

CANADIAN DOLLAR SCOTIABANK VISA BUSINESS CARD
Liability Waiver Insurance
Certificate

This certificate is a valuable source of information. Please keep it in a safe place.

What is Scotiabank Visa Liability Waiver Insurance?

The Scotiabank Visa Liability Waiver Insurance program allows Eligible Companies that have established a Canadian Dollar Scotiabank VISA Business Card Account Agreement to request the Scotiabank to waive the Company's liability for certain Unauthorized Charges made by its employee Cardholders.

Who Provides this Insurance?

This program is insured by Royal & Sun Alliance Insurance Company of Canada. The policy number is VC500500.

What is the Maximum Amount of Insurance?

The Scotiabank Visa Liability Waiver Insurance program will waive the Company's liability for Unauthorized Charges up to \$100,000 per Canadian Dollar Scotiabank VISA Business Card, subject to the terms, conditions, limitations and exclusions in this Certificate.

Definitions

"Affidavit of Waiver" means a written request sent to the Scotiabank by mail, telegram, fax or telex from the Eligible Company requesting the Scotiabank to waive the Company's Unauthorized Charges in accordance with the terms and conditions of this program.

"Cardholder" means the designated employee of an Eligible Company who is over 18 years of age and who is authorized to use the Canadian Dollar Scotiabank VISA Business Card for Eligible Company business only. The Eligible Company will not name any person to receive a Canadian Dollar Scotiabank VISA Business Card on any of its present or future accounts if that person has been named at any time by the Eligible Company in an Affidavit of Waiver.

"Charges" means the amounts, billed or unbilled, including purchases and cash advances, charged to the Cardholder's Canadian Dollar Scotiabank VISA Business Card.

"Eligible Company" means a corporation, partnership, sole proprietorship or any other entity which has signed and still has an active and in force Canadian Dollar Scotiabank VISA Business Card Account Agreement with the Scotiabank.

"Date of Notification of Employment Termination" means the date the Company gives or receives a written notice of immediate or pending employment termination of a Cardholder or the date on which the Cardholder leaves the Company's service whichever is earlier, or if the Cardholder is a member of a Bargaining unit of a union and the employer contract includes grievance procedures, the date the Company files a grievance with the labour arbitrator recommending the Cardholder's employment be terminated.

"Canadian Dollar Scotiabank VISA Business Card " shall mean a Canadian Dollar Scotiabank VISA Business Card issued by the Scotiabank to the Company.

"Waiver Date" is the date on the Request for Waiver Letter sent from the Eligible Company to the Scotiabank.

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What are Unauthorized Charges?

- A. "Unauthorized Charges" are Charges to a Cardholder's Canadian Dollar Scotiabank VISA Business Card incurred by a Cardholder:
- a) which are charged without the approval of the Eligible Company and/or which do not benefit the Eligible Company directly or indirectly in whole or in part; or
 - b) for which the Eligible Company has reimbursed the Cardholder but the Cardholder has not paid the Scotiabank.

Provided that such Unauthorized Charges:

- i) are billed within the seventy-five (75) days preceding the Date of Notification of Employment Termination, or preceding the date the Scotiabank receives the request from the Eligible Company to cancel the Canadian Dollar Scotiabank VISA Business Card account on which Unauthorized Charges were incurred;
 - ii) are unbilled up to fourteen (14) days after the Scotiabank has received a request to cancel the Cardholder's Canadian Dollar Scotiabank VISA Business Card but were incurred prior to such request being received and provided the Eligible Company must have notified the Scotiabank within two (2) business days of the Notice of Termination of Employment;
 - iii) are discovered not later than 75 days after the termination of:
 - a) the insurance policy VC500500; or
 - b) the insurance in respect of the Eligible Company;whichever occurs first.
- B. Auditors fees incurred with the insurer's written consent solely to substantiate the amount of the claim are covered.

What are Not Waivable Charges?

The following Charges are excluded and not covered by this policy, whether they are Unauthorized Charges or authorized Charges.

1. Charges made by partners, owners, or principal shareholders who own more than five percent (5%) of the Eligible Company's outstanding shares, or persons who are not employees of the Eligible Company at the time Charges were incurred.
2. Interest or fees imposed by the Scotiabank on outstanding unpaid Charges.
3. In cases where the Scotiabank invoices the Cardholder, any amount on a cheque submitted by a Cardholder which is not paid by the Cardholder's financial institution, if the Cardholder has, within the last twelve (12) months, submitted any other cheque to the Scotiabank which was not paid by the Cardholder's financial institution.
4. Charges to purchase goods or services for the Eligible Company or bought for someone else if instructed or approved by the Eligible Company will not be covered. However, these Charges would be covered if the Scotiabank bills the Cardholder directly, where the Eligible Company has reimbursed the Cardholder and the Cardholder has not paid the Scotiabank.

5. Charges billed by the Cardholder more than fourteen (14) days after Date of Notification of Employment Termination.
6. Charges billed by the Cardholder more than fourteen (14) days after the Scotiabank receives the request by the Eligible Company to cancel the Canadian Dollar Scotiabank VISA Business Card.
7. Charges billed on, or after the Date of Notification of Employment Termination if such Notification of Employment Termination was not sent to the Scotiabank within two (2) business days of the Date of Notification of Termination.
8. Charges billed where the Eligible Company has not notified the Scotiabank in writing to cancel the Canadian Dollar Scotiabank VISA Business Card within two (2) business days of the **Eligible Company's** intention to cancel or no longer authorize usage of the Cardholder's Canadian Dollar Scotiabank VISA Business Card.
9. Charges resulting from either a lost or stolen Canadian Dollar Scotiabank VISA Business Card or Charges to a Canadian Dollar Scotiabank VISA Business Card account which is closed, frozen or ninety (90) or more days delinquent.
10. Cash advances, after the Date of Notification of Employment Termination or immediately after the Scotiabank receives the request by the Eligible Company to cancel the Canadian Dollar Scotiabank VISA Business Card, in excess of \$300.00 per day per Cardholder, or a maximum of \$1,000.00 per Cardholder, whichever is less.
11. Any interest on money owing.

What are the Responsibilities of your Eligible Company?

Notification to Scotiabank. The **Eligible Company** may request the Scotiabank to waive the **Eligible Company's** liability for Unauthorized Charges only if the **Eligible Company** meets **all** of the following requirements:

1. The **Eligible Company** must use its best efforts to retrieve the Cardholder's Canadian Dollar Scotiabank VISA Business Card from the employee and must notify the Scotiabank in writing to cancel the Canadian Dollar Scotiabank VISA Business Card within two (2) business days of the Date of Notification of Employment Termination or within two (2) business days of the **Eligible Company's** intention to cancel or no longer authorize usage of the Cardholder's Canadian Dollar Scotiabank VISA Business Card.
2. The **Eligible Company** must notify the Scotiabank in writing to cancel the Canadian Dollar Scotiabank VISA Business Card within two (2) business days (See Sample Letter 1 attached) of:
 - (i) the Date of Notification of Employment Termination or;
 - (ii) it's intention to cancel and/or no longer authorize usage of the Cardholder's Canadian Dollar Scotiabank VISA Business Card and;

such letter must state:

- (i) If applicable, state the Cardholder's employment has terminated and the Date of Notification of Employment Termination.

- (ii) If applicable, state the Cardholder's Canadian Dollar Scotiabank VISA Business Card is cancelled or no longer authorized.
- (iii) The Cardholder's name, Canadian Dollar Scotiabank VISA Business Card number, home address and if the employee was terminated, the last known business addresses.
- (iv) If the Canadian Dollar Scotiabank VISA Business Card was retrieved from the Cardholder and, if so, the date it was retrieved and confirmation that such card is still in the Eligible Company's possession or the credit card is enclosed therein.
- (v) The **Eligible Company** requests the waiver of Unauthorized Charges.

Notification to Cardholder. In cases where the Scotiabank sends its statements directly to the Cardholder, the **Eligible Company** must deliver to the Cardholder or send by first-class mail in writing, a notice (See Sample Letter 2 attached) stating the Cardholder's Canadian Dollar Scotiabank VISA Business Card has been cancelled, and instruct the Cardholder to:

- (i) immediately discontinue all use of that Canadian Dollar Scotiabank VISA Business Card ;
- (ii) immediately pay any outstanding amounts owed to the Scotiabank; and
- (iii) immediately return the Canadian Dollar Scotiabank VISA Business Card to the **Eligible Company**.

If the **Eligible Company** knows that a Cardholder is receiving reimbursement for Charges but is not paying the Scotiabank for those Charges, the Eligible Company must promptly give written notice to the Scotiabank.

How To Make a Claim

1. An authorized official of the **Eligible Company** must send an "Affidavit of Waiver" (See Sample Letter 3 attached) to the Scotiabank in writing by mail or fax. The affidavit of waiver must be sent within thirty (30) days of the employee's Notification of Employment Termination or the date of the **Eligible Company's** intention to cancel the Cardholder's Canadian Dollar Scotiabank VISA Business Card.
2. All claim documents must be filed with the insurer within six (6) months from the employee's Date of Notification of Employment Termination.

Inquiries

Please direct any claim inquiries to:

Royal & Sun Alliance Insurance Company of Canada
Attention: Claims Management Services
Sheridan Insurance Centre
2225 Erin Mills Parkway, Suite 1000
Mississauga, Ontario
L5K 2S9

Within the Toronto Region telephone (905) 403-2283
Outside the Toronto Region telephone 1-800-544-2971

Please refer to the program and the policy number.

Recovery

1. If the **Eligible Company** recovers any amounts for Unauthorized Charges from any source after the **Eligible Company** has filed an Affidavit of Waiver with the Scotiabank, the **Eligible Company** will remit all such amounts to the Scotiabank. The **Eligible Company** agrees to assign any rights it may have to collect such amounts from the Cardholder to the Scotiabank. The **Eligible Company** agrees to assign any rights it may have to collect such amounts from the Cardholder to the Insurer.
2. The Scotiabank agrees to forward any recovered amounts to the Insurer, if the Insurer has already reimbursed the Scotiabank for the Unauthorized Charges.

Other Insurance

This program does not cover losses that are covered by other insurance, and/or, losses that would have been paid if this program did not exist. Losses that are above those covered by other insurance as noted, but less than the limit of this coverage are eligible for payment.

This certificate is not a contract of insurance. It contains only a summary of the principal provisions of the policy. In the event of any conflict between the description of coverage in this certificate and the policy, the policy will govern.

Termination

Coverage under this policy will automatically terminate on the earliest of the following:

- 1) the date the **Eligible Company's** Canadian Dollar Scotiabank VISA Business Card account agreement is cancelled; or
- 2) the date the insurance policy terminates, or;
- 3) thirty (30) days after the date of written request for cancellation by the Scotiabank.

Misstatement

Any fraud, misstatement or concealment by the **Eligible Company** either in regard to any matter affecting this insurance or in connection with the making of a claim shall render this insurance null and void.

Currency

All claims will be paid in Canadian dollars.

**Canadian Dollar Scotiabank VISA Business Card
LIABILITY WAIVER INSURANCE**

**Sample Letter 1 (Terminated and Non Terminated Employee)
Request to Cancel Card**

Date

Name

Company

Address

City, Province

Postal Code

Scotiabank VISA Business Card Centre

(Name of Financial Institution)

Address

City, Province

Postal Code

Re: Request for Cancellation of Visa _____ Card

To (Name of Financial Institution) Representative:

Our employee gave notice and/or received oral or written notice of termination and/or left the **Eligible Company's** service. (In the case of a Cardholder who is a member of a bargaining unit, a grievance has been placed with the labour arbitrator recommending that the Cardholder's employment be terminated.) We request that this account be cancelled immediately.

Account Number _____

Employment Termination Date _____

Cardholder's Name _____

Home Address _____

Home Telephone Number _____

Business Address _____

Business Telephone Number _____

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Request to Cancel Card**

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We understand that in order to request that Unauthorized Charges be waived on the above-numbered account we must file an Affidavit of Waiver as described in the Canadian Dollar Scotiabank VISA Business Card Liability Waiver Certificate within 30 days of the Date of Notification of Employee Termination (as defined in the policy).

Please be advised that:

Charges (*Check One*):

- ___ The **Eligible Company** was billed for Charges made by the Cardholder.
- ___ Where statements were sent directly to the Cardholder, the Cardholder has been contacted in writing and directed to immediately pay all outstanding Charges. A copy of the letter sent to the Cardholder is attached.

Retrieval of Card (*Check One*):

- ___ Our Company has retrieved the Canadian Dollar Scotiabank VISA Business Card, which has been enclosed.
- ___ Our Company has retrieved the Canadian Dollar Scotiabank VISA Business Card, which is in our possession.
- ___ The Cardholder is still in possession of the Canadian Dollar Scotiabank VISA Business Card but has been contacted in writing and directed to discontinue all use of the Canadian Dollar Scotiabank VISA Business Card and to return the Canadian Dollar Scotiabank VISA Business Card. A copy of the letter sent to the Cardholder is attached.

If I can provide further information I can be reached at _____
(*Telephone number/Fax number*)

Yours truly,

Signature

Title (*Must be Corporate Officer*)

Note: This letter must be forwarded to your financial institution within 2 business days of the Date of Notification of Employment Termination.

**Canadian Dollar Scotiabank VISA Business Card
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**Sample Letter 2 (Terminated and Non Terminated Employee)
Written Notification to Employee
of Card Cancellation**

Date

Name

Company

Address

City, Province

Postal Code

Employee Name

Home Address

City, Province

Postal Code

Dear (Employee Name):

Please be advised that we have cancelled your Canadian Dollar Scotiabank VISA Business Card (account number: _____), and that your rights to use the card ended when you ceased to be an employee of our Company. Please discontinue immediately all use of the card and return it to us if you have not already done so.

If you were billed directly by the Scotiabank, you must immediately pay any outstanding charges that you owed on the card.

Thank you for your co-operation in this matter.

Yours truly,

(Authorized Signature)

**Canadian Dollar Scotiabank VISA Business Card
LIABILITY WAIVER INSURANCE**

**Sample Letter 3 (Terminated and Non Terminated Employee)
Affidavit of Waiver**

Date
Name
Company
Address
City, Province
Postal Code

Visa Commercial Card Centre
(Name of Financial Institution)
Address
City, Province
Postal Code

Re: Request for Waiver of Charges Under Policy _____
Account Number _____
Cardholder's Name _____
Claim Number _____

(as assigned by the insurer)

To (Name of Financial Institution) Representative:

I wish to certify the above named Cardholder with an Employment Termination Date of _____ according to the terms of the above policy has used his/her Canadian Dollar Scotiabank VISA Business Card to make Unauthorized Charges or cash advances, totalling \$_____ which did not benefit our corporation.

Attached you will find a list of the Charges that we have discovered to date *(provide copies of Cardholder's statements and indicate which charges were Unauthorized Charges)*.

We would like to request waiver of these Charges under the terms and conditions of the policy number listed above.

Yours truly,

Signature

Title

Witness Signature
(Must be Corporate Officer)

Witness Title
(Must be Corporate Officer)

Note: This letter must be forwarded to your financial institution within 30 days of the Date of Notification of Employment Termination.