Introduction

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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.
Definitions you need to know

**Agreement** means the Personal Credit Agreement, 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 and overdraft protection.

You (all borrowers) means each person to whom the loan is granted, and includes the guarantor. For credit accounts, this also includes supplementary cardholders.

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 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, G.I.C.'s and bank accounts
- life insurance policy

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

**Card** means VISA/Charge* credit card and ScotiaLine VISA credit card.

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

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.
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.

Insurance

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

Interest

Interest is charged under the agreement both before and after maturity, default or judgment.

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.

So you don't miss any communication from us, we depend on you to keep your address and other information that we may request up to date, by telling us of any changes.

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.
Total balance due
We can require that the total balance of your loan and any other amount you owe us be paid at once, 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 substantially 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 secured loans or credit accounts, when our interest in your property ends, where permitted, you agree to pay any fees for the preparation and execution of a discharge plus a provincial registration fee. Our current fee for the preparation and execution of a discharge is $300. In Ontario, our current discharge fee which includes the government registration fee, is $180.

In Quebec
You waive your right of division and discussion.
Scotiabank Group Privacy Agreement

In this Agreement, we, our and us mean, as applicable any Scotiabank Group Member or the collective Scotiabank Group and you and your mean an individual who has made application to us, or provided a guarantee, for any financial or insurance product or service offered by us.

When you apply for, or provide a guarantee in respect of, any of our products or services and while you are our customer, you agree that:

1. We may collect, use and disclose personal information from you and about you for the following purposes:
   (a) to understand your needs
   (b) to analyze the suitability of our products or services for you
   (c) to determine your eligibility for our products and services
   (d) to set up, manage and offer products and services that meet your needs
   (e) to provide you with ongoing service
   (f) to meet our legal and regulatory requirements, and
   (g) to investigate and adjudicate insurance claims.
2. We may collect, use and disclose your Social Insurance Number for income tax reporting purposes.
3. We may also use, disclose to and collect from external sources such as credit bureaus, credit and other information about you in order to offer you pre-approved credit products.
4. If you purchase an insurance product from us, we may obtain, use and disclose information about you as required to underwrite your application for insurance or adjudicate any claim made in relation to any insurance that may be issued to you. This information may be obtained from any source 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 administer or otherwise provide you with the products and services requested.
5. We may give information (except health information) about you to other Scotiabank Group Members (where the law allows this) so that they may tell you 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.
6. We may keep information about you in our records for as long as it is needed for the purposes described above, even if you cease to be a customer.
7. All information which you give us at any time will be true and complete and you will not withhold any material information.
8. We may use references you provide, to verify information you give us and you authorize any person whom we contact in this regard, to provide such information to us.
9. If any personal information changes or becomes inaccurate or out of date, you will tell us so we can revise our records.

Refusing or withdrawing Consent
Subject to legal 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 information at any time in the future by giving us reasonable notice, provided the consent does not relate to certain information required for credit products or arrangements or insurance underwriting or claims which you apply for or accept. If you refuse or withdraw your consent, we may not be able to provide you or continue to provide you with some products, services or information which may be of value to you.

You can tell us at any time to stop using information about you to market our products and services or to stop sharing information with other Scotiabank Group Members.

If you wish to refuse consent or to withdraw consent as outlined within this Agreement, you may do so at any time by contacting the branch or office of the Scotiabank Group Member with whom you deal.

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

When you apply for, accept, or guarantee, a loan or credit facility and during the course of the loan or credit facility, we may use, give, obtain, verify, share and exchange credit and other information (except health information) about you with others including credit bureaus, mortgage insurers, creditor insurers, registries, other Scotiabank Group Members and other persons with whom you may have financial dealings, as well as any other person as may be permitted or required by law. You authorize any person whom we contact in this regard to provide such information to us.

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Personal Credit Agreement Companion Booklet

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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 such to credit bureaus even after your loan or credit facility has been retired, and you may not withdraw your consent to our dealings. We do this to help maintain the accuracy, completeness and integrity of the credit reporting system.

We may ask you for your Social Insurance Number to use in verifying and reporting credit information to credit bureaus and credit reporting agencies. You may refuse to consent to its use or disclosure for these purposes.

In addition, if you accept an insurance product or service with us,

If you have accepted an insurance product from us, 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 servicing bureaus after the application has been underwritten or the claim has been adjudicated. This is necessary to help maintain the integrity of underwriting and claims systems.

Further Information:

For further information about any Scotiabank Group Member’s privacy policies, please refer to the brochure: The Scotiabank Group & You: A Question of Privacy available at any Scotiabank Group Member’s branch or office or on the Scotiabank website at www.scotiabank.com.
Loan Products

Mortgage Loans

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 in advance, and payable monthly. For variable rate mortgage loans, interest will be calculated and paid monthly 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

The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum equal to our variable rate mortgage base rate plus the “Adjustment Factor” shown on the Personal Credit Agreement. Our variable rate mortgage base rate is a rate per annum declared by us from time to time to be our base rate for variable rate first mortgages and can be obtained from any Canadian Bank of Nova Scotia Branch.

Your interest rate will vary automatically and will be effective on the first day of the month after the last base rate change. After each change, we will mail a notice showing the new base rate and the date it became effective. But our failure to mail a notice or the non-receipt will not prevent the rate from varying. 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 the 3 year open Variable Rate Mortgage, 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 the 5 year Scotia Rate Protector® Mortgage, if the base rate plus the adjustment factor reach or exceed the maximum interest rate indicated on the Personal Credit Agreement, the maximum rate will be payable on the loan for the remainder of the term.
Mortgage Loans

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Loan Products

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. If your mortgage is not in default, you can miss a payment any time without any prepayment costs. However, you cannot miss your mortgage credit insurance premium, if applicable.

Continuing Liability

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

Open Mortgage/Fixed Rate

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.

Open Mortgage/Variable Rate

If this mortgage loan agreement does not contain a maximum interest rate payable (i.e., not a Scotia Rate Protector mortgage), you may prepay the entire balance of the loan amount at any time, or any part of the loan amount on any monthly payment date. If you prepay the entire balance of the loan amount, you must pay an administration fee of $100 for each year or part of a year from the date of the prepayment to the last payment date for the term.

Closed Mortgage

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.

Variable Rate Mortgage Loan Sample Calculation

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

$$ \frac{\text{Principal} \times \text{Interest rate} \times \text{Number of days in the period}}{365} = \text{Interest} $$

The amount on which you are calculating interest is called the principal, and 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 for 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:

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

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 mortgage loan.

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. If your mortgage is not in default, you can miss a payment any time without any prepayment costs. However, you cannot miss your mortgage credit insurance premium, if applicable.

Continuing Liability

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

Open Mortgage/Fixed Rate

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.

Open Mortgage/Variable Rate

If this mortgage loan agreement does not contain a maximum interest rate payable (i.e., not a Scotia Rate Protector mortgage), you may prepay the entire balance of the loan amount at any time, or any part of the loan amount on any monthly payment date. If you prepay the entire balance of the loan amount, you must pay an administration fee of $100 for each year or part of a year from the date of the prepayment to the last payment date for the term.

Closed Mortgage

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 once each year and cannot be used to pay 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

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<thead>
<tr>
<th>How</th>
<th>When</th>
<th>What it means</th>
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<tbody>
<tr>
<td>1. <em>By paying an extra regular mortgage payment (principal, interest and taxes)</em></td>
<td>on any regular payment date</td>
<td>your principal mortgage balance will be reduced by that amount</td>
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<tr>
<td>2. <em>By paying up to 10% of the original principal amount of your mortgage</em></td>
<td>at any time; the sum total must not exceed the yearly maximum</td>
<td></td>
</tr>
<tr>
<td>3. By increasing your regular monthly mortgage payment by up to 10% of the principal and interest payment set for the term of the mortgage</td>
<td>once each year during the term of your mortgage</td>
<td></td>
</tr>
</tbody>
</table>

* Only items 1 & 2 qualify for the miss a payment option.

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

<table>
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<th>Term of Mortgage</th>
<th>Calculation Periods</th>
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<td>First 3 months</td>
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<tr>
<td>4 or 5 year Fixed Rate</td>
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</tr>
<tr>
<td>5 year Variable Rate (SRPM)</td>
<td>None</td>
</tr>
<tr>
<td>7 year Fixed Rate CMHC* insured</td>
<td>First 3 years</td>
</tr>
<tr>
<td>7 year conventional Fixed Rate not CMHC* insured</td>
<td>First 5 years</td>
</tr>
</tbody>
</table>

*CMHC refers to Canada Mortgage and Housing Corporation.

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 pay

(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.)

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.

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 pay.
Mortgage Loans

Personal Credit Agreement Companion Booklet

Loan Products

Closed Mortgage/Variable Rate - Scotia Rate Protector Mortgage (SRPM)
If this mortgage provides for a maximum (capped) interest rate payable (Scotia Rate Protector Mortgage), you may prepay all or part of the principal amount of the mortgage during the term of the mortgage upon payment of three months interest on the amount of the prepayment. The interest rate used to calculate the three month interest bonus will be the maximum interest rate.

Closed Mortgage/Fixed Rate - Reduce Early Payment 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.)

(D) the interest rate differential (i.e., the difference between your existing mortgage rate and the interest rate of the replacement mortgage for the remaining term of the loan).

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.

Portable Mortgage/Fixed Rate
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 blend 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.

Bonus Booster (This special offer applies only to 3 year Variable Rate Mortgage and may be withdrawn without notice)
For mortgage loans under the Bonus Booster program, if the mortgage loan is fully-advanced in the principal amount specified on the Personal Credit Agreement, we will buy down the mortgage principal by 1.0% or, alternatively, provide an equivalent cashback amount on the following conditions:

(A) the bonus amount will be repayable to us if the mortgage loan does not remain outstanding with us for the full 3 year term. If the mortgage is paid out or transferred prior to the expiry of the original 3 year term, the bonus amount will appear as payable in any discharge statement and will be calculated on a prorated basis as follows:
- 100% of bonus amount if payout is within the first year of 3 year VRM term
- 66% of bonus amount if payout is within the second year of 3 year VRM term
- 33% of bonus amount if payout is within the third year of 3 year VRM term

(B) the bonus amount will be repayable upon demand, at our option, if the mortgage loan principal amount outstanding is ever less than ten percent (10%) of the original principal amount as indicated above during the three year term of this mortgage from the date the mortgage loan is advanced.

If the bonus is applied as a principal buy down, it will be effective on the first business day after the Interest Adjustment Date (IAD) and any communication concerning the mortgage will reflect the total loan amount before the principal buy down.

This offer cannot be combined with any other mortgage discount offer or promotion during the three (3) year term from the date of advance.
Personal Credit Agreement Companion Booklet

Scotia Plan Loans
Payment Schedules
When we lend you money we expect you to repay it 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 by multiplying the daily balance by the annual percentage rate to determine the annual interest payable. This amount is multiplied by the number of days since the date of last payment and divided by 365.

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 prepay 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.

Credit Accounts
VISA credit cards, ScotiaLine line of credit, ScotiaLine VISA Card 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/Credit Line
If we issue a Scotiabank VISA/Chargex 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, cheque or credit line, it means that you agree to be bound by the terms of this agreement.

You may use the credit accounts up to the maximum amount we have set as your credit limit.

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 obtain a cash advance at an Automated Banking Machine (ABM), including using your ScotiaCard together with a PIN through designated ABMs, you are deemed to have authorized the transaction.

You may draw funds from your credit account using a cheque or through any other method that we permit.

You may not use your card or credit line for any transaction which is illegal. You are not liable if a merchant or a business does not accept your card or cheque.

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.
Our rights and obligations

Paying interest on a credit balance
If you have a ScotiaGold® VISA card, we will pay the main 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 interest on your account balance at the end of each day and will add it to your account balance and charge it to your credit card. 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 cards, we won't charge any interest on purchases and service charges if we receive your payment for the full balance of the purchase transaction on or before the due date set out on your statement. If we don’t receive your payment within this time period, we will charge interest at our then current annual rate on each purchase or service charge, from the transaction date to the date it is repaid in full.

Charging interest on advances
In the case of cash advances from a card, advances taken by a cheque, or any advance under a credit line, we will charge you interest on each advance from the transaction date indicated on your statement to the date it is repaid in full.

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 accordance with applicable law.

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 a period of time determined by us. This period will be disclosed to you in a separate notice.

Settling disputes
If a dispute arises about a transaction which you authorized, you must settle it directly with the merchant or business concerned.

Cancelling this agreement
You can cancel this agreement by telling us in writing that you want to do so. We, too, can cancel the agreement by telling you in writing or without written notice or any notice whatsoever if you are not handling your account in accordance with this agreement or our requirements. We can also cancel your card, credit line or cheque and require you to give them back 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.

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.

Observing your cards expiry date
You agree not to use the card or cheque after the card’s expiry date. If they are used, you agree to pay any debts that are incurred.

Not exceeding your credit limit
You agree that your debt will not exceed the credit limit of the credit accounts. The limit is indicated on the agreement and on your monthly statement. We can increase or 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.

Keeping your Personal Identification Number (PIN) confidential
You agree to keep your PIN separate from your card at all times. If you do not keep your PIN confidential, select a PIN which can be easily discovered, such as a number the same as or similar to an obvious combination such as your date of birth, bank account numbers or telephone numbers, or if you keep your card and your PIN 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 your transactions
You will inform us immediately by telephone and in writing about any actual or suspected loss, theft or unauthorized use of your card, 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 PIN. You are liable for all card transactions incurred using your PIN and all debt, including interest, arising from such use.

If you receive a card or cheque, you will be liable for any unauthorized use of your card, PIN or cheque until you notify us of this activity.

If you have previously authorized someone to use your card, or cheque, 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.
Overdraft Protection

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 draw on the account specified in the agreement up to the amount agreed to in writing before you do so.

You may overdraft the account by check, preauthorized payment or any other debt we authorize. We may refuse any debt if the amount would cause the overdraft limit to be exceeded.

Payment
Within 30 days of the end of the month in which the overdraft occurred:
• You will bring your account to a positive balance and maintain a positive balance for 24 continuous hours.
• 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 in Personal Banking Accounts and Fees, 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.

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. 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. We may change ABM services without notice to you.

Preparing and sending monthly statements
Monthly statements are only prepared on business days, so the time between statements will vary from 27 to 34 days, depending on the number of business days in the month. We will send one monthly statement addressed to the main borrower only.

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.
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 your 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.

Transferability
The transfer of this collateral mortgage (and any outstanding balance(s) attached), is at the sole discretion of the other lender. 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 component(s), the purchaser must qualify under our normal credit granting policies and enter into new security documentation with us.

Terminating the agreement
Either party may terminate this agreement. We may terminate the agreement if you are in default. 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.
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/hypothec is a legal document that we hold when you provide your personal property as security on your loan. This includes a hypothec on movable 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.

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 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 substantially destroyed, we may decide whether to use insurance proceeds to replace the property or to apply them to what you owe.

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.

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 substract 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 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 substantially destroyed, 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 bonds, mutual funds and bank accounts or similar assets as security on your loan. This document grants us an interest in the securities, instruments and bank accounts, their revenue and proceeds.

Leveraging:
You have indicated that you understand that borrowing to purchase mutual funds ("leveraging") gives rise to certain risks. If the value of the mutual funds declines, you will still have to pay us the full amount that you owe us and you 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 of the mutual funds, or securities account to notify them that your property is being held by us as security for your 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 or 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

This paragraph is your direction to the administrator of your funds, that you are using this property as the security on a loan. It is on part 4 of the Personal Credit Agreement.

Please hold the noted collateral on the attached agreement on behalf of Scotiabank (the “bank”). No pledging, redemption or repurchase of any collateral shall be made without the bank’s prior written consent. Enter a “Stop Redemption Message” on the account. Payments of interest or other income may be paid to me unless, and until you receive notice to the contrary from the bank. I acknowledge that all future purchases of mutual funds will be covered by this stop redemption order until expressly requested to be removed by the bank. You may rely on any instructions given to you by the bank regarding the sale and disposal of the collateral. This notice is irrevocable by me unless consented to by the bank 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.

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.

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/Purpose of Attorney
- Maintenance of the policy

Ownership/Purpose 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.
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.