You will be notified by the branch when the Card is available for pickup. You agree not to use your *ScotiaCard* Banking Card after the Card’s expiry date. If it is used, you are liable for all transactions that are incurred.

I. Automated banking services

You can access your designated accounts through the following delivery channels (where available):

- designated automated teller machines (ATMs);
- *TeleScotia* telephone banking (automated or agent-assisted);
- Debit Point of Sale (POS) Devices that display the logos of any payment network system we may designate from time to time for purchase transactions paid for using your Card;
- *Scotia OnLine* Internet banking; and
- *Scotia* mobile banking.

You can obtain Cash Advances at designated ATMs from your Scotiabank credit card account, *ScotiaLine* personal line of Credit Account and *ScotiaLine* Gold personal line of Credit Account if:

- automated banking services access to these designated accounts has been pre-arranged;
- your accounts are in good standing; and
- your account credit limit will not be exceeded as a result of obtaining the Cash Advance.

You authorize Scotiabank to accept your instructions given through any of these methods, as if you had given the instructions in writing, for any service request the Bank is prepared to honour, including bill payments, transfers between accounts, transfers to third parties (where available) and any other available Automated Banking Services offered by the Bank from time to time.

You understand that each withdrawal or transfer from your Scotiabank credit card account, *ScotiaLine* personal line of Credit Account or your *ScotiaLine* Gold personal line of Credit Account using your *ScotiaCard* Banking Card is treated as a Cash Advance under the terms of the Scotiabank credit card cardholder agreement and the Personal Line of Credit Agreement as applicable.

II. Any branch banking (“ABB”) service

You can access your designated account through the ABB service by presenting your card, together with your PIN, your passbook, your personalized Scotiabank cheque, or such other identification, as we reasonably require, at local Scotiabank branches in the country where your account is maintained.

Inactive accounts cannot be accessed through any Automated Banking Services or through the ABB service.

III. POS, phone, mobile, Internet, mail order purchases

Where available, you may use your Card or your Card number to pay for goods and services. When you pay for goods or services using your *ScotiaCard* Banking Card number without presenting your *ScotiaCard* Banking Card, you will have the same responsibilities as if you had presented your *ScotiaCard* Banking Card to a merchant, retailer, business or company and signed a sales draft or receipt or entered your Electronic Signature.

The services referred to in clauses I, II, and III above are collectively referred to in this Agreement as the “**service(s)**”.

Transaction charges and fees

You agree to pay and we may deduct, without notice, from any of your accounts (even if this creates or increases an overdraft) the following:

- I. A transaction charge or service fee, at the prevailing rate (as determined by us from time to time), for each transaction for which your Card or your *ScotiaCard* Banking Card number through any of the services listed above or other designated automatic

terminals. The amount of the charges and fees is set out in the Rates and Fees Schedule. A notice of the charges and fees is also available from your Domicile Branch upon request.

- II. The transaction charges or service fees imposed by other financial institutions (inside or outside the country in which the *ScotiaCard* Banking Card is issued) for transactions conducted through their ATMs or Debit Point of Sale (POS) Devices in which the *ScotiaCard* Banking Card and Electronic Signature have been used. You should contact the other financial institution for the transaction fees or service fees they charge for using their ATMs or Debit Point of Sale (POS) Devices.

You acknowledge that the transaction charges and service fees charged for each transaction performed are in addition to any account level service charges that apply to your account(s).

- III. Any stamp duty payable by the Bank or by you with respect to any transaction made using your *ScotiaCard* Banking Card.

Our fees and charges may change from time to time and we may add new fees and charges. When we change our fees or charges or add new fees or charges, we will notify you of these changes as indicated in the “Adding or changing the terms of this *ScotiaCard* Cardholder Agreement and the Rates and Fees Schedule” section and in accordance with applicable legal requirements.

Transaction limits

We may establish and change limits, dollar or otherwise, from time to time, that apply to your use of the *ScotiaCard* Banking Card and on the various transactions that may be available through the services, without prior notice to you.

Cumulative limits (e.g. daily, weekly or per transaction) vary from country to country and notice of such limits is available in our branches upon request.

Transaction records/confirmation numbers

At the completion of each ABB service and automated banking service transaction, you will be given a printed copy of a transaction record or a reference number, unless otherwise requested. If your *ScotiaCard* Banking Card and Electronic Signature are used for a direct point of sale (POS) transaction, we may arrange for a third party, such as a merchant, to give you the transaction record.

You agree that cheques or any other form of debit voucher transaction performed at any Scotiabank branch offering ABB service or done through Automated Banking Services other than at your Domicile Branch, will not be returned to you, but rather a description of the transaction only (e.g. cheque, debit voucher or debit memo) will be reflected in your monthly account statement or passbook.

Accepting our records

Our records as to whether an automated banking service or an ABB service transaction has been performed and our determination of the details of that transaction, will be

considered correct and binding on you, unless you provide us with evidence to the contrary within thirty (30) days of the date of a disputed transaction.

Posting of transactions

Any automated banking service transaction (excluding automated bill payments) conducted before midnight (12:00 am) local time (in the country where you maintain your account), Monday through Friday will normally be posted to your applicable account as of the date of the transaction, unless that day is a holiday.

Transactions conducted on Saturdays, Sundays or holidays will normally be posted to your applicable account as of the next business day. Transactions conducted outside the country of your Domicile Branch may be posted to your account at a later date.

Any automated bill payment request made on or before the local bill payment cut-off time, Monday through Friday, will be posted to any of your designated account(s) on the day of the transaction. An automated bill payment made after the local bill payment cut-off time, Monday through Friday or anytime on Saturday, Sunday or a holiday will be posted to your designated account on the next business day. The cut-off times vary from country to country and are available on the country-specific Scotiabank website from your Domicile Branch.

Any automated bill payment request will be deemed to have been received by us on the date the transaction is posted to your account.

We are not responsible for any of the processing of or any of the posting procedures or practices of your designated bill payment companies and we are not responsible if they charge you late fees or interest penalties.

When you make a bill payment at one of our ATMs, branches, through *Scotia OnLine* Internet banking, *Scotia* mobile banking or *TeleScotia* telephone banking, you are responsible for ensuring that the bill payment company (including account numbers and payee names) required by us to complete your payment instructions to that bill payment company is accurate at all times. We may, without notice to you, update your bill payment profile information if we are advised of a change by the bill payment company.

Transactions involving accounts with insufficient cleared funds at the time of posting will be declined.

For post-dated bill payments and funds transfers, funds will be withdrawn from your designated account on the date that you instruct us to make the payment unless that day is a Saturday, Sunday or a holiday in which case the transaction will be processed the next business day.

Limitation of Liability

Further to the terms on the “Limitation of Liability” section on page 9, we are not responsible if you give us incorrect instructions or if your payment instructions are not given sufficiently in advance to allow for timely payment.

We are not liable for any deficiencies in the accuracy, completeness, availability or timeliness of any information you provide to us or for any investment or other decision made using this information.

Neither the Bank, any access service provider and any other information provider, make any express or implied representations or warranties concerning the ATM services, *TeleScotia* telephone banking, *Scotia OnLine* Internet banking services, *Scotia* mobile banking or Internet browsers including, but not limited to, any representations or warranties of merchantability, fitness for a particular purpose or non-infringement of any third party proprietary rights, unless disclaiming such representations or warranties is prohibited by law.

If your *ScotiaCard* Banking Card and Electronic Signature or handwritten signature is used for a service transaction, the Bank is in no way responsible for the quality or non-receipt of the goods or services from stores, retailers, companies or merchants. We are also not responsible for any problems you have with any bill payment company when you use your Card and Electronic Signature to pay a bill. All claims or disputes between you and the store, retailer, company or merchant, including your rights to compensation or any offsetting rights (set-off), shall be settled directly by you with the store, retailer, company or merchant.

We are not liable to you if an ATM or if a store, retailer, company or a merchant does not accept the *ScotiaCard* Banking Card at any time or if you cannot use your Card with your Electronic Signature at any time or for any reason including if we cancel or temporarily de-activate your Card or decline to authorize a transaction because we have detected activity in your account or the use of the Card that we consider to be unusual.

If a store, retailer, company or merchant issues you a refund, we will credit your designated account with the refunded amount only when we receive a properly issued credit voucher or other appropriate verification or authorization of the refund from the store, retailer, company or merchant.

You are responsible for any errors that result from your having incorrectly provided us with or having selected any account number, dollar amount or other information required for the operation of the Automated Banking Services. You acknowledge that once you have confirmed the details of a payment or transfer, you may not revoke or stop the payment or transfer, except in the case of a post-dated *Scotia OnLine* Internet banking payment, you may delete the payment no later than three (3) business days before the date the payment is due to be charged to your account.

You are responsible for notifying us of any changes to or errors in billing account information. You are responsible for effecting these changes to your account information via *TeleScotia* telephone banking or *Scotia OnLine* Internet banking (where these services are available).

We may, in our discretion and without prior notice, refuse a request for authorization of any *ScotiaCard* Banking Card transaction, and may notify third parties of such

refusal as we think necessary. In exercising such discretion, we may take into account calculating the funds available, including any funds, which we may decide, have been credited or debited to your account.

We are not obligated to act on any withdrawal instruction from you if sufficient funds, including overdraft facilities, are not available in the account you designate. At the Bank's discretion, we may create or increase an overdraft to your account(s) according to the agreement governing those accounts. We may place a hold on deposits made through ABB services or ATM deposits made to your account(s) pending verification.

Lost, stolen, authorized or unauthorized use of the ScotiaCard Banking Card

You are responsible for the care and safety of your Card and your Electronic Signature. You agree to:

- always keep your Electronic Signature strictly confidential and never reveal it to anyone including any Scotiabank employee or other financial institution employee, law enforcement agency or even close family members or friends,
- keep your Electronic Signature separate and apart from your Card and make a reasonable attempt to hide or disguise the Electronic Signature so that no one else can easily guess that it is a record of your Electronic Signature,
- keep your Card in a safe place and never let anyone else use it,
- always make sure that you can see your Card at all times when you are using it for a Debit Point of Sale (POS) transaction,
- immediately change your Electronic Signature at the branch where you maintain your account or call us and we will de-activate your Card if you suspect that someone knows your Electronic Signature,
- use your free hand or body to shield the entry of your Electronic Signature at ATMs and for other Automated Banking Services, Debit Point of Sale (POS) transactions and other services,
- always remember to take your Card and transaction record (if requested) after a transaction is completed,
- regularly update your passbook and check your account statements and balances to verify all transactions have been properly recorded. If entries do not accurately reflect your transaction activities, such as missing or additional transactions, you should contact your Domicile Branch or contact us immediately, and
- not to write your PIN on your Card; and notify us immediately, by telephone and in writing, of the loss, theft or any unauthorized use of your *ScotiaCard* Banking Card or Electronic Signature. Your liability will cease only when we receive notice of such loss, theft or unauthorized use.

You must not disclose any other security codes such as passwords, access codes and account numbers that may be used or required for any Automated Banking Services, ABB services or any other services or service transactions.

Limitations for authorized and unauthorized use of the ScotiaCard Banking Card

You are liable for all debts, withdrawals and account activity resulting from:

- any use of the *ScotiaCard* Banking Card by you or by persons to whom you have made your *ScotiaCard* Banking Card and/or Electronic Signature available or who received possession of your *ScotiaCard* Banking Card and/or Electronic Signature with your consent,
- any unauthorized use of the *ScotiaCard* Banking Card and/or Electronic Signature, where you have made available for use your *ScotiaCard* Banking Card and Electronic Signature by keeping them together or in such a manner as to make them available for use, including, without limitation, using the "Save My Card" or "Remember My Card" features on a public access computer until we have received notice of loss, theft or unauthorized use, or
- any failure to comply with the terms of this *ScotiaCard* Cardholder Agreement.

You will not be liable for losses in the following circumstances:

- technical problems and other system malfunctions,
- unauthorized use of your *ScotiaCard* Banking Card and Electronic Signature, including your PIN, PAC, password or access code after the *ScotiaCard* Banking Card has been reported to us as lost or stolen,
- your *ScotiaCard* Banking Card is cancelled or expired,
- you have reported to us that another person knows your Electronic Signature, including your PIN, password or access code,
- where you have been a victim of force or intimidation provided you have not contributed to the loss, or
- fraud or negligence caused by us.

You will be considered as contributing to the unauthorized use of your *ScotiaCard* Banking Card and/or Electronic Signature and will be fully responsible and liable for all debts, withdrawals and account activity where:

- the Electronic Signature you have selected is the same as or similar to an obvious number combination such as your date of birth, bank account number(s) or telephone numbers or identification numbers such as your social security number or national identification number;
- you write your Electronic Signature down or keep a poorly disguised written record of your Electronic Signature, such that it is available for use with your *ScotiaCard* Banking Card; or

- you otherwise reveal your Electronic Signature to anyone, resulting in the subsequent unauthorized use of your *ScotiaCard* Banking Card and Electronic Signature together.

Until such time as you notify us of the loss, theft, or unauthorized use of your *ScotiaCard* Banking Card and Electronic Signature, you will be responsible and liable for all withdrawals, payments, transfers from your accounts and any other transactions involving your accounts through any of our ATMs, any other financial institution's ATMs, *TeleScotia* telephone banking, *Scotia OnLine* Internet banking or *Scotia* mobile banking, up to the maximum daily and weekly permitted withdrawal limits through ATMs which we establish from time to time.

You will also be liable for all purchases and withdrawals up to the maximum daily and weekly limit for Debit Point of Sale (POS) transactions which we establish from time to time and for all transfers and payments completed via the *Scotia OnLine* Internet banking, *Scotia* mobile banking or *TeleScotia* telephone banking service, if these apply. The limit for Debit Point of Sale (POS) transactions is over and above the maximum daily and weekly ATM withdrawal limit.

You will also be liable for other losses that occur through Automated Banking Services including, but not limited to, your Scotiabank credit card, *ScotiaLine* Gold card and/or *ScotiaLine* personal line of Credit Account, *ScotiaLine* Gold personal line of Credit Account and Cash Advances, collectively called "other losses". You are liable for these other losses if they occur as a result of the authorized or unauthorized use of your *ScotiaCard* Banking Card, your Electronic Signature or the Automated Banking Services. Note the amount of the loss may exceed your authorized credit limit on your account or your account balance if your account has overdraft protection or if a fraudulent deposit has been made to your account.

Scotiabank credit card and *ScotiaLine* Gold card accounts liability clause:

If Scotiabank credit card or *ScotiaLine* Gold card Cash Advance losses occur through Automated Banking Services, the liability for those losses under this *ScotiaCard* Cardholder Agreement is in addition to the liability you incur under your Scotiabank credit card cardholder agreement and the Personal Line of Credit Agreement as applicable.

Processing foreign currency transactions

Cash withdrawals from your account through the ABB service or at Scotiabank ATMs obtained in a foreign currency using your *ScotiaCard* Banking Card and Electronic Signature will be deducted from your designated accounts in the currency of the account. Conversion will be made using the foreign exchange rate determined by Scotiabank on the day the transaction is charged to your account.

If you use your *ScotiaCard* Banking Card and Electronic Signature for cash withdrawals or to purchase goods or services outside the country in which the *ScotiaCard* Banking Card was issued, we will convert the amount of the cash withdrawal or purchase using the exchange rate determined by the applicable association, such as Visa International, Mastercard International Incorporated or local debit network, on the day the transaction

is posted to your account. This rate may be different from the rate in effect on the date your withdrawal or Debit Point of Sale (POS) transaction occurred. An additional association or local debit network service fee may apply and will be added to the converted amount, and any additional Scotiabank service fee, as applicable, on the converted amount. We will deduct the total amount from your designated account in the currency of the account. The amount of the fees and charges are set out in the Rates and Fees Schedule. A notice of the fees and charges is also available from your Domicile Branch upon request.

If you use your *ScotiaCard* Banking Card for a transaction involving a foreign currency, and the merchant or retailer gives you a credit voucher (for example in the case of a refund), the two transactions (the purchase and the refund) may not balance exactly because of exchange rates, spreads and currency fluctuations between the date of the purchase and the date of the credit (or refund).

We will not assume any risks associated with foreign currency exchange gains or losses from cross-currency conversions resulting from the use of your Card. Any gains made or losses incurred by you in connection with foreign currency transactions because of currency rate fluctuations between the date the transaction is posted and the date any subsequent credit is posted to the designated account are your responsibility and shall be payable to you or by you (as the case may be).

Changing limits and designated accounts

We may establish and change limits (dollar or otherwise) from time to time, on the types of transactions which may be available, or companies which may be paid in connection with any of the services provided for in this *ScotiaCard* Cardholder Agreement.

We may designate one or more of your accounts for our FastCash™ service or other services available through ATMs or POS terminals. You can cancel or change any designation at any time by letting us know in writing.

Cancelling banking services

We may at any time, without notice, withdraw any ATMs or Debit Point of Sale (POS) Devices from use, cancel or vary the whole or any part of the services we offer you in connection with or through the use of the *ScotiaCard* Banking Card.

No Automated Banking Services transactions, including, without limitation, deposits, bill payments, post-dated bill payments, funds transfers, post-dated transfers, loan payments, enquiries, mini-statements and/or Cash Advance requests will be processed after cancellation of the Automated Banking Services.

Adding or changing the terms of this ScotiaCard Cardholder Agreement and the Rates and Fees Schedule

You acknowledge that we can add, change, modify or replace the terms and conditions of this *ScotiaCard* Cardholder Agreement and the Rates and Fees Schedule from time to time. Notice of additional, amended, modified or replaced terms and conditions may be given to you as established by law. See section "Communicating with you" on page 12.

Your continued use of the account or if you have funds on deposit in the account after we have provided notice or if you continue to use any of the Automated Banking Services or any other service following notice of such change means that you agree to and accept the new terms and conditions of the *ScotiaCard* Cardholder Agreement and the Rates and Fees Schedule (as applicable) as amended, modified and/or replaced.

If you do not agree with any of the changes made you must immediately stop using your *ScotiaCard* Banking Card and notify us that you are cancelling your Card; however you are still responsible for all obligations to us under the *ScotiaCard* Cardholder Agreement until they have been satisfied in full.

Settling disputes

All disputes between you and a designated bill payment company, including your rights to compensation or any offsetting rights (set-off), shall be settled directly by and between you and the bill payment company. We do not verify, nor are we required to verify, that any purpose for which the payment is made has been fulfilled by the bill payment company as a condition of honouring your payment request on your account.

Any dispute you have regarding the services provided under this *ScotiaCard* Cardholder Agreement will normally be resolved within fifteen (15) business days after your Domicile Branch is notified in writing of the dispute. If a dispute cannot be resolved within this timeframe, we will provide you with information concerning our dispute resolution process and how long each step will normally take.

ScotiaCard Banking Card customer service

You can use your Card to access services at any of the networks displayed on the back of your Card.

Other agreements

All credit agreements and all other banking agreements governing your accounts apply to any and all Automated Banking Service transactions and all other Service transactions.

When using your Card to access your credit card accounts, you will be governed in all other respects by the terms of the Scotiabank credit card cardholder agreement. If there is a conflict between this *ScotiaCard* Cardholder Agreement and the Scotiabank credit card cardholder agreement, the *ScotiaCard* Cardholder Agreement will prevail as it relates to your use of your Card and the services contemplated under this *ScotiaCard* Cardholder Agreement.

++ *Scotia OnLine* Internet banking capability requires a personal computer, modem and Internet access.

+++ *Scotia* mobile banking requires an Internet-enabled mobile device. Your wireless carrier's data charges apply in accordance with the terms of the service plan you have with your carrier.

Part VII - Telephone/Fax/Email Banking Agreement

This Telephone/Fax/E-mail Banking Agreement, as amended from time to time, applies to instructions you provide to us and agents for whom we normally accept instructions by telephone, facsimile or e-mail and in this Telephone/Fax/E-mail Banking Agreement you authorize us to act on such instructions. It replaces all prior agreements between you and us regarding instructions you provide to us by telephone, fax or e-mail. However, it does not replace any other agreement you have with us (now or in the future) for any account, product or Service, including any consent, authorization or preference you have given or may give to us regarding the collection, use and disclosure of your personal information. All other agreements applicable to an account, product or Service continue to apply.

We will only act on instructions for accounts, products or Services where you alone can give instructions and only for certain type of instructions, such as:

- investments in and renewals of term deposits and mutual funds;
- transfers from your deposit account to purchase term deposits and mutual funds;
- transfers between investments;
- changing instructions for the payment of principal, interest or income from existing or maturing term deposits or mutual funds;
- changing personal data in your accounts or investments for changes that do not require proof of change.
- transfers to or between your accounts but only in the country where you maintain your accounts;
- redeeming term deposits, mutual funds or other investments and depositing the funds to an account registered to all owners of the term deposits, mutual funds or investments.

You may also apply for certain Personal Loans, mortgage products or Credit Accounts or otherwise give instructions regarding the Loan product or Credit Account.

You acknowledge and agree that any electronic communication including fax and e-mail that is not encrypted: (i) is not secure, private and confidential, (ii) may not be reliable and may not be received by the intended recipient promptly or received at all, (iii) may be subject to interception, loss or alteration, and (iv) you assume full responsibility for risks associated with such electronic communication and agree that we will not be responsible or liable for any loss or damage arising from any use of any electronic communication, including, but not limited to, any loss or damage arising from any unauthorized access to, or interception, loss or alteration of such communication.

Because we are concerned about the security of your accounts and your personal information, you agree that we are not obligated or required to act on the instructions if we doubt the identity of the source or authenticity of the person giving the instruction or if the transaction appears suspicious, questionable or unusual for your regular banking habits. We may ask you to give us certain information that will assist us in determining that you are the person giving the instruction.

We may also refuse to act on any instruction if, in our opinion, to do so may be illegal or in breach of any obligation we owe to a third party; or if it would cause us to fail to comply with any code or standard in force from time to time that applies to us.

We may send you a confirmation that the instructions have been received and acted upon. We will also take reasonable steps to inform you when we have determined that we will not be following your instructions.

You release us from any and all liability or claim for failure to act, execute or complete any instruction due to any reason beyond our reasonable control. You also agree that we and any of our subsidiaries and our respective agents will not be liable to you for acting on your instructions or on instructions that appear to be from you, if those actions are in good faith.

You agree to indemnify and save harmless the Bank and any of its subsidiaries and their respective agents from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses, disbursements of any kind or nature whatsoever that may be imposed upon, incurred by or served against them by reason of their actions taken in accordance with the instructions.

You agree that you will be bound by this Telephone/Fax/E-mail Banking Agreement and any other agreement you have entered into with us for Loan products and Credit Accounts that you have given instructions for.

You agree that service fees may apply for actions taken by us in response to your instructions. These fees may be deducted from any account you have with us, unless a specific account is requested by you in your instructions.

We can add or change any of the actions allowed under this Telephone/Fax/E-mail Banking Agreement from time to time.

This Telephone/Fax/E-mail Banking Agreement will be in effect until you notify us in writing that you want to cancel it.

