



Important Changes to the Revolving Credit Agreement that applies to your Scotiabank Credit Card Account

We are committed to helping you better understand changes we make to our products and services, including those relating to system enhancements that will allow us to serve you better now and into the future. If you are receiving this notice, please be aware of the changes to the Revolving Credit Agreement (“RCA”) that applies to your Scotiabank® credit card account (the “Account”) as a result of these system enhancements.

This notice applies only to an Account opened on or after January 29, 2024, and if we have provided this notice to you for your Account. It highlights differences that currently apply to the Revolving Credit Agreement (the “RCA”) that we provided you for your Account.

Important: This notice does not change any interest rates or fees that apply to your Account.

KEY SUMMARY of *What's Different?*

1. How we Apply your Minimum Payments

We are changing the order in which we apply the Minimum Payment amount we receive and simplifying the descriptions of transaction categories. As such, the first few paragraphs of the “Applying your payments” section of your RCA is changing as described below (see Table 1 – *What's Different?* #1).

2. When we Prepare your Statements

Statements will be prepared on a calendar day basis. This does not impact when we send statements, which we will continue to send on a regular periodic monthly basis. This change should result in a more consistent monthly payment due date for your Account. As such, your RCA (see Table 1 – *What's Different?* #2) is changing, as described below.

3. How we Calculate Interest

We are changing how we calculate interest by using what is referred to as an “average daily balance” interest calculation. As such, your RCA (see Table 1 – *What's Different?* #3) is changing, as described below.

Important reminder: Even with this change, **we do not charge interest on interest.**

Please review this notice carefully and keep a copy of it for future reference. An online copy of the Revolving Credit Agreement (excluding a copy of this notice of changes) is also available at:

www.scotiabank.com/revolvingcreditagreement

Table 1. Changes to the Revolving Credit Agreement: The table below details the changes to the RCA that will apply as a result of the changes described in the KEY SUMMARY section above.

<i>What's Different</i>	Revolving Credit Agreement (“RCA”)	RCA Changes (changes are <u>underlined for emphasis</u>)
1. How we apply the Minimum Payment is different.	<p>Applying your payments</p> <p>When we receive a payment, we will apply it in the order described below.</p> <p>When we refer to “billed” it means it appears on a statement and “unbilled” means it has been charged to the credit account but does not yet appear on a statement.</p> <p>When we refer to applying payments to Purchases, Cash Advances or Advances it also includes the fees that apply to them (unless we tell you otherwise in a special promotional offer). We cannot apply payments to balances of your choice.</p> <p>We apply the Minimum Payment in the following order, as applicable:</p> <ul style="list-style-type: none"> • first, to interest charges that we have billed; • second, to any low rate billed Cash Advances, Advances or Purchases in the order in which the low rate offers were activated; • third, to any regular rate billed Cash Advances or Advances; • fourth, to any regular rate billed Purchases on which interest is payable; • fifth, to any regular rate billed Purchases on which interest is not yet payable; • sixth, to any low rate unbilled Cash Advances, Advances or Purchases in the order in which the low rate offers were activated; • seventh, to any regular rate unbilled Cash Advances or Advances; and • eighth, to any regular rate unbilled Purchases. <p>[note: the remainder of this section “Applying your payments” as it appears in your RCA is not changing.]</p>	<p>Applying your payments</p> <p>When we receive a payment, we will apply it in the order described below.</p> <p>When we refer to “billed” it means it <u>has appeared on a statement</u>; and “unbilled” means it has been charged to the credit account but <u>has not yet appeared</u> on a statement.</p> <p>When we refer to applying payments to Purchases, Cash Advances or Advances it also includes the fees that apply to them (unless we tell you otherwise in a special promotional offer). We cannot apply payments to balances of your choice.</p> <p>We apply the Minimum Payment in the following order, as applicable:</p> <ul style="list-style-type: none"> • first, to any interest charges that we have billed; • <u>second, to any fees that we have billed;</u> • <u>third, to any Transactions (including any Purchases, Cash Advances or Advances) that we have billed, including any amount that exceeds your Credit Limit (Overlimit) or any past due amounts;</u> • <u>fourth, to any Transactions that are unbilled (excluding unbilled fees); and</u> • <u>fifth, to any unbilled fees.</u> <p><u>Within any of the above categories (first to fifth) the amounts with the lowest interest rate(s) are paid first before those with higher interest rate(s).</u></p> <p>[note: the remainder of this section “Applying your payments” as it appears in your RCA is not changing.]</p>

<p>2. We prepare your statements on a calendar day basis.</p>	<p>Preparing and Sending Statements</p> <p>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.</p> <p>We will send a statement, on a regular periodic basis, at least once a month. If your account goes in default and we demand the balance in full, we will no longer send monthly statements. However, interest will continue to accrue on your account. We will also not provide a statement for a Statement Period if there has been no payment or other Transaction or activity on the credit account and there is no balance owing on the credit account.</p>	<p>Preparing and Sending Statements</p> <p>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.</p> <p>We will send a statement, on a regular periodic basis, at least once a month. If your account goes in default and we demand the balance in full, we will no longer send monthly statements. However, interest will continue to accrue on your account. We will also not provide a statement for a Statement Period if there has been no payment or other Transaction or activity on the credit account and there is no balance owing on the credit account.</p>
<p>3. How we calculate interest is based on an “average daily balance” interest calculation.</p>	<p>Adding interest to your Debt</p> <p>We calculate interest on your debt daily but we only add it to your debt once a month on each statement. We calculate the amount of daily interest by adding any new Transactions and subtracting any payments and then multiplying the unpaid balance of the debt on which interest is payable by the annual interest rate then dividing by 365 or 366 in a leap year. Interest is charged on a leap day in a leap year.</p> <p>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.</p> <p>Any unpaid interest from a statement is included in the balance on your next statement (as part of the New Balance that appears on that next statement). However, we do not charge interest on interest.</p>	<p>Adding interest to your Debt</p> <p>We calculate interest on your debt <u>using the “Average Daily Balance” (as further described below)</u> but we only add it to your debt once a month on each statement <u>on the last day of your statement period.</u></p> <p><u>If interest applies, we calculate the amount of interest as follows:</u></p> <ul style="list-style-type: none"> • <u>add the amounts you owe each day in each Transaction category (for example, the amount of Purchases, Advances and Cash Advances (less any applicable payments or credits)) and divide that total by the number of days in your statement period (usually 30 or 31). This is your average daily balance for the total amount you owe (the “Average Daily Balance”); then</u> • <u>multiply the Average Daily Balance by the daily interest rate(s) that applies (the daily interest rate(s) is equal to the annual interest rate(s) divided by 365 or 366 in a leap year); then</u> • <u>multiply the result by the number of days in your statement period.</u> <p><u>The total is the amount of interest we charge.</u></p> <p><u>If different daily interest rate(s) apply to the Average Daily Balance, we use the different daily interest rate(s) applicable in our above calculation (for example, for the balance of a promotional rate Cash Advance we will use a different daily interest rate (we use the applicable promotional rate) than for the balance of a regular rate Cash Advance (we use the applicable regular rate)).</u></p> <p>Interest is charged at the rate applicable under the Agreement both before and after the final payment date, maturity, default and judgment, until <u>that amount has been paid in full.</u></p> <p>Any unpaid interest from a statement is included in the balance on your next statement (as part of the New Balance that appears on that next statement). However, we do not charge interest on interest.</p> <p><u>If you switch your credit account(s) with us, and your annual interest rate(s) changes during a statement period or if your annual interest rate(s) changes during a statement period due to a change in your residency (province or territory), we use the annual interest rate(s) in effect at the end of that statement period to calculate your daily interest rate(s) for the entire statement period.</u></p>

Questions or Concerns? If you have questions, please visit us at a Scotiabank branch or call us at 1-800-665-5559. If you do not agree with any of the changes to the RCA, **you must notify us within 30 days of opening your Account that you wish to close your Account.** We can discuss alternative options for you and if you still wish to close your Account, we will do so, without cost or penalty, and discuss payment options for any outstanding balance (including interest) owing on your Account at that time.