



Personal Credit Agreement

Companion Booklet



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*The Bank of Nova Scotia authorized user

**VISA Int./The Bank of Nova Scotia.



Introduction 1

Our Service Commitment to You

So, what's in this booklet?

Definitions you need to know 2

Section 1 - Loan Products & Credit Accounts 3

- ❑ General Terms and Conditions 3
 - ❑ Your rights & obligations as a borrower 4
 - ❑ Our rights & obligations as a lender 6
 - ❑ Scotiabank Group Privacy Agreement 9
 - ❑ Complaint Resolution 15
 - ❑ Code of Conduct and Public Commitments 17
 - ❑ Telephone/Facsimile/E-Mail Agreement 18
- ❑ Loan Products 20
 - ❑ Mortgage Loans
 - ❑ Scotia Plan® Loans 28
- ❑ Credit Accounts (VISA credit cards, ScotiaLine line of credit, ScotiaLine VISA card, Scotia Professional Student Plan and Overdraft Protection) 29
- ❑ Scotia Total Equity Plan 39

Section 2 - Security Agreements 41

- ❑ Collateral Mortgage/Deed of Hypothec 42
(Codes 1 - First Mortgage, 2 - Second Mortgage)
- ❑ Chattel Mortgage/Hypothec (Code C)
- ❑ Hypothecation/Assignment of Specific Bank Accounts
(Codes H & A) 44
- ❑ Authority to Hold Funds on Deposit (Code F) 46
- ❑ Assignment of Life Insurance - Cash Surrender Value
(Code L) 47
- ❑ Personal Guarantee (Code G) 49

Our Service Commitment to You

Our mission at Scotiabank is to be the best at helping customers become financially better off by finding relevant solutions to meet their needs. If you're not completely satisfied with the products and services we're providing you, we want to know; let the people at your Branch or Service Centre know about any concerns you have. If your concerns are not resolved to your satisfaction please refer to the Complaint Resolution section of this Companion Booklet. At Scotiabank, we are committed to the highest standards of customer service, in fact, Scotiabank is a recognized leader in customer service amongst financial institutions. We are very proud of that reputation, but what is most important to us is that you are completely satisfied.

Congratulations!
Congratulations!
 Congratulations!
 Congratulations!

Your loans and/or your request for credit accounts have been approved!

The Scotiabank Personal Credit Agreement you've just signed is your promise to pay that loan or credit account.

For loan products, the agreement outlines the amount of the loan, the payment amounts and schedule, the interest rate, and where applicable, the security that you pledged for the loan.

For credit accounts, the agreement outlines the limit of the account, the payment options, interest rate, and where applicable, the security that you pledged for the credit account.

If you have any questions, please contact your branch or call 1-800-4SCOTIA (1-800-472-6842).

So, what's in this booklet?

This booklet is a companion document to the Personal Credit Agreement and contains important terms which form part of that agreement. There are two sections:

Loan Products & Credit Accounts - In which we explain the general terms and conditions that apply to all Scotiabank personal loans and credit accounts. We also list your rights and responsibilities as a borrower and ours as a lender. We then explain terms unique to each type of loan product and credit account.

Security Agreements - If you have pledged security on the Personal Credit Agreement, the terms and conditions for that security agreement come into effect when you sign the credit agreement.

There are six types of security agreements, based on the type of security that we accepted from you. We include each type of security agreement with the exception of a collateral mortgage for real estate. That document will be given to you separately either by us or your lawyer. There is however, a short explanation of it provided for your information.

And just to be sure that we both understand the terminology we use in this booklet...

Definitions you need to know

Agreement means, as appropriate, the Personal Credit Agreement, *ScotiaLine* personal line of credit for students Personal Credit Agreement or the *Scotia Professional* Student Plan Credit Agreement for *ScotiaLine*, including the applicable terms stated in this booklet and any notice or other document relating to your loan or credit account. It also includes any amendments, renewals or replacements to the agreement.

Personal loan means mortgage loans and Scotia Plan loans. They are also called term loans because they have a fixed time frame for repayment.

Credit account means VISA credit cards, *ScotiaLine* line of credit, *ScotiaLine* VISA, *Scotia Professional* Student Plan and Overdraft Protection.

You (all borrowers) means each person to whom the loan is granted, and includes the cosignors and guarantors.

We, our, us, Scotiabank or the bank (the lender) means The Bank of Nova Scotia and, as appropriate, any of our subsidiaries.

If the mortgage is in the name of National Trust as mortgagee, you agree that we are entering into the agreement with you as agents for National Trust.

Security Agreement refers to the documents identified as security agreements in this booklet. When you sign the Personal Credit Agreement and specify security in the security pledged section, the terms and conditions for that security agreement come into effect. The agreement grants us an interest in (or lien on) the property you pledged, which we may register with the appropriate government agency. We can take legal action to own, or sell that security if you are in default on the loan.

Default occurs when you fail to comply with any of the terms, including the promise to pay, outlined in any agreement you have with us.

Legal Costs means solicitor and own clients fees on an indemnity basis for our lawyers, as well as disbursements and taxes.

Property (as appropriate) means:

- tangible goods, such as a car, boat, aircraft, motorcycle or mobile home (any attachments, accessories, repair or replacement parts or other equipment placed on the property are considered part of the property)
- mutual funds, bonds, GIC's and bank accounts
- life insurance policy.

Real Property (as appropriate) means land, structures, buildings and fixtures (immovable property in Quebec).

Card means Scotiabank VISA credit card and ScotiaLine VISA credit card.

Cheque means *Scotia* VISA cheques, *ScotiaLine*, *Scotia Professional* Student Plan and *ScotiaLine* VISA personal line of credit cheques.

Loan Products & Credit Accounts

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Loan Products & Credit Accounts

In this section we explain the general terms and conditions that apply to all Scotiabank personal loans and credit accounts. Also listed are your rights and responsibilities as a borrower and ours as a lender. We then explain terms unique to each type of loan product and credit account.

General Terms and Conditions

You are agreeing to the terms and conditions in this booklet, and specifically the Scotiabank Group Privacy Agreement and the Telephone/Facsimile/E-Mail Agreement. Your application for credit forms part of this agreement.

Language Choice

When you applied for the loan or credit account, you made a decision for your correspondence and materials to be in English or French. We will honour that request.

Who is bound by the agreement?

The agreement and any security agreement you sign is binding on you, your estate, your representatives and any person to whom it is assigned. This includes legal or personal representatives, or anyone else to whom this agreement (and the property covered by the security interest) is transferred.

If more than one person signs this agreement, the obligations set out in it are joint and separate (joint and several). That means each person is fully responsible for the entire debt. Each person may give us instructions regarding the account without the agreement of any other person.

Separate Agreements

Each completed portion of the Personal Credit Agreement, together with the related terms and applicable security agreements contained in this booklet, is a separate contract.

If any part of this agreement is held to be invalid by a court, either completely or in part, the remaining parts shall still be in effect and binding.

Extensions or renewals

We may extend, renew, or amend any agreement, or replace it with another agreement, without diminishing our interest in the property or our rights or your obligations under the agreement. In addition, no waiver or delay in enforcing our rights shall act to diminish or cancel our rights under any agreement.

We may sell, assign or deposit all or any part of any loan, agreement or security agreement to one or more third parties without notice to you or your consent. If we do so, 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 deposited. The security agreement, any agreement and any amount borrowed by you, once sold, assigned or deposited may be repurchased by us, whether or not in default.

You agree that we may pass information about you and any loan covered in the agreements to anyone to whom we assign or deposit the agreements or security agreement, in whole or part, including a trustee or custodian, or to any party which may act as a servicer of the agreements or mortgage.

Your rights & obligations as a borrower

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

Your primary obligation is to repay that debt according to the terms and conditions outlined in the agreement and this companion booklet.

You agree to make each payment on time in full. You are in default when you fail to honour any of the terms of the loan or credit account.

Making payments when mail service is disrupted

Even when normal mail service is disrupted, you must continue to make payments. If appropriate, we will tell you where to do so, and where to pick up your statement, by advertising on 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 or not you do so.

Making pre-authorized payments

You authorize us to debit your designated account for your loan or credit account payment at the Financial Institution (FI) you specified in the applicable pre-authorized debit form (PAD agreement). Your authorization to Scotiabank also constitutes your authorization to the FI you specified. The debit charged to your account is considered to be a personal pre-authorized debit.

You are responsible for letting us know if there are any changes to the account information for this pre-authorized personal debit. Changes must be submitted in writing. You will provide us with another authorization if this is required.

The authorization applies only to the method of payment and does not have any bearing on your obligations under your Loan. This authorization will continue until you cancel it. You may cancel this payment method at any time by providing us with no less than 30 days written notice. Termination of this authorization does not affect your obligation to make loan payments to us. To obtain a sample cancellation form or to obtain more information on your right to cancel this authorization, contact Scotiabank at 1-800-4SCOTIA (472-6842) or visit www.cdnpay.ca.

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

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

You have certain recourse rights if any debit does not comply with the PAD agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD agreement. To obtain more information on your recourse rights, you may contact Scotiabank at 1-800-4SCOTIA (472-6842) or visit www.cdnpay.ca.

Insurance

You have the option of applying for creditor protection on all loan products and credit accounts, except overdraft protection. Any creditor protection only applies to the product for which it was designed. The coverage may vary by product.

Interest

Interest is charged at the rate applicable under the agreement both before and after the final payment date, maturity, default and judgment, until the loan or credit account has been paid off in full.

Adding to your debt

We will add interest, service charges and annual fees allowed under this agreement 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 our reasonable costs, including legal fees, which we 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 credit account card or cheques, we may add the cost of the retrieval, enforcement and/or legal costs to your debt.

Changing the agreement

Changes may be made as long as your loan is not in default and we agree in writing.

Changing your Address

You will tell us in writing, or by any other means which we permit, if you change your address and will give us other information that we may need from time to time to keep our 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 the office servicing your account.

Our rights & obligations as a lender

Any of our subsidiaries, such as Scotia Mortgage Corporation, may act as our agent in any transaction or correspondence for your loan or credit account. Dealing with them is the same as dealing with us.

Communicating with you

So that you are aware of changes to, or renewal of your loans or credit accounts, we will issue a notice to you.

We consider that we have given you notice in writing about anything under this agreement when we send you the information by fax transmission or regular mail, or hand deliver it, to the last address any one of you gave us in writing or by any other means that we permit. When we send notice to the last address we have on file for you, we consider you to have received the notice within 5 days, if we send it by regular mail. When we give notice to the primary borrower, we consider that we are giving notice to all co-borrowers unless you have elected to receive separate cost of borrowing disclosure documents.

Applying your payment

We apply your payment to deferred interest, if any, interest, then to principal except as otherwise specified in the agreement. We may allocate your payments to any loan under any agreement both before and after default.

Late Payments

If your payment is not made on the due date, we may debit any of your accounts with us to make the payment.

Default

Under the agreement and subject to provincial or territorial law, if you default on your loan, we have the right to be paid the total balance due by doing any of the following:

- suing you for what you owe
- taking possession of the property held as security

- both of the above
- appointing a Receiver to administer the property
- exercising any other rights we may have.

Default of any loan, credit account or security agreement under this agreement is considered default of all agreements. In that case, all amounts owing to us under all loans and credit accounts, including principal, interest and other costs and charges will be due and payable to us immediately. If we permit a second mortgage in our favour on any property held as security, a default under any agreement secured by a mortgage in our favour against the property will be considered a default under all agreements that are secured by a mortgage in our favour against the same property. We may determine the order in which any agreement is to be satisfied in the event of default under any agreement that is secured by a mortgage in our favour against the property.

Statute of Limitations

The limitation period for the agreement is extended to the greater of six years (three years in Quebec) or any longer period permitted by provincial or territorial law.

Total balance due

Without prejudicing our rights to receive any benefits from insurance, we can require you, to the maximum extent permitted by applicable law, to pay at once the total balance due and anything else you owe us under this agreement, without prior notice or demand, if any of the following events take place:

- you fail to pay an installment of your loan on time
- you fail to pay when we ask, any amount we are entitled to charge you for making repairs, maintaining insurance or clearing claims against the property
- you break any of your promises under any security agreement, you die, become insolvent or bankrupt
- the property is lost, stolen, destroyed or significantly damaged or seized in any legal proceeding
- the property you have pledged reduces in value to a level we consider unacceptable
- anything else happens that we believe endangers your ability to pay or that we believe endangers the property in any way.

If any of the events described under the “Total balance due” section occur, we have no further obligation to pay any cheques.

Changing your limit

Conditions such as consistent late payments and/or no payments, may cause us to reduce your approved limit. We may reduce your approved limit for credit accounts at any time, without telling you in advance, with or without terminating the agreement.

We can agree with you to change the agreement. This may be to add more loans and/or change the amount of a loan with our written approval and your payment of any applicable prepayment charges.

We will then create a new agreement to record the changes. At our option, 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 agreement or notice shall form part of the agreement.

Terminating the Agreement

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

Security Agreements end

For loans secured by real property, when our interest in your real property ends, where permitted, you agree to pay us fees for the preparation and execution of a discharge, plus a provincial registration fee where we register the discharge. Unless otherwise stated in your Cost of Borrowing Disclosure Statement, our current fee for the preparation and execution of a discharge (without registration) is \$200; in Ontario, our current fee is \$270 for the preparation, execution and registration of a discharge; in New Brunswick, our current fee is \$265 for the preparation, execution and registration of a discharge, plus \$65 for each additional Property Identification Number (PID) in instances where more than one PID exists; in B.C., our current fee is \$75 for the preparation and execution of a discharge (without registration). These fees are applicable to loans secured by mobile/mini homes only where the land where the mobile/mini home is situated is owned or leased by you and you have granted us a mortgage of your interest in the land. For mobile/mini homes, an additional \$10 government PPSA discharge registration fee also applies in Newfoundland and Labrador.

For loans secured by a mobile/mini home, where the land is not mortgaged to us, when our interest in your property ends, where permitted, you agree to pay us fees for the preparation, execution and registration of all real property registry discharges and PPSA discharges associated with the mobile/mini home. Our current fee is \$200; an additional \$10 government PPSA discharge registration fee is required in Newfoundland and Labrador.

For loans secured by personal property (other than mobile/mini homes), in Newfoundland and Labrador, you agree to pay us the government PPSA discharge registration fee, which is currently \$10. In addition, for loans secured by a ship mortgage, you must pay a government ship mortgage registration fee which also includes a discharge fee.

In Quebec

You waive your right of division and discussion.

Scotiabank Group Privacy Agreement

Your privacy is important to Scotiabank. This Agreement sets out the information practices for Scotiabank Group Members[†] in Canada, including what type of information is collected, how the information is used, and with whom the information is shared. This Agreement may be amended from time to time. (See “Further Information”, below, for an explanation of how we will advise you of any future changes.)

In this Agreement, “we”, “our”, “us” and “Scotiabank” mean, as applicable, any Scotiabank Group Member or the collective Scotiabank Group[†] and include any program or joint venture any of these parties participates in; “you” and “your” mean an individual who has made application to us for, enrolled in or signed an application in respect of any personal or business banking, insurance, brokerage or financial product or service offered by us (“Service”), including any co-applicants, guarantors or personal representatives.

Collecting, using and disclosing your information

1. When you apply for, or provide a guarantee in respect of, or use any Service and while you are our customer, you agree that:

We may collect personal information from you and about you such as:

- Your name, address, telephone number, nature of your principal business or occupation and date of birth, which is required by law;
- Identification, such as a valid driver’s license or passport. We may also ask for documents such as a recent utility bill to verify your name and address;
- Your annual income, assets and liabilities and credit history;
- Information about your transactions, including payment history, account activity and how you intend to use the account or Service and the source of any incoming funds or assets;
- Information we may need in order to provide you with a Service such as 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 required by law;
- Information about beneficial owners, intermediaries and other parties, which is required by law.

For legal entities such as businesses, partnerships, trusts, estates, clubs or other organizations we may collect your personal information the information referred to above from each authorized person, partner, trustee, executor and club member, as appropriate.

We may collect your personal information, and use it 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 ongoing Service;
- To satisfy legal and regulatory requirements that we believe are applicable to us, including the requirements of any self-regulatory organizations to which we belong;
- To help us collect a debt or enforce an obligation owed to us by you;
- To respond to a court order, search warrant or other demand or request which we believe to be valid, or to comply with the rules of production of a court;
- To manage and assess our risks;
- To investigate and adjudicate insurance claims; 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 your health information for the purpose of providing an insurance Service, we will use that information strictly for that purpose. (See below for more information.)

We do not provide directly all the services related to your relationship with us. We may use third party service providers to process or handle personal information on our behalf and to assist us with various services such as printing, mail distribution and marketing, and you acknowledge that we may release information about you to them. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions. 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 Group privacy policies and practices.

2. We may collect, use and disclose your Social Insurance Number (SIN) for income tax reporting purposes, as required by law. In addition, we may ask you for your SIN to verify and report credit information to credit bureaus and credit reporting agencies as well as to confirm your identity. This allows us to keep your personal information separate from that of other customers, particularly those with similar names, and helps maintain the integrity and accuracy of your personal information. You may refuse to consent to its use or disclosure for purposes other than as required by law.
3. We may verify relevant information you give us with your employer or your references and you authorize any person whom we contact in this regard to provide such information to us. If you apply for or enrol in a Service and during the time you have the Service, we may consult various financial service industry databases or private 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. In Canada, investigative bodies are designated under the regulations of the *Personal Information Protection and Electronic Documents Act (PIPEDA)* and include such organizations as the Bank Crime Prevention and Investigation Office of the Canadian Bankers Association and the Investigative Services Division of the Insurance Bureau of Canada.

4. You agree that we may monitor or record any telephone call we have with you. The content of the call may also be retained. We may inform you prior to proceeding with the call of this possibility. This is 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.
5. 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 Agreement.
6. 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 also do this after the Service has ended. You may withdraw your consent at any time by giving us reasonable notice(see below).
7. We may give information (except health information) about you to other members of the Scotiabank Group (where the law allows this) so that these companies may tell you directly about their products and services. The Scotiabank Group includes companies engaged in the following services to the public: 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. This consent will apply to any companies that form a part of the Scotiabank Group in the future. You also agree that we may provide you with information from third parties we select. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).
For a list of Scotiabank's affiliates and subsidiaries in Canada, please refer to the *Public Accountability Statement/Corporate Social Responsibility Report* available at any Scotiabank branch or on www.scotiabank.com.
8. We may ask you for contact information such as your telephone, mobile or fax number or e-mail address, and keep and use this information as well as disclose it to other members of the Scotiabank Group so that we or any of these companies may contact you directly through these channels for the purpose of marketing, including

telemarketing. This consent will also apply to any companies that form a part of the Scotiabank Group in the future. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).

9. If we sell a company in the Scotiabank Group or a portion of the business of a Scotiabank Group Member, we may release the 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 Group privacy policies and practices.
10. We may keep and use information about you in our records for as long as it is needed for the purposes described in this Agreement, even if you cease to be a customer.
11. All information that you give us will, at any time, be true and complete. If any personal information changes or becomes inaccurate or out of date, you are required to advise us so we can update our records.

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 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 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. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions.

You can tell us at any time to stop using information about you to promote our Services or the products and services of third parties we select, or to stop sharing your information with other members of the Scotiabank Group. 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 or by calling us toll-free.

Scotiabank	1 800 4 SCOTIA
ScotiaMcLeod Direct Investing	1 800 263 3430
ScotiaMcLeod and Scotia Private Client Group	1 866 437 4990
ScotiaLife Financial	1 800 387 9844

In addition, if you apply for, accept, or guarantee, a line of credit, term loan, mortgage or other credit account with us

When you apply for, accept, or 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,

we may use, give to, obtain, verify, share and exchange credit and other information (except health information) about you with others including credit bureaus, mortgage insurers, creditor insurers, reinsurers, registries, other companies in the Scotiabank Group and other persons with whom you may have financial dealings, as well as any other person as may be permitted or required by law. We may do this throughout the relationship we have with you. You also authorize any person whom we contact in this regard to provide such information to us.

If you have a VISA* account with us, we may give information (except health information) about you to VISA Canada Association, VISA International Service Association and their employees and agents, for the purpose of processing, authorizing and authenticating your VISA card transactions, providing you with customer assistance services, and for other purposes related to your VISA account. We may also give this information in respect of your participation in contests and promotions administered by the Association on our behalf.

If you have a Service with us such as a *ScotiaCard*[®] banking card, we may give information (except health information) about you when you use your *ScotiaCard* banking card to electronic payment service providers, debit card networks, loyalty program partners and their respective employees and agents for the purpose of processing, authorizing and authenticating your debit card transactions, 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 contest and promotions administered by the electronic payment service providers, debit card networks, and loyalty program partners on our behalf.

If you have a mortgage account with us, we may give information about you, including credit information, to mortgage insurers for any purpose related to mortgage insurance. Information retained by Canada Mortgage Housing Corporation will be subject to federal access to information and privacy legislation.

During the term of the loan or credit facility, you may not withdraw your consent to our ongoing collection, use or disclosure of your personal information in connection with the loan or other credit arrangement you have with us or have guaranteed. We can continue to disclose your personal information to credit bureaus even after the loan or credit facility has been retired, and you may not withdraw your consent to our doing so. We do this to help maintain the accuracy, completeness and integrity of the credit reporting system.

In addition, if you accept an insurance Service with us

When you apply for, enroll in or sign an application in respect of or accept an insurance Service from us, we may use, give to, obtain, verify, share and exchange information about you with others including 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 may only withdraw your consent as noted above so long as the consent does not relate to underwriting or claims where the Scotiabank Group member 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.

Further information

You acknowledge that we may amend this agreement from time to time to take into consideration changes in legislation or other issues that may arise. We will post the revised agreement on our website and make it available at our branches or we may also send it to you by mail. We may also notify you of any changes to this Agreement in any of the following ways:

- A notice prominently displayed at all banks ATMs;
- An announcement through the Voice-Response-Unit (VRU);
- A notice on the Scotiabank website;
- A notice in our branches; or
- A notice in your monthly statement.

Your continued use of the account or Service following notice of such change means that you agree to and accept the new terms and conditions of the Agreement as amended. If you do not agree with any of the changes made or with the new terms of the Agreement, you must immediately stop using the account or Services and notify us that you are closing your account or terminating your Service with us.

If you have a general question about any Scotiabank Group Member's privacy policies, please contact the branch or office you deal with or call us toll-free at 1-800-472-6842. If your branch or office is not able to resolve your concern to your satisfaction, contact the President's Office:

Telephone: 1-877-700-0043 Fax: 1-877-700-0045

E-mail: mail.president@scotiabank.com

Letter: The President, Scotiabank, 44 King Street West, Toronto ON M5H 1H1

Copies of our entire formal *Privacy Code* as well as the *Scotiabank Guidelines for Business Conduct* are also available to the public on www.scotiabank.com. These documents form part of the Scotiabank Group Privacy Agreement.

[†] For the purposes of this Agreement, Scotiabank Group means, collectively, The Bank of Nova Scotia and all of The Bank of Nova Scotia's affiliates and subsidiaries with respect to their operations in Canada. Scotiabank Group Member means The Bank of Nova Scotia or any one of its affiliates and subsidiaries with respect to its operations in Canada

[®] Registered trademark of The Bank of Nova Scotia.

*VISA Int./Lic. user The Bank of Nova Scotia.

Complaint Resolution

Step One:

Talk to the people at your Branch or Service Centre.

If the person you speak to at the branch/service centre where you do business is not able to resolve your concern to your satisfaction, please speak directly to the Manager, who has the authority to resolve the majority of problems that arise.

Step Two:

Contact the Office of the President.

If the Manager has been unable to resolve your complaint satisfactorily, a representative of the President will be pleased to assist you.

- Telephone English 1-877-700-0043 (in Toronto 416-933-1700)
French 1-877-700-0044 (in Toronto 416-933-1780)
- Fax **1-877-700-0045** (in Toronto **416-933-1777**)
- e-mail mail.president@scotiabank.com
- Mail The President, Scotiabank,
44 King Street West
Toronto, ON M5H 1H1

Step Three:

Contact Scotiabank's Ombudsman.

Scotiabank's Ombudsman, who reports directly to our CEO, has been appointed to undertake an impartial review of all unresolved customer complaints. If you have gone through the first two steps and remain dissatisfied, submit your complaint to the Ombudsman in writing.

- Mail Scotiabank Ombudsman
44 King Street West
Toronto, ON M5H 1H1
- Fax **1-866-787-7061**
- e-mail ombudsman@scotiabank.com
- Telephone 1-800-785-8772 (in Toronto 416-933-3299)

Still not satisfied?**There is the Ombudsman for Banking Services and Investments (OBSI)**

An independent Ombudsman has been appointed to serve the interests of customers of Canadian banks and investment firms. If you are not satisfied with our Ombudsman's response, you can refer your complaint to the OBSI. While we would expect to resolve your complaint within 90 days, if our best efforts have been unable to provide a resolution in that time, you may refer your complaint to the OBSI.

- Mail Ombudsman for Banking Services and Investments
401 Bay St. Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4
- Fax **1-888-422-2865**
- e-mail ombudsman@obsi.ca
- Telephone 1-888-451-4519

Contacting the Financial Consumer Agency of Canada (FCAC):

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws. For example, financial institutions must provide consumers with information about fees, interest rates and complaint-handling procedures. They must also provide proper notice of closing a branch and, subject to certain conditions, must cash a federal government cheque up to \$1,500 and open a deposit account when acceptable identification is presented. If you have a complaint about such a regulatory matter, you can contact the FCAC in writing.

Financial Consumer Agency of Canada
6th Floor, Enterprise Building
427 Laurier Avenue West, Ottawa, Ontario K1R 1B9

By telephone at 1-866-461-3222 (French 1-866-461-2232)
or through its website at www.fcac-acfc.gc.ca

Codes of Conduct and Public Commitments

Scotiabank is committed to a number of voluntary codes of conduct and public commitments designed to protect consumer interests, such as those listed below. Copies of the full text of the codes and commitments are available on the Scotiabank website @ www.scotiabank.com or from the branch with which you are dealing.

- **CBA Code of Conduct for Authorized Insurance Activities**
Industry standards for bank representatives offering credit, travel and personal accident insurance products in Canada.
- **Canadian Code of Practice for Consumer Debit Card Services**
Industry and consumer practices and responsibilities related to the use of debit cards in Canada.
- **Guidelines for Transfers of Registered Plans**
Industry standards for the transfer of deposit type registered savings plans between financial institutions.
- **Low-Fee Retail Deposit Account Memorandum of Understanding**
A commitment to provide a standard low-fee account to consumers.
- **Model Code of Conduct for Bank Relations with Small and Medium-Sized Businesses**
Industry standards for bank dealings with small and medium-sized businesses.
- **Online Payments**
Industry and consumer practices and responsibilities related to the use of Interac Online.
- **Plain Language Mortgage Documents – CBA Commitment**
A commitment to ensure the readability of residential mortgage documents.
- **Principles of Consumer Protection for Electronic Commerce: A Canadian Framework**
A guide to protecting consumers in online transactions.
- **Undertaking: Principal Protected Notes Regulations**
A commitment to provide cancellation rights to consumers who purchase principal protected notes by electronic means or by telephone
- **Undertaking on Unsolicited Services**
Industry standards related to the marketing and provision of new unsolicited services and the provision of modified or replacement services.
- **VISA E-Promise**
A commitment to assist consumers in getting their money back for unsatisfactory purchases made online, by phone or by mail.
- **VISA Zero Liability Policy**
A commitment that consumers will pay nothing for certain fraudulent credit card transactions.
- **Voluntary Commitment - Reduced Cheque Hold Periods**
A commitment to reduce the maximum cheque hold period.

Telephone/Facsimile/E-Mail Agreement

You authorize us to receive and act upon instructions from you concerning your bank accounts, investments in any registered plans, guaranteed investment certificates (GICs), accounts with Scotia Securities Inc. (mutual funds) and other investment holdings with us or matters in relation to a personal loan, including any loan under a Scotia Total Equity Plan or credit account you are applying for or have taken out with us, given to us by telephone, facsimile transmission, electronic mail (e-mail) or through any other means that we may permit from time to time (the permitted means). Telephone instructions for transactions provided solely by voice mail will not be acted upon. Instructions means your order given to us by permitted means to complete certain transactions which are permitted under this agreement. This agreement applies to both instructions given to us as well as to any of our subsidiaries for which we normally accept instructions. This authorization does not include investments held by ScotiaMcLeod Direct Investing and ScotiaMcLeod for which a separate agreement may be required. You agree to providing your Social Insurance Number for the purchase of any registered investment product as required by the Canada Customs and Revenue Agency for the purpose of income tax reporting.

These instructions can only be given in relation to bank accounts, GICs, mutual funds, non-registered and registered investments, personal loans or credit accounts with us in your name or over which you are a signatory with the sole right to give instructions. You understand and agree that your instructions may be viewed by persons employed by The Bank of Nova Scotia and Scotia Securities Inc.

The instructions which you can give us using the permitted means include investments in and renewals of GICs, purchases of mutual funds, transfers from your deposit accounts to purchase mutual funds or GICs, transfers between investments within the Scotiabank Group and changing instructions for the payment of principal, interest or income from existing or maturing GICs or mutual funds. We can also make changes to the personal data reflected in your accounts or investments as long as the change does not require that we have proof of the change. You may also apply for a personal loan or credit account, signify your agreement to be bound by the terms of the loan or credit card agreement or otherwise give instructions with respect to a loan or credit account.

You can provide us with instructions to transfer money to or between bank accounts. In addition, you can give us instructions to redeem GICs, mutual funds or other investments provided the redemption proceeds are payable to all registered owners of the GIC, mutual fund or other investment. You can provide stop payment instructions. We may amend or vary the nature of the instructions we may accept and undertake on your behalf pursuant to this agreement at our discretion and without prior notice to you. In addition, not all of our branches or offices will accept all the instructions which can be given under this agreement. You may be referred to another office or branch.

You agree to be bound by the agreements which govern the banking, investment, or loan relationships which are established pursuant to instructions given under this agreement. You may be required to sign any agreements which are required in connection with the transaction you are asking us to complete. We may send you, at our discretion, a confirmation that the instructions have been received and acted upon and any related agreement(s). You agree to ratify any instructions given pursuant to this agreement.

We agree to carry out instructions in accordance with our normal procedures although we can refuse to undertake any instructions if we deem it appropriate for any reason to do so and we will have no liability to you on account of such refusal. We will take reasonable steps to inform you when we have determined that we will not be following your instructions. We may ask you to give us certain information which will assist us in determining that you are the party giving the instructions. We will not be liable to you if we are unable to complete your instructions for reasons beyond our control.

You agree that we can deduct from any of your accounts or investments any amounts that we have disclosed to you as being the service charges for acting on instructions given under this agreement. These charges are in addition to any account-related or other transaction fees which we may charge to your account.

By signing this agreement you authorize us to obtain a credit bureau report for the purpose of identification. You are solely responsible for our following, in good faith, all instructions which appear to have been given by you by permitted means. We will not be liable to you if a transaction is completed pursuant to instructions given by persons other than you which we believed in good faith to have been given by you. You agree to indemnify and hold us, our subsidiaries, as well as our officers, directors, employees or agents and those of our subsidiaries harmless for any loss, cost, liability or damage of whatever kind which may result from our acting in accordance with this agreement.

This agreement is binding on you, your heirs, legal or personal representatives and permitted assigns. It shall be interpreted in accordance with the law of jurisdiction in the province where your branch is. We may rely on this agreement until such time as you give us notice in writing indicating that this agreement will not apply to any further instructions given in relation to banking or investment matters. We may rely on the instructions of any one of you for joint accounts or investments with respect to all matters covered by this agreement. We may terminate this agreement at any time on written notice to you. This agreement does not amend any of the other agreements that you have with us or establish with us at a later date. In the case of a conflict between these agreements, this agreement shall govern.

Loan Products

Mortgage Loans (refer to Personal Credit Agreement Form 1152610)

A mortgage is a document used to register our interest in your property at the land registry office. When we lend you money to purchase real or immovable property or for other purposes, we register the mortgage on that property. When the loan is paid in full, we will provide a discharge (or proof of discharge) at your request or as required by law.

If you default on the loan, we may be entitled to become owner of the property and we may sell the property in accordance with the laws of your province or territory.

Payment Schedules

When we lend you money, you must pay it back according to the payment schedule on the agreement. When you sign the agreement for fixed rate mortgage loans, you are promising to repay those amounts plus interest at the annual interest rate stated for each loan, calculated semi-annually not in advance, and payable monthly. For variable rate mortgage loans, interest will be calculated and paid monthly not in advance.

Your payment, which may include a tax installment, is due on the first payment date indicated on the agreement and then on the first of each and every month thereafter, up to and including the final payment 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.

For Variable Rate Mortgages (VRM)

The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our VRM Base Rate plus/minus the “Adjustment Factor” shown on the Personal Credit Agreement. Our Variable Rate Mortgage Base Rate is set on the first of each month equal to the Prime Rate of The Bank of Nova Scotia on that day and can be obtained from any Canadian Bank of Nova Scotia branch.

Your interest rate will vary automatically. If The Bank of Nova Scotia Prime Rate changed during the month, your interest rate will not change until the first day of the following month. After each rate change, we will mail a notice showing your new interest rate and the date it became effective. But our failure to mail a notice or its non-receipt will not prevent the rate from varying. For a variable rate mortgage without a Cap Rate, if the interest rate increases, your payment may not be sufficient to cover the interest that accrues on the loan amount. In that case, the unpaid interest will be added to the amount you owe and will bear interest at the interest rate payable on the loan amount.

For a variable rate mortgage without a Cap Rate, we may require you to pay all the money that you owe us under the mortgage immediately whenever the loan amount

and unpaid interest exceed the “Maximum Loan Amount” shown on the Personal Credit Agreement.

For a variable rate mortgage with a Cap Rate, the maximum interest rate payable by you on the loan at any time during the term will be the Cap Rate as indicated on the Personal Credit Agreement.

Variable Rate Mortgage Loan Sample Calculation

Use this formula to calculate the interest on any amount for any period:

$$\text{Principal} \times \frac{\text{Interest rate}}{100} \times \frac{\text{Number of days in the period}}{365 \text{ (or 366 in a leap year)}}$$

The amount on which you are calculating interest is called the **principal**. The **interest rate** is the interest rate payable on the loan amount specified on the Personal Credit Agreement, as varied from time to time.

Where we refer to interest from a date, that means interest from and including the date. Where we refer to interest to a date, that means interest to but excluding the date.

Here is an example of the calculation:

Assume that you wish to calculate the interest on \$50,000 from March 1 to April 1. Assume that the interest rate was 9% on March 1. Assume that the year is not a leap year.

In calculating the period from March 1 to April 1, include the first date but exclude the second date, so that the number of days is 31.

The formula for calculating the interest on the principal from March 1 to April 1 is:

$$\$50,000 \times \frac{9}{100} \times \frac{31}{365} = \$382.19$$

Assume that the \$50,000 in this example is the balance of the principal amount owing on March 1 and that nothing else is owing on that day. Assume that the monthly loan payment is \$500. The payment on April 1 is applied as follows:

To pay interest from March 1 to April 1	\$ 382.19
To reduce the loan amount	\$ 117.81
	\$ 500.00

On April 1, the principal amount would be reduced to \$49,882.19. This would be the principal in the calculation on May 1.

If the monthly loan payment had been only \$375, all of it would have been used to pay the interest and none to reduce the principal amount. The remaining interest of \$7.19 would have become deferred interest. On May 1 interest would have been calculated on both the loan amount of \$50,000 and the deferred interest of \$7.19.

Mortgage Insurance

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

Interest Adjustment Date (IAD)

The IAD is the date your mortgage term starts. It is the first day of the month prior to the first payment date. You must pay interest on the money advanced to you before the IAD. At our option, the interest you owe from the advance date to the IAD will be paid by one of the following methods:

- on the IAD
- in monthly installments on the first day of each month following the date of each advance to and including the IAD
- deducted from the advance.

Compound Interest

If you fail to make your mortgage loan payment when it is due, you will pay interest on any overdue interest. This compound interest is calculated at the rate and in the manner applicable to the loan, and is due on your next payment date.

If compound interest is not paid within the interest calculation period, the compound interest will be added to the principal of your loan.

Prepaying a mortgage before the maturity date

You may prepay some, or the entire mortgage early, based on the type of mortgage you have. These prepayment conditions apply independently to each loan. If we later agree to change or extend the terms of the loan, these conditions will not apply to the new or extended term.

Miss-a-Payment® Option

You may miss any scheduled payment as long as you have prepaid an amount equal to the amount of the payment you intend to miss in this term, and your mortgage is not in default. You cannot however, miss your mortgage credit insurance premium, if applicable. This option does not apply if the Automatic Credit Limit Increase option under the *Scotia Total Equity*® Plan has been selected.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly loan payments.

Fixed Rate, Open Mortgage

If you have an open mortgage and your mortgage payments are up to date, you can prepay some, or the entire principal amount owing, at any time without any prepayment costs.

Fixed Rate Closed Mortgage and Variable Rate Mortgage with a Cap Rate

If you have a closed mortgage and all your mortgage payments are up to date, you may increase your payments, or prepay some of your mortgage early in one of the ways listed in the chart below. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12-month period starting on the IAD or the anniversary of that date. If your mortgage term is less than 12 months, these options are available in each term.

PREPAYMENT OPTIONS

How	When	What it means
1. *By paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year	your principal mortgage balance will be reduced by that amount
2. *By paying up to 15% of the original principal amount of your mortgage	at any time (excluding day prepaid in full); the sum total must not exceed the yearly maximum	
3. By increasing your regular monthly mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year during the term of your mortgage	

* Only items 1 & 2 qualify for the Miss-a-Payment option.

Fixed Rate Closed Mortgage - Prepayment costs

When you prepay some, or the entire principal of your mortgage, you will incur prepayment costs, unless the partial prepayment is in accordance with the Prepayment Options chart. The costs depend on when you make your prepayment. There are two calculation periods based on the term of your mortgage: closed period and open period. You can however, reduce these costs if you supply a replacement mortgage as described later on in this booklet.

During the closed period, you may only prepay your entire mortgage if you have entered into a good faith arms length sale of the mortgaged property, and if you pay the penalties set out below.

DETERMINING YOUR CLOSED/OPEN PERIODS

Term of Closed Mortgage	Calculation Periods	
	Closed Period	Open Period
6 month Fixed Rate	First 3 months	Last 3 months
1 year Fixed Rate	First 3 months	Last 9 months
2 year Fixed Rate	First year	Last year
3 year Fixed Rate	First 2 years	Last year
4 or 5 year Fixed Rate	First 3 years	Last year or 2 years respectively
7 year Fixed Rate CMHC* insured	First 3 years	Last 4 years
7 year conventional Fixed Rate not CMHC* insured	First 5 years	Last 2 years

*CMHC refers to Canada Mortgage and Housing Corporation.

Fixed Rate Closed Mortgage - Closed Period

During the closed period, the cost to prepay some, or the entire principal amount, of your mortgage early, is the **higher** of (A) or (B), **plus** a reinvestment fee. That fee is dependent on the length of time you have had the mortgage:

- (A) *3 months' interest costs* at the mortgage rate on the amount you want to prepay
- (B) the interest rate differential. This means the difference between your existing mortgage interest rate and the interest rate currently charged, for a mortgage similar to yours for the remaining term of the loan. (This is a mortgage which has a term that is the next shortest to the remaining term of your existing mortgage.) The cost is calculated on the amount you wish to prepay.

If you prepay your entire mortgage within the first year after the Interest Adjustment Date, the reinvestment fee is \$500. In the second year the fee is \$400 and \$300 in the third year. There is no fee if you have had the mortgage for more than 3 years.

Fixed Rate Closed Mortgage - Open Period

In the open period, the cost to prepay some, or the entire principal amount of your mortgage early is three months' interest costs at the mortgage rate on the amount you want to prepay.

Fixed Rate Closed Mortgage - Reduce Early Prepayment Costs with a Replacement Mortgage

You can reduce the costs of prepaying your entire mortgage early if you concurrently provide us with a qualifying replacement mortgage for an equal or greater amount than your existing mortgage. If you do, then in the closed period of your mortgage term, your cost is the **lesser** of (C) or (D). In no event will your prepayment costs be less than zero:

- (C) *interest rate differential*. This means the difference between your existing mortgage interest rate and the interest rate currently charged, for a mortgage similar to yours for the remaining term of the loan. (This is a mortgage which has a term that is the next shortest to the remaining term of your existing mortgage.) The cost is calculated on the amount you wish to prepay.
- (D) *the interest rate differential* between your existing mortgage rate and the interest rate of the replacement mortgage for the remaining term of the loan. The cost is calculated on the amount you wish to prepay.

We may further reduce the cost by a minimum of \$300, depending on the amount by which the replacement mortgage exceeds the amount of your existing mortgage. We will also waive the reinvestment fee.

In the open period of your mortgage term, your cost is the **lesser** of (C) or (D) above, **or** (E). In no event will your prepayment costs be less than zero:

- (E) *3 months' interest costs at your existing mortgage rate*.

We may also reduce this cost by a minimum of \$300 as noted above.

Fixed Rate Mortgage - Portable

As long as we agree in writing, you may transfer your existing mortgage loan balance to a new home or you can combine your existing loan balance with additional funds and, depending on the remaining term of the existing loan, obtain an extended term. The interest rate on the replacement loan will be a blending of the rate you were paying on the funds transferred from your existing loan and the rate applicable to the term of the replacement loan and/or additional amount. You must apply for a new mortgage and meet all our normal qualifications as if you were applying for any other new mortgage.

Variable Rate Mortgage without a Cap Rate

If this mortgage loan agreement does not provide for a Cap Rate and your mortgage payments are up to date, you may prepay some, or the entire principal amount of your mortgage, on any regular payment date. If you prepay the entire principal amount owing you must pay an administration fee of \$100 for each year or part of a year remaining in the term.

Variable Rate Mortgage with a Cap Rate

If this mortgage loan agreement provides for a Cap Rate, when you prepay some, or the entire principal of your mortgage, you will incur prepayment costs unless the partial prepayment is in accordance with the Prepayment Options chart shown on page 23. The cost to prepay some, or the entire principal amount of your mortgage early is 3 months interest costs on the amount of the prepayment. The interest rate used to calculate the 3 months interest is the Cap Rate.

Cashback Repayments

Cashback

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

$$\text{Cashback Repayment} = \frac{\text{Remaining term in months (rounded up)}}{\text{Original Term in months}} \times \text{Cashback Amount Received}$$

Scotia Plan Loans

Payment Schedules

When we lend you money, we expect you to pay it back according to the payment schedule on the Agreement. When you sign the Agreement, you are promising to repay the amount of money we loaned you plus interest.

Interest is calculated

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

Your daily interest rate is calculated by dividing your annual rate by the number of days in the year (365 or 366 in a leap year). Interest is charged on a leap day in a leap year.

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

Prepaying a loan before the maturity date

You may pay off your loan before the due date on the Agreement. For loans that are secured by real or immovable property, in addition to any amount you prepay, you will also pay us a prepayment charge equal to 90 days interest. The interest is calculated on the full amount of the prepayment at the interest rate on the Agreement.

Cancellation of insurance

You may cancel your insurance coverage at any time during the insured loan term. A premium refund will automatically be calculated for the remaining period of the term.

Scotia Plan Loans for RRSP

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

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

Credit Accounts

VISA credit cards, ScotiaLine line of credit, ScotiaLine VISA card, Scotia Professional Student Plan and Overdraft Protection

This agreement governs all of our credit cards as well as our personal lines of credit. The terms applicable to cards also apply to *ScotiaLine* VISA.

Your rights and obligations

By signing the Agreement, you have requested the features, benefits and services provided automatically with credit accounts. You understand that optional services may be available at additional cost to you and that separate agreements or authorizations by which you agree to be bound may govern these services.

You also understand that firms independent of us supply some of these services and that we are not liable for them in any way.

Use of the Card/Line of Credit

If we issue a Scotiabank VISA card to you; provide you with a renewal or replacement card; establish a credit line in your name; or provide you with Scotia VISA or credit line cheques; and you keep or use the card, cheques or credit line, it means that you agree to be bound by the terms of this agreement.

You understand and agree that you are liable for all charges incurred on your account with any supplementary card issued in connection with the account. When you request Scotiabank to issue a supplementary card, we will also issue renewal and replacement cards for such supplementary card, unless the card is cancelled by you or Scotiabank. You understand and agree that a supplementary cardholder's signature on or use or retention of the supplementary card issued in his or her name shall evidence your receipt of the agreements relating to the account and your acceptance of their terms.

You agree that the credit line may only be used for personal, household or family purposes unless this credit line is issued to a business in which case it may also be used for business purposes.

When the card is used with your PIN (Personal Identification Number) to make a purchase at enabled point of sale terminals, or to obtain a cash advance at an Automated Banking Machine (ABM), including using your ScotiaCard together with a PIN through designated ABMs, or by using your Verified by VISA Password to make purchases on-line, you are deemed to have authorized the transaction.

You may draw funds on your credit account using a cheque or through any other method that we permit, including using your ScotiaCard together with a PIN through designated ABMs, or by using your Verified by VISA Password to make purchases on-line.

You may not use your card or credit line for any transaction which is illegal, including the purchase of goods or services, prohibited by local law applicable in the Cardholder's jurisdiction.

You can use the card and cheques wherever they are accepted. We are not liable if a merchant or a business does not accept your card or cheques.

If we set up a line of credit in your name, other than *ScotiaLine* VISA, for the sole purpose of funding an investment, we may restrict your access to the account. We may not supply you with cheques or a card and you will not draw on the line of credit for any other purpose.

Scotia RRSP Catch-Up line of credit restrictions

We may not supply you with cheques and you will not draw on the line of credit for any other purpose other than funding an RRSP.

When we grant a line to be used only for funding an RRSP, the proceeds are deposited to your RRSP. You agree that if you request to have any amount redeemed and paid out to you from your RRSP, at our discretion we may declare an equal amount under the line of credit to be due and immediately payable and we may apply the amount redeemed against the outstanding balance of the line of credit. You authorize the Trustee or the holder of your RRSP to obtain the outstanding balance of your RRSP line of credit from your Scotiabank branch and direct sufficient funds to pay out the line of credit to the branch where your RRSP is held.

If you request that your Scotiabank Group member RRSP be transferred to another financial institution, we may declare all amounts owing under the line of credit to be due and immediately payable. Alternatively, we may add an additional adjustment factor to your interest. You authorize the Trustee and any party administering your RRSP to disclose the information in relation to your RRSP to us. These provisions apply to any RRIF that the RRSP funds are transferred to.

Where we declare any amount to be due and immediately payable under the line of credit as a result of a redemption or transfer of RRSP and you fail to pay such amount, an additional adjustment factor may be added to your interest rate.

Service fees for your Line of Credit

You agree to pay the following fees* when applicable:

- An overlimit fee of \$25, once per statement period, if your account balance exceeds your credit limit. If your account is still over its limit in the next statement period, it will incur another charge.

- A fee of \$42.50 if a payment to your line of credit is returned due to insufficient funds or any other reason.
- A fee of \$42.50 for each cheque that is drawn on your line of credit but returned due to insufficient credit available. If the Bank chooses to honour the cheque, causing your account to exceed its limit, your account will then be subject to the overlimit fee.

Service fees on lines of credit are treated as advances, and will be added to your account. These fees do not apply to the *Scotia Professional* Student Line of Credit and the *ScotiaLine* personal line of credit for students.

Observing your card's expiry date

You agree not to use the card or cheques after the card's 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 limit is indicated on the agreement and on your monthly statement. For lines of credit, we can increase or reduce your credit limit or allow you to exceed your credit limit without telling you in advance. For cards, 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 accounts which would cause you to exceed your limit. However, we are not obligated to do this.

Making a minimum monthly payment

If you do not repay your debt in full by your statement payment due date, you agree to make a minimum monthly payment. We will tell you the minimum required payment on a separate notice and on your monthly statement. We may require a different monthly payment and will notify you of this beforehand. Any overdue payment or over limit amount must be paid as soon as you receive your statement.

If you have a *Scotia Professional* Student Plan, for as long as you remain AT school or during the 12 months of your repayment grace period, we will charge you interest as provided in your agreement. This interest will be automatically added to your account monthly. You may make principal payments as well. If you exceed your available credit limit, you are required to make a payment as indicated on your next statement.

Keeping your Personal Identification Number (PIN) and Password confidential

You agree to keep your PIN and Password separate from your card at all times. If you do not keep your PIN or Password confidential, or if you select a PIN or Password that can be easily discovered, such as a number the same as or similar to an obvious number combination including numerical sequences such as "1234", your date of birth, bank account numbers or telephone numbers, or if you keep your card and your PIN or Password in a way that would enable someone else to use them together, you will be liable for all debt, including interest, arising from their unauthorized use.

Telling us about loss, theft or unauthorized use

You will inform us immediately by telephone and in writing about any actual or suspected loss, theft or unauthorized use of your card, Password, PIN or cheques. You agree that we may assume you have authorized all transactions until you tell us otherwise.

If your card is lost or stolen, you will not be liable for any unauthorized use, as long as the unauthorized use does not involve use of your Password or PIN. You are liable for all card transactions incurred using your Password or PIN and all debt, including interest arising from such use.

If your cheques are lost or stolen, you will also be liable for any unauthorized activity until you notify us of this activity.

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 by their use until they have been surrendered to the bank.

Telling us about errors in your statement

If your statement contains any errors, you will tell us in writing or by any other means that 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 plan 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 monthly statements to ensure that cancelled transactions have been discontinued.

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, credit line 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.

Our rights and obligations

Paying interest on a credit balance

If you have a *ScotiaGold Passport*® VISA card, we will pay the primary cardholder interest on an entire credit balance of \$1,000 or more at the same rate as we pay on Daily Interest Savings Accounts. We will calculate the interest daily, pay it monthly and show it as a credit on your monthly statement. The interest rate we pay will be posted at our bank branches and will change from time to time.

Charging interest on purchases with your card

For VISA cards, including *ScotiaLine* VISA cards and *ScotiaLine for business* VISA cards, we will not charge interest on any purchases or interest-bearing services charges (dishonoured payment fee and the overlimit fee) if you pay, by the payment due date set out in the monthly statement, the entire balance of the monthly statement on which they first appear. If your entire balance is not paid in full, we will charge interest on all purchases and interest-bearing service charges from their transaction date to the date they are paid in full.

Charging interest on cash advances and line of credit advances

In the case of cash advances from a VISA card, including balance transfers and *Scotia*® VISA cheques, and all advances under a line of credit, including advances taken by cheque, interest is payable on each cash advance or advance from the transaction date indicated on the monthly statement to the date it is repaid in full. There is no interest-free grace period for cash advances or advances. Cash advances include "quasi cash advances" which are monetary transactions posted to your account which are not "purchase" transactions and include, but are not limited to, wire transfers, foreign currency, travelers cheques, money orders, remote stored value, and purchase of gaming chips. Purchase of custom cheques for lines of credit are charged to your account and are also treated as advances.

Interest

For both cards and credit lines, we will tell you the applicable interest rates. We may change these rates from time to time in our sole discretion and in accordance with applicable law even if you repay your credit account in accordance with its terms.

If your credit accounts have standard and preferred rates, to qualify for the preferred interest rate, you must repay your credit accounts in accordance with its terms; otherwise, the standard interest rate will apply. If you are paying the standard interest rate, it will revert to the preferred interest rate once you have continuously complied with your obligations under this agreement for six consecutive months (subject to change).

Interest for credit lines is composed of two factors:

- our prime rate
- 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 the adjustment factor, but we will give you prior written notice of this, stating the effective date of the change.

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 advances 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.

If you have a *Scotia Professional* Student Plan, interest will be automatically added to your principal balance once a month, provided that you are within your limit, as long as you remain AT school and during the 12 months of your repayment grace period. A payment is required if you exceed your available credit limit, as indicated on your next statement.

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

We will send you a notice that will tell you about interest rates, service charges and, if applicable, our annual fee. All service fees will be charged to your 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 or amounts, or introduce new fees, we will give you prior notice as required by law.

Applying your payments

For VISA accounts, we apply your minimum payments, as applicable, first to interest charges that we have billed, then to any billed annual fees and service charges, then to any low rate billed cash advances or purchases in the order in which the low rate offers were activated, then to any regular billed cash advances, then to any regular billed purchases on which interest is payable, then to regular billed purchases on which interest is not yet payable, then to any low rate unbilled cash advances or purchases in the order in which the low rate offers were activated, then to any regular unbilled cash advances and finally to any regular unbilled purchases.

For line of credit accounts, we apply your minimum payments, as applicable, first to interest charges that we have billed, then to any billed service charges, then to any low rate billed advances in the order in which the low rate offers were activated, then to any regular billed advances, then to any low rate unbilled advances in the order in which the low rate offers were activated, then to any regular unbilled advances.

For both VISA accounts and line of credit accounts, we will apply your payments in excess of your minimum payment, as applicable, on a pro-rata basis among each group of billed charges on your account and then on a pro-rata basis among each group of unbilled charges on your account. Charges are grouped on the basis of the interest rate applicable to the group of charges, including a group of charges that do not accrue interest.

Example for VISA accounts: Your billed charges include \$20 in accrued interest, a \$39 annual fee, \$120 in cash advances and \$1000 in purchases for a total of \$1,179.00. No interest is applied to the accrued interest or the annual fee - Group 1. An interest rate of 21.99% applies to the cash advances - Group 2. An interest rate of 19.99% applies to \$600 of the purchases - Group 3 - and a promotional interest rate of 7.99% applies to \$400 of the purchases - Group 4.

The minimum payment is \$23.58 and the borrower pays \$500. The minimum payment is applied to the accrued interest of \$20 first and then \$3.58 is applied to the annual fee. The remaining payment amount of \$476.42 is applied to the remaining balance of \$1,155.42, as follow:

Group 1 - $\$35.42 / \$1155.42 \times \$476.42 = \14.60

Group 2 - $\$120.00 / \$1155.42 \times \$476.42 = \49.48

Group 3 - $\$600.00 / \$1155.42 \times \$476.42 = \247.40

Group 4 - $\$400.00 / \$1155.42 \times \$476.42 = \164.93

Example for line of credit accounts: Your billed charges include \$20 in accrued interest, a \$42.50 service charge for a dishonoured cheque and \$1000 in advances for a total of \$1,062.50. No interest is applied to the accrued interest - Group 1. An interest rate of 7.00% applies to the service charge and \$600 of the advances - Group 2 - and a promotional interest rate of 5.00% applies to \$400 of the advances - Group 3.

The minimum payment is \$31.87 (3% of balance) and the borrower pays \$500. The minimum payment is applied to the accrued interest of \$20 first and then \$11.87 is applied to the service charge. The remaining payment amount of \$468.13 is applied to the remaining balance of \$1,030.63, as follow:

Group 2 - $\$630.63 / \$1,030.63 \times \$468.13 = \286.44

Group 3 - $\$400.00 / \$1,030.63 \times \$468.13 = \181.69

Applying credit vouchers

For 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

We will bill you in Canadian currency 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.

For cards, debit or credit vouchers in a foreign currency are charged or credited to your account at the exchange rate 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. This rate includes an amount equal to a percentage of the converted amount in Canadian currency, disclosed from time to time in your monthly statement, applied to both debit and credit transactions.

For account payments and *Scotia* VISA 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.

Automatic Banking Machines (ABMs)

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

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 single statement to the address provided by the primary borrower and, where applicable, an additional statement to each other borrower who has requested an additional statement to the address provided by that borrower. 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.

Offset

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

Security

If a mortgage, hypothec or security agreement secures this credit account, 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.

Changing this agreement or the services we offer

We can change this agreement or the services that are available with the credit account, but we will give you notice in writing before we do so. We do not need to give you notice if we change ABM services. 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 send a single notice to the address provided by the primary borrower and, where applicable, an additional notice to each other borrower who has requested an additional notice to the address provided by that borrower.

Overdraft Protection Agreement

If you want the peace of mind of knowing your payments are covered when you have a temporary cash shortfall, then you should consider applying for Overdraft Protection. It is available on all bank accounts except *Getting There Savings Program for Youth*, *Scotia* U.S. Dollar Daily Interest Account, *Scotia* Euro Daily Interest Savings Account, *Scotia Power Savings Account* and the *Money Master Savings Account*.

Service fees & interest

No monthly fee if the account does not go into overdraft

A \$5.00 Overdraft Protection fee applies each month in which your account is overdrawn a day or more

Interest payable on overdrawn balances is calculated daily on the daily closing overdrawn balance at 19% per annum, charged monthly

A \$5.00 handling fee applies for each item paid while your account is overdrawn more than the pre-authorized limit

Repaying your Overdraft Protection

You must bring accounts in overdraft to a positive balance at least once every 30 days.

Overdraft protection is a temporary credit account.

You may use your overdraft protection from the date the agreement is approved by us.

Overdraft limit

You may overdraw the account specified in the agreement up to the amount agreed to in writing by us.

You may overdraw the account by cheque, pre-authorized payment or any other debit we authorize. We may refuse any debit if the amount would cause the overdraft limit to be exceeded.

Payment

Within 30 days from the day in which the overdraft occurred:

- You will bring your account to a positive balance.
- You will pay us the handling charge for each debit drawn on the account and all other applicable service charges. Handling charges are treated as overdraft amounts.
- You will pay us the overdraft interest charge set out above or as stipulated by written notice to you. Interest is calculated and accrued daily to each statement date on each debit from the date on which the debit is charged to the account. Overdraft interest charges are treated as overdraft amounts.

Default

Default occurs when you fail to comply with any of the terms, including the promise to pay, outlined in any agreement you have with us and/or when you fail to operate your account in a satisfactory manner; for example, if you have multiple NSF

cheques. If your overdraft balance goes into default, 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 demand loan at a rate of 21% per annum. Please note that default is reported to credit bureaus, which can adversely affect your credit rating and negatively impact your future borrowing capability.

Terminating the agreement

Either party may terminate the agreement. We may terminate the agreement, without notice to you, if you are in default. We may terminate the agreement, without reason, by giving you 30 days written notice. You may terminate the agreement by giving us at least 10 days' prior written notice.

Termination does not relieve you of any obligations under this agreement until the overdraft amount has been paid to us in full. Regardless of such termination, you are responsible for paying us for all debits or other charges made following termination.

Scotia Total Equity Plan

If you have a *Scotia Total Equity* Plan with us, the rules for each loan product and credit account apply in addition to the following.

Applying your payment

We may allocate your payments to any loan under the agreement both before and after default.

Subject to the rights of any third party, any money we obtain by enforcing our rights after paying our costs, will be applied first to the mortgage loan, then the lines of credit, the term loan, VISA cards and finally to the overdraft.

Changing the split of your loan

You may split the approved limit of your loan into a combination of loans and credit accounts, as long as we agree in writing. Each type of loan and credit account has a set of rules for payment. You may only change the split by creating a new agreement subject to the terms of the original agreement, including paying prepayment charges. You may be required to submit a credit application. You may also be required to pay fees associated with changing your mix of borrowing products, such as title search fees. Your Personal Banker will disclose any fees you will be charged. If you have selected the *Scotia Total Equity*® Plan Automatic Credit Limit Increase option, the credit limit increase will be allocated to one selected revolving credit account as long as the revolving credit account has not reached the maximum credit limit. As credit becomes available within your *Scotia Total Equity* Plan limit, due to principal repayment under your mortgage and/or Scotia Plan® Loan components or any changes made to your *Scotia Total Equity* Plan, we will adjust the credit limit for your designated revolving credit product on a monthly basis, within 60 days of the principal repayment to reflect the available credit within your *Scotia Total Equity* Plan limit. The credit limit increase is applied at a minimum of \$100 and in multiples of \$100. You will be notified of the adjusted credit limit for your designated product on the account statements for the designated product. The credit limit increase is subject to ongoing evaluation of your credit history. *Miss-a-Payment*® mortgage option is not eligible if you have selected *Scotia Total Equity* Plan Automatic Credit Limit Increase. The *Scotia Total Equity* Plan Automatic Credit Limit Increase option requires that your collateral mortgage be title insured by FCT Insurance Company Ltd. and you must pay a fee to obtain the title insurance coverage. Where the Automatic Credit Limit Increase option is selected after the Plan is initially set-up, you must pay a fee in the amount of \$75 to process and obtain the title insurance coverage, unless sufficient title insurance coverage for the collateral mortgage in an amount at least equal to your total credit limit is already in place with FCT Insurance Company Ltd.

Collateral Mortgage

The *Scotia Total Equity* Plan collateral mortgage must be in first position and be the only mortgage/encumbrance on the property. If we permit a second mortgage in our favour on the property, a default under any agreement secured by a mortgage in our favour against the property will be considered a default under all agreements that are secured by a mortgage in our favour against the same property. We may determine the order in which any agreement is to be satisfied in the event of default under any agreement that is secured by a mortgage in our favour against the property.

Transferability

The transfer of this collateral mortgage (and any outstanding balance(s) attached), is at the sole discretion of the other lender. They may not have a product similar to the *Scotia Total Equity* Plan mortgage, and they may or may not absorb the legal fees associated with converting your *Scotia Total Equity* Plan mortgage, to their mortgage product.

Assumability

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

Delinquency

In cases of delinquency, we may transfer delinquent balances to other credit products to restructure your credit, and in addition we may reduce or cancel the credit limit (where applicable) of any product under your *Scotia Total Equity* Plan.

Security Agreements

Security Agreements

Security Agreements

Security Agreements

If you have pledged security on the Personal Credit Agreement, the terms and conditions for that security agreement come into effect when you sign the credit agreement.

There are six types of security agreements, based on the type of security that we accepted from you. We include each type of security agreement in this section with the exception of a collateral mortgage for real estate. That document will be given to you separately either by us or your lawyer. There is however, a short explanation of it provided for your information.

Collateral Mortgage/Deed of Hypothec

When you signed the Personal Credit Agreement and indicated security agreement code 1 (first mortgage) or 2 (second mortgage), you are also bound by the terms and conditions of a collateral mortgage. A collateral mortgage is the document we hold when we take your real property as security on your loan. This includes a deed of hypothec on immovable property in Quebec.

When you offer and we accept your real/immovable property as security for a loan, a mortgage/hypothec document is registered at the appropriate registry office along with any terms and conditions for your province or territory.

You will receive a copy of these documents from us or from your lawyer or notary.

Any of our subsidiaries, such as Scotia Mortgage Corporation, may act as our agent in any transaction or correspondence for your mortgage loan. Dealing with them is the same as dealing with us.

Chattel Mortgage/Hypothec

When you signed the Personal Credit Agreement and indicated security agreement code C, you are also bound by the terms and conditions of this chattel mortgage/hypothec document. You have pledged the property listed in the security pledged section of the agreement (property) as security to us for your loan. A chattel mortgage is the document we hold when you provide your personal property as security on your loan. This includes a hypothec on moveable property in Quebec. Our security interest/hypothec in the property extends to any replacements or proceeds of the property.

In addition to the rights specified here, we also have all rights, remedies and powers of a secured party under the Personal Property Security Act, and similar legislation.

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

- Ownership/Use of the Property/Enforcement
- Insurance
- Maintenance

Ownership/Use of the Property/Enforcement

You confirm that you are the sole legal and beneficial owner of the property and no one but us has any other interest in the property. You will keep the property clear of all legal claims against it except ours. If you do not, we may settle the claim and charge you what it cost, including incidental expenses which include our legal expenses.

You agree not to lease the 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 property must not be used in any illegal manner. You also agree to notify us when you move. You agree not to remove the property from your province or territory for more than 30 days without our written notice.

If we take possession of the property, we will provide you notice as required by law. You can regain possession of the 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 property. Provincial or territorial law may state the number of times you may take advantage of reinstatement.

If you don't regain possession of the property, we can sell the property at either a public or private sale. We may also sell the property on deferred payment terms or lease it. We will give you at least the amount of notice required in the jurisdiction where you live of the date, time and place of any public sale or of the date after which any private sale will be made. We will give you the amount left after we subtract the total amount you owed us plus our reasonable legal 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 property, you must pay us that amount, unless prohibited by law. If we enforce our rights to be paid the balance due by court proceedings, you will pay to us all our costs including all our legal costs.

Insurance

You must keep the property insured against loss or damage from fire and theft. Where required, you must also insure it against collision. If it is a mobile home, you must also insure it against wind damage. If it is an aircraft, you must carry all-risk insurance, including collision and Breach of Warranty endorsement. You agree to carry additional coverage if we ask. You may purchase any insurance required by this agreement from an insurance company lawfully licensed to do so or through an agent of your choice. You also agree not to assign the insurance to any other person.

The insurance you carry must be equal to the fair market value of the property. You give us the right to receive proceeds of all insurance covering the property and you shall notify your insurer that you have done so. If you fail to carry adequate insurance, we may purchase it for you and charge you for the premium, the cost of which shall be secured by the property.

If the property is damaged, you will use the proceeds of the insurance to repair the property. However, if the property is lost, stolen or significantly damaged, we may

decide whether to use insurance proceeds to replace the property or to apply them to what you owe.

The loss, destruction or damage of the property does not excuse you from making payments unless the insurance proceeds paid to us pay the total balance due.

If we make any payments to take, hold, repair maintain, insure or to defend claims against the property, you will reimburse us. These payments will bear interest at the rate set out in the agreement and will be secured by the property.

Maintenance

You promise to keep the property in good repair and replace all worn, broken or defective parts. If you fail to do this, we can make repairs and charge you for them. We have the right to inspect the property at any reasonable time. If the property is an aircraft, you must comply with the inspection requirements of the Department of Transport.

Hypothecation/Assignment of Specific Bank Accounts

When you signed the Personal Credit Agreement and indicated security agreement code H or A, you are also bound by the terms and conditions of this hypothecation. You have pledged the property listed in the security pledged section of the agreement (Property) as security to us for your loan. A hypothecation is a document we hold when you provide shares, bonds, mutual funds, guaranteed investment certificates, term deposits and bank accounts or similar assets as security on your loan. This document grants us an interest in the listed Property, its revenue and proceeds.

Leveraging

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

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

- Ownership/Power of Attorney
- Our rights as the temporary owner

Ownership/Power of Attorney

You warrant that you are the sole owner of the Property pledged.

You irrevocably agree that the security agreement you have granted us shall remain in effect until what you owe has been paid in full or we release it, as we see fit. We will send part 4 of the Personal Credit Agreement signed by you to the

administrator, broker or issuer of the mutual funds, securities or securities account to notify them that your Property is being held by us as security for a loan. A copy of the text on part 4 is in this document.

You irrevocably appoint any of our employees as your true and lawful power of attorney for the Property you have pledged. We will act under this power of attorney with respect to all aspects of the Property you have pledged including giving instructions for, and completion of, the sale of the Property you have pledged.

When you have paid what you owe on time and in full, and we have registered a discharge, our interest in your Property ends. Our power of attorney rights will also end at that time.

Our rights as the temporary owner

In some cases, we will hold the Property in our vault or with any recognized clearing corporation, in a form deemed appropriate by us.

We may, in the event of default, immediately apply to what you owe us, any and all proceeds from public or private sale of the Property which you have assigned as security for your obligations.

We, at our option and without notice or formality (all of which you waive), may do any of the following:

- Sell the Property by public or private sale, if in our opinion the value depreciates below the amount of money you owe and sufficient additional collateral is not pledged to secure what you owe.
- Hold the proceeds of the sale of the Property as we see fit to secure what you owe us.
- Register the Property in our name or the name of any other nominee.

We will not:

- be bound to realize any of the Property or to allow any of the Property to be sold
- be responsible for any loss incurred by any sale, or failure to sell the Property or enforce any of our security
- be bound to protect any of the Property nor to protect the Property from depreciating in value or becoming worthless
- be bound to examine any lists, or notices, relating to coupons or dividends, or the expiry of rights or warrants in connection with the Property you have pledged
- be bound to collect any revenue payable on the Property pledged. All such revenue will be applied to the loan if received by us. We are not bound to vote in respect of any of the Property you pledge, but we are entitled to vote at our option
- be responsible for any loss by exercising voting rights of the Property.

For a Scotia Investment Line of Credit you acknowledge that should the value of the Property you have pledged fall to a value where the loan to collateral value ratio is greater than 66 percent, we may require you to pay down the loan to bring it to 66 percent loan to value, purchase additional Property so that the loan to value ratio is reduced to 66 percent or we may call the loan if you do not do either of the above. We may also sell some of the Property and apply it to your loan to reduce the amount outstanding. We reserve the right to change the percentage levels indicated here from time to time. If any amount of the loan remains unpaid after we have sold the Property and applied it to the loan, you must repay it.

Notice to Fund Administrator, Issuer or Securities Intermediary

If any Property you have pledged is an uncertificated security or is maintained for you in a securities account by a broker or other person, the following paragraph, contained in your Personal Credit Agreement, is your direction to the issuer of the uncertificated security or to that broker or other person that you are using that Property as security for your loan from us. You agree that, depending on the issuer, broker or other person involved, your loan or credit account may be conditional on that person entering into an additional agreement satisfactory to us concerning the terms on which they will hold the Property on our behalf.

Please hold the Property described below on behalf of Scotiabank. No pledging, redemption, repurchase, sale or removal of any of that Property shall be made without Scotiabank's prior written consent. Enter a "hold" or other appropriate message on the account to reflect this notice. Payments of interest or other income may be paid to me unless and until you receive notice to the contrary from Scotiabank. I acknowledge that all proceeds and all future purchases of Property of the type described below will be covered by this notice until Scotiabank expressly requests you to remove it. I direct you to comply with all notices, instructions and entitlement orders you receive from Scotiabank concerning the transfer, redemption or other dealing with my Property without my further consent. I request that you agree with Scotiabank that you will do so. This notice is irrevocable by me unless revocation is consented to by Scotiabank in writing.

Authority to Hold Funds on Deposit

When you signed the Personal Credit Agreement and indicated security agreement code F, you are also bound by the terms and conditions of this authority to hold funds on deposit. You have pledged the property listed in the security pledged section of the agreement (property) as security to us for your loan. This document allows us to hold the money in your Scotiabank account indicated on the agreement to us until the loan has been paid or the arrangement between us ends.

For those accounts, there are two key issues:

- Ownership
- Default

Ownership

You warrant that you are the sole owner of the account.

You agree that you cannot withdraw funds from this account except those funds that are in excess of the amount stipulated in the agreement.

The agreement is irrevocable.

Default

In the event of default, we may immediately apply any and all amounts in your accounts to what you owe us.

Assignment of Life Insurance - Cash Surrender Value

When you signed the Personal Credit Agreement and indicated security agreement code L, you are also bound by the terms and conditions of this document. You have pledged the property listed in the security pledged section of the agreement (property) as security to us for your loan. 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. References to assignment mean agreement in Quebec.

This document grants us an interest in your policy and all amounts accumulated to your credit or benefit such as bonuses, additions, profits or other amounts.

When you offer and we accept this assignment as the security for your loan, there are two key issues:

- *Ownership/Power of Attorney*
- *Maintenance of the policy*

Ownership/Power of Attorney

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

You irrevocably appoint any of our employees as your true and lawful power of attorney to do anything in relation to the policy as part of this assignment.

We will send part 4 of the Personal Credit Agreement signed by you to your insurance company. A copy of the text on part 4 is in this document. We will also keep a copy attached to the copy of your insurance policy that we will keep on file.

This assignment remains as a continuing security for any future borrowing 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 pledged section of the 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
- 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.

We will not be responsible for any loss which may occur in the value of the policy, or for the negligence of any solicitors or agents employed by us.

When the loan has been paid in full, our interest in your policy ends. Our power of attorney rights will also end at that time.

Maintenance of the policy

You are responsible for paying all premiums and any other charges required, and to do anything else to keep the policy in force. If you do not, we can do so and will add the costs to the loan which will bear interest at the loan interest rate.

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

Notice to Insurance Provider

This paragraph is your direction to your insurance company that you are using the cash surrender value of your life insurance as security on a loan. It is on part 4 of the Personal Credit Agreement.

I am informing you that I have assigned and/or hypothecated the policy listed in the security pledged section of this agreement, to Scotiabank. I have appointed Scotiabank as my true and lawful power of attorney to do any action regarding my policy. Scotiabank has the right to sell, dispose of, or accept the cash surrender

value of the policy listed below, or substituted policy, or accept one or more paid up policies should I default on the loan. This assignment and/or hypothec remains as a continuing security until expressly requested to be removed by the bank. This notice is irrevocable by me unless consented to by the bank in writing.

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

Personal Guarantee

When you signed the Personal Credit Agreement as guarantor, as indicated by security agreement code G, you are also bound by the terms and conditions of this guarantee. A Personal Guarantee is the document we hold when we take a guarantee from an individual as security on your loans.

By signing the agreement, the guarantor accepts responsibility for the loan according to the terms set out in this document. The guarantor receives a copy of the agreement.

In consideration of the bank granting a loan to the borrower(s), you guarantee payment to the bank on demand of the loans indicated on the Personal Credit Agreement in accordance with its terms and agree that your liability to do so will not be affected or released:

- by any variation, renewal, extension or replacement of the loans, agreements or any security (including any other guarantees) held by the bank for the loans
- by any extension of time or other indulgence given by the bank to the borrowers or others under the agreement or any security
- by any delay or refusal by the bank to require or enforce payment of the agreement or any security
- by the taking, non-perfecting, or giving up of any security or by any dealings with the borrowers or others respecting the agreement or any security
- by your death or legal incapacity or the death or legal incapacity of the borrowers
- by any event which results in the borrowers not being under a legal obligation to pay the loans covered by the agreement.

The bank need not exhaust its recourse against the borrowers or others under the agreement or any security before being entitled to payment by you under this guarantee.

If more than one guarantor signs this agreement, the obligations set out in it are joint and separate (joint and several). That means each guarantor is fully responsible for the entire debt.

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