

REVOLVING CREDIT AGREEMENT

Effective May 1, 2020

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

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

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

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

DEFINITIONS – What some key terms mean:

“**Adjustment Factor**” means the percentage amount set by us that is applied (plus or minus) to our Scotiabank prime rate (sometimes referred to as our “**prime rate**” or “**Scotiabank prime**”) to determine your variable annual interest rate. Our “**Scotiabank prime rate**” is the prime lending rate published by Scotiabank from time to time. You can find out what our Scotiabank prime rate is on any given day by contacting us or visiting our website.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

YOUR RIGHTS AND OBLIGATIONS

Using the credit account

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

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

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

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

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

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

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

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

Limiting Use or Access to your credit account

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

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

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

- (i) we suspect fraud by you or on your credit account, we believe that you did or may commit fraud or we have reason to believe that you are a victim of fraud or identity theft, to prevent future losses;
- (ii) we suspect you may, or you did, use your credit account for any unlawful or fraudulent purpose, or you may cause a loss to us including by not paying your debt;
- (iii) we are required by law, including if related to online gambling or countries that are subject to sanctions;
- (iv) you violate the terms of any agreement related to this credit account or any related service, benefit or feature including the Other Programs;
- (v) you are using your credit account in a manner unsatisfactory to us or not following the terms of your Agreement or any of our policies and requirements;
- (vi) we choose to because your credit account is Inactive; or
- (vii) we choose to for any other reason.

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

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

Other documents/terms and conditions

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

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

Special Promotional Offers

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

Repaying the amounts you owe

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

Adding to your Debt

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

Making a Minimum Payment and your Residency

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

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

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

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

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

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

Making payments when mail or other service is disrupted

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

Requesting Credit Services

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

Tell us about loss, theft or unauthorized use

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

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

- the Card, credit account, PIN or Password was used by a person other than you or any Cardholder and without any actual or implied consent or authorization;
- you or any Cardholder did not receive any benefit from the use;

- you and any Cardholder fulfilled all obligations under the agreement including exercising reasonable care to safeguard the Card, credit account, PIN or Password against loss, theft or unauthorized use including as required under the section “Keeping your Personal Identification Number (PIN) and Password Confidential” in this agreement; and you cooperated fully with us in our investigation.

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

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

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

Keeping your Personal Identification Number (PIN) and Password Confidential

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

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

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

Changing Your Address; Other Information or Residency

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

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

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

Telling us about errors in your statement

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

Settling disputes

If a dispute arises about a Transaction which you authorized, you must settle it directly with the merchant or business concerned. In addition, you may contact us through any of the methods we offer, to discuss the Transaction in question.

Pre-Authorized Payments

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

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

Cancelling this Agreement

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

Observing your Card or Cheque after the expiry date

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

Credit limit

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

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

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

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

Being jointly and severally liable

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

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

OUR RIGHTS AND OBLIGATIONS

Charging interest on Purchases with your credit card

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

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

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

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

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

Interest

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

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

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

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

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

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

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

Adding interest to your Debt

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

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

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

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

Applying your payments

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

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

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

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

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

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

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

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

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

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

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

Applying credit vouchers

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

Dealing with transactions in a foreign currency

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

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

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

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

For line of credit accounts with ScotiaLine access card, the exchange rate for both account payments and cheques drawn on the account will be the posted rate charged to customers at any branch of The Bank of Nova Scotia on the date the Transaction occurs. For any reversal of these Transactions, the exchange rate will be determined in the same manner as of the date that the Transaction is reversed. For all other line of credit accounts, foreign currency Transactions are not permitted.

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

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

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

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

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

For all credit accounts: Whether or not foreign currency will be converted directly to Canadian Dollars (or to U.S. Dollars if you have U.S. Dollar credit account) before being posted to your credit account is determined by the payment network associated with your credit account and is subject to change. If the credit account is used for a Transaction in a foreign currency, and the Transaction is later cancelled or refunded, the credit to the credit account will not be exactly the same as the original Transaction because we do not reverse the foreign currency conversion mark-up and the exchange rate may be different on the date when the cancelled or refunded Transaction is posted to your credit account. See your Disclosure Statement for more information about Foreign Currency Transactions including if your credit account permits these Transactions and if a foreign currency conversion mark-up applies. Please also refer to your Disclosure Statement for further details on the exchange rate(s).

Automatic Banking Machines (“ABMs”)

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

Preparing and Sending Statements

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

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

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

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

Requiring you to pay your total Debt

We may terminate the credit account and require you to pay your total Debt immediately, without prior notice or demand, if you do not carry out your obligations under the Agreement (including this Revolving Credit Agreement), including any of the following events: a) you fail to make any payment when it is due; b) you fail to pay, when we ask, any amount we are entitled to charge you for making repairs, maintaining insurance or clearing claims against any real or personal property you have pledged as security; c) you break any of your promises under any security agreement related to the credit account; d) you die or become insolvent or bankrupt; e) any real or personal property you have pledged as security is lost, stolen, destroyed or substantially damaged or seized in any legal proceeding; f) any real or personal property you have pledged as security reduces in value to a level we consider unacceptable; or g) anything else happens that we believe endangers your ability to pay or that we believe endangers any real or personal property you have pledged as security in any way. If any of the events described under this section occur, we have no further obligation to pay any Cheques.

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

(Clause of forfeiture of benefit of the term)

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

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

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

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

Changing this agreement or the services we offer

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

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

- The annual interest rate(s) (including the Adjustment Factor) and annual fees;
- Any other fees, rates, charges or other fees and expenses related to the credit account;
- Other rewards programs, points program, membership programs, cash back programs and any other benefits, discounts or other programs related to your credit account (including the terms and conditions that apply to them);
- Any features and benefits that are included with the credit account at no additional cost or charge (even if offered by a third party);
- Any optional products or services (even if offered by a third party) including the terms and conditions that apply to those other products or services and associated features and benefits as described under the section “Requesting Credit Services” in this agreement;

- The payment network associated with the Card or the credit account;
- The following sections in this Revolving Credit Agreement under these headings (including all terms within those headings) “Your Rights and Obligations” and “Our Rights and Obligations”;
- Sections that relate to our rights of set-off or compensation including the section “Offset” and property you pledge as security for your credit account;
- The number or type of Borrowers or supplementary cardholders that we permit you to have on a credit account and the purposes for which you can use your credit account;
- Any other terms and conditions in this Revolving Credit agreement (including any Disclosure Statement) or any terms and conditions of an agreement we have provided to you and forms part of the Agreement.

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

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

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

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

Co-Borrower disclosure options

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

Offset

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

Security

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

Enforcing this Agreement

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

Assignment

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

Language

The parties have requested that this agreement and all documents related to it be drawn up in English. Les parties conviennent et exigent expressément que ce contrat et tous documents émis en vertu de celui-ci soient rédigés en anglais.

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

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

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

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

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

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

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

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

(4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to \$50. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.

(5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.

(6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

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

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

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

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