

## Important Notice of Changes to Scotiabank Mastercard Credit Card Accounts effective June 30, 2022

We are making changes to the *Scotia Momentum® Mastercard®* Cardholder Agreement (the “Cardholder Agreement”) and to the disclosure statement (“Disclosure Statement”), effective June 30, 2022, that apply to your Scotiabank Mastercard® Credit Card account (the “Account”).

Some of the changes in this notice reflect updates being made to the Bank Act (Canada) effective June 30, 2022, which is federal legislation that applies to banks, such as Scotiabank.

**This notice outlines the changes to the Cardholder Agreement and Disclosure Statement that apply to your Account.**

**Please read this notice carefully and keep a copy for reference (also available at: [www.scotiabank.com/revolvingcreditagreement](http://www.scotiabank.com/revolvingcreditagreement)).**

**Questions?** If you have any questions about this notice, please contact us. After reviewing this notice, if you do not agree with these changes, you must notify us **by July 30, 2022** and we can, at that time, either close your Account (without cost or penalty) and discuss payment options for any outstanding balance on your Account or we can discuss an alternative product with you. Thank you for being a valued Scotiabank customer.

### I. DISCLOSURE STATEMENT CHANGES:

- i. **Balance Alerts:** Changes being made to the Bank Act (Canada) will require that we send an electronic notification to you (a “Balance Alert”) if the available credit on your Account falls below a defined threshold (assuming we have your email address on file and you did not opt out of receiving those alerts). See below for the new Section that you will see added to the end of your Disclosure Statement for Balance Alerts.

#### BALANCE ALERTS

We must provide you with an alert (the “Balance Alert”) when the outstanding available credit on your account is within a certain threshold amount of your Credit Limit (the “Credit Limit Approaching Threshold”). To do so, we must enroll you in our InfoAlerts using the email address that we have for you in our records.

The Credit Limit Approaching Threshold will be set at \$100 (Cdn\$ or the card currency of your account) below your Credit Limit (or such other designated amount that you communicate to us through your InfoAlerts preferences). You will receive a Balance Alert at your email address when the available credit on your account has fallen below the Credit Limit Approaching Threshold. The available credit used for your Credit Limit Approaching Threshold will be based on outstanding balance based on transactions posted or authorized on your account. For example, if your Credit Limit is \$5000 and your Credit Limit Approaching Threshold is \$100, then you will receive a Balance Alert when your outstanding balance is at \$4900 or more.

You can opt-out of receiving these Balance Alerts by unenrolling from receiving them or modify your preferences by visiting and updating your InfoAlerts profile through Scotia Online or the Mobile Banking Application.

The Balance Alert you receive for the Credit Limit Approaching Threshold will include steps you can take to help you avoid any applicable overlimit fees and other penalties or charges associated with your account that may be charged by us on your account (as set out in this Disclosure Statement and as further described in the Credit Agreement for your account) for your most recent transaction(s) or subsequent transaction(s) made on the account that has triggered the Balance Alert(s) and the time within which such step(s) should be done.

- ii. **Liability for Unauthorized Transactions:** There are changes under the Bank Act that will enhance the protection for unauthorized use of a card on your Account. See below under “Tell us about Loss, Theft or Unauthorized Use” in your Disclosure Statement for the changes that will apply (changes are **bolded and underlined for emphasis**).

#### Lost or Stolen Cards

You will inform us immediately by telephone about any actual or suspected loss, theft or unauthorized use of your Card or Account. If your Card or PIN is lost or stolen, you will not be liable for unauthorized use of your Card or Account, provided that, after we have investigated the matter, we determine that you meet the following criteria: (i) **you and any Cardholder have not demonstrated gross negligence (or, if you are a Quebec resident, gross fault) in fulfilling your obligations to safeguard your Card, PIN or Account (including any personal authentication information created or selected by you) as described in your Cardholder Agreement;** and (ii) you did not receive any benefit from the use. If you meet the criteria, we will consider it “unauthorized use”. See the “Loss, Theft or Unauthorized Use” section of your Cardholder Agreement for more information about your liability for unauthorized transactions on your Account.

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

### II. CARDHOLDER AGREEMENT CHANGES:

**To support the Bank Act changes,** we are making the following changes to the Cardholder Agreement

- i. As always, we require your consent to open an account with us. You will see an addition below in Cardholder Agreement to make this clearer and an update to the agreements we send you when we open accounts or re-issue card(s) to you.
- ii. As set out above in the Disclosure Statement changes, the Bank Act will enhance the protection against unauthorized use of your Account. See changes below under the section “Tell us about Loss, Theft or Unauthorized Use” of your Cardholder Agreement.

**Other changes:** In addition to the Bank Act changes, we have also updated other sections of the Cardholder Agreement as follows:

- i. The “Problems with Purchases” section will be updated to clarify that we may be able to assist you with disputes with merchants about purchases on your Account, if you cannot resolve them directly with those merchants, but that we are not required to do so.

Cardholder Agreement as of April 1, 2020	Cardholder Agreement as of June 30, 2022 (changes are <b>bolded and underlined for emphasis</b> )
<p><b>ACCEPTANCE OF THIS AGREEMENT</b></p> <p>This Cardholder Agreement and the Disclosure Statement, and any updates, amendments or replacements to these documents, that applies to your account (together, the “Agreement”) sets out the terms and conditions under which we will provide credit to you. A copy of this Cardholder Agreement is also available online: <a href="http://www.scotiabank.com/revolvingcreditagreement">www.scotiabank.com/revolvingcreditagreement</a>.</p>	<p><b>ACCEPTANCE OF THIS AGREEMENT</b></p> <p>This Cardholder Agreement and the Disclosure Statement, and any updates, amendments or replacements to these documents, that applies to your account (together, the “Agreement”) sets out the terms and conditions under which we will provide credit to you <b>(after you have consented to our opening the account)</b>. A copy of this Cardholder Agreement is also available online: <a href="http://www.scotiabank.com/revolvingcreditagreement">www.scotiabank.com/revolvingcreditagreement</a>.</p>
<p><b>Loss, Theft or Unauthorized Use</b></p> <p>You will inform us immediately by telephone about any actual or suspected loss, theft or unauthorized use of your Card or Account, the account number or PIN. You agree that we will consider all Transactions authorized by you until you advise us otherwise.</p> <p>If your Card or PIN is lost or stolen, you are not liable for unauthorized use of your Account or the Card, provided that, after we have investigated the matter, we determine that you meet the following criteria: (i) you have exercised reasonable care to safeguard your Card and PIN against loss or theft; and (ii) you did not receive any benefit from the use.</p> <p>If you meet the criteria, we will consider it “unauthorized use”.</p> <p>Also, if your Card or PIN is used for a matter related to theft, fraud or misuse, you are liable for that use, including all Transactions and interest, if we determine that you did not adequately protect your Card or PIN.</p> <p>If you have previously authorized someone to use your Card or Account and have then withdrawn your authorization, you continue to be liable for that use. You agree to cooperate and help with any investigation that we initiate into unauthorized use you report before we will consider reimbursing you for any losses. This cooperation may include filing a report with law enforcement authorities.</p> <p>When you tell us that a Card or PIN was lost or stolen, we will block the Account to prevent unauthorized use. As such, you will not be liable for any Transactions made on the Account that occur after you tell us that a Card or PIN was lost or stolen because we will consider that unauthorized use.</p> <p><b>Keep Your PIN Confidential</b></p> <p>You agree to keep your PIN confidential and separate from your Card at all times. No one but you is permitted to know or use your PIN. If you fail to do this, or if you select a PIN that in our view can be easily guessed (such as using your name, date of birth, a number sequence that is easily identifiable such as “1,2,3,4” or using other identifiable information about you) or if you keep your Card and PIN in a way that would enable an unauthorized person to use them together, you are responsible for their unauthorized use as described under “Loss, Theft or Unauthorized Use”.</p>	<p><b>Loss, Theft or Unauthorized Use</b></p> <p>You will inform us immediately by telephone about any actual or suspected loss, theft or unauthorized use of your Card or Account, the account number or PIN. You agree that we will consider all Transactions authorized by you until you advise us otherwise.</p> <p>If your Card or PIN is lost or stolen, you are not liable for unauthorized use of your Account or the Card, provided that, after we have investigated the matter, we determine that you meet the following criteria: (i) <b>you and any Cardholder have not demonstrated gross negligence (or, if you are a Quebec resident, gross fault) in fulfilling your obligations to safeguard your Card, PIN or Account (including any personal authentication information created or selected by you) including those under the section “Keep your PIN Confidential” (PIN) and Password Confidential” in this agreement and</b> (ii) you did not receive any benefit from the use.</p> <p>If you meet the criteria, we will consider it “unauthorized use”.</p> <p>Also, if your Card or PIN is used for a matter related to theft, fraud or misuse, you are liable for that use, including all Transactions and interest, if we determine that <b>it was authorized use as described above</b>.</p> <p>If you have previously authorized someone to use your Card or Account and have then withdrawn your authorization, you continue to be liable for that use. You agree to cooperate and help with any investigation that we initiate into unauthorized use you report before we will consider reimbursing you for any losses. This cooperation may include filing a report with law enforcement authorities.</p> <p>When you tell us that a Card or PIN was lost or stolen, we will block the Account to prevent unauthorized use. As such, you will not be liable for any Transactions made on the Account that occur after you tell us that a Card or PIN was lost or stolen because we will consider that unauthorized use.</p> <p><b>Keep Your PIN Confidential</b></p> <p>You agree to keep your PIN confidential and separate from your Card at all times. No one but you is permitted to know or use your PIN. If you fail to do this, or if you select a PIN that in our view can be easily guessed (such as using your name, date of birth, a number sequence that is easily identifiable such as “1,2,3,4” or using other identifiable information about you) or if you keep your Card and PIN in a way that would enable an unauthorized person to use them together, you are responsible for their unauthorized use as described under “Loss, Theft or Unauthorized Use”.</p>
<p><b>PROBLEMS WITH PURCHASES</b></p> <p>If you have a problem with a merchant about a Purchase on your Account, you must still pay for that Purchase, plus any interest that is incurred, and settle the problem directly with that merchant.</p>	<p><b>PROBLEMS WITH PURCHASES</b></p> <p>If you have a problem with a merchant about a Purchase on your Account, you must still pay for that Purchase, plus any interest that is incurred, and settle the problem directly with that merchant. <b>While we are not required to do so, you may contact us about a problem with a Purchase on your Account if you are not able to resolve it directly with that merchant.</b></p>

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