

**THIS IS AN INITIAL DISCLOSURE STATEMENT (“STATEMENT”) FOR THE SCOTIABANK PRICESMART DIAMOND MASTERCARD CREDIT CARD. IT INCLUDES THE RATES & FEES TABLE INCLUDED ON THE PROMOTIONAL BROCHURE AND APPLICATION RECEIVED BY YOU. KEEP BOTH DOCUMENTS FOR YOUR RECORDS. IF YOU ARE APPROVED FOR CREDIT, YOU WILL RECEIVE A CARDHOLDER AGREEMENT AND PROGRAM TERMS AND CONDITIONS WITH YOUR CARD.**

## FACTS ABOUT RATES AND FEES

For more complete information, read this Statement, the Cardholder Agreement and the Program Terms and Conditions.

### RATES-FINANCE CHARGES

#### **Purchase, Cash Advance, Balance Transfer and Scotiabank Credit Card Check APRs.**

See this Statement and Scotiabank Rates and Fees Table in the promotional brochure and application.

### TRANSACTION FEES-FINANCE CHARGES

#### **Balance Transfer Fee.**

There is no balance transfer fee.

#### **Cash Advance Fee.**

3% of total cash advance.

### OTHER CHARGES

#### **Minimum Payment.**

3% of outstanding balance, minimum \$25.

#### **Foreign Transaction Fees.**

We will not impose any fees for your use of the Card for Purchases and Cash Advances made outside the United States other than those imposed by MasterCard International Incorporated.

#### **Late Payment Fee.** \$30.

#### **Annual Fee.**

The annual fee for primary card is \$30.

The annual fee for an additional card is \$15.

#### **Over Credit Limit Fee.** \$30.

#### **Return Credit Card Check Fee.** \$20.

#### **NSF (Non Sufficient Funds) Check Fee.** \$30.

#### **Retrieval of Items/Request Copy of Sales Draft.** \$5.

#### **Replacement Statement.** \$5.

#### **Replace Lost or Damaged Card.** \$15.

### **When Can We Change the Rates, Fees, and Terms of the Agreement?**

We will not unilaterally increase your rates and fees under the Agreement until we give you an advance notice. This paragraph does not apply to changes required by law, our regulators, or our network providers.

## DEFINITIONS

**Account** means the relationship established between you and us by the Cardholder Agreement if you are approved for credit.

**APR** means an annual percentage rate.

**Card** refers to the Scotiabank PriceSmart Diamond MasterCard Credit Card issued to you, all other Cards issued on your Account, and any other device (such as Account numbers and Scotiabank credit card checks) with which you may access your Account.

**Cardholder Agreement** means the Scotiabank Cardholder Agreement between you and us that contains the terms and conditions applicable to your Account and governs the use of your Card and Account. The Cardholder Agreement is sometimes referred to herein as the “Agreement”. It will govern the use of your Card and Account if you are approved for credit.

**Program Terms and Conditions** means the terms and conditions applicable to the Scotiabank PriceSmart Diamond MasterCard Credit Card Rewards Program.

**We, our, us, Scotiabank and the Bank** means The Bank of Nova Scotia.

**You and your** mean the person who applies to open the Account. It also means any other person responsible for complying with this Statement or the Agreement.

## CREDIT LIMIT

A portion of your credit limit (“a maximum amount of credit that we may give you”) may be available to you for cash advances up to your cash advance limit, if any. We will advise you of the credit limit we set for your Account when we send you your Card. We can increase or reduce your credit limit and cash advance limit at anytime upon giving you an advance notice. You must pay to us, immediately upon request, the amount of any balance on your Account in excess of any applicable credit limit.

## APRs

**APR for Purchases.** There is a standard purchase APR. As of May 30, 2009, this **ANNUAL PERCENTAGE RATE** is **18.00%**. This APR equals a daily periodic rate of 0.049315%.

**APR for Cash Advances, Balance Transfers and Scotiabank Credit Card Checks.** There is a standard cash advance APR. Balance transfers and Scotiabank credit card checks are treated as a cash advance. As of May 30, 2009, this **ANNUAL PERCENTAGE RATE** is **18.00%**. This APR equals a daily periodic rate of 0.049315%.

**Effect of APR Increases.** If an APR increases, periodic finance charges increase. Your minimum payment may increase as well.

## PERIODIC FINANCE CHARGES BASED ON APRs

### How We Determine the New Balance.

Your billing statement shows the new balance. This is the total amount you owe us on the billing statement date. To determine the new balance, we begin with the total balance at the start of the billing period. We add any purchases, cash advances, balance transfers and Scotiabank credit card checks. We subtract any credits or payments. We then add any periodic finance charges or fees and make other adjustments.

### Periodic Finance Charges.

We impose periodic finance charges when we apply APRs to your Account balances. We do this every day by using a daily periodic rate. A daily periodic rate is the APR divided by 365.

### When Periodic Finance Charges Begin.

We begin to impose periodic finance charges the first day we add a charge to a daily balance. The charges we add to a daily balance include purchases, balance transfers, Scotiabank credit card checks and cash advances. They also include finance charges, other charges and fees. We continue to impose periodic finance charges until we credit your Account with full payment of the total amount you owe us.

### Grace Period on Purchases.

You can avoid periodic finance charges on purchases, but not on balance transfers, Scotiabank credit card checks and cash advances. This is called a grace period on purchases. You can get a grace period of at least 21 days if you pay the new balance in full by the due date every billing period. There is no grace period for cash advances, balance transfers and Scotiabank credit card checks. Finance charges will apply on each transaction from the date of the transaction to the date it is repaid in full.

### Minimum Payment Due.

The minimum amount due is 3% of the outstanding balance on your Account, but not less than \$25.00.

### Calculation of Periodic Finance Charges.

We calculate periodic finance charges each statement cycle. A statement cycle refers to the number of days between one billing statement date and the next billing statement date. To do this:

- We start with each of your different balances. These balances include, for example, purchases and cash advances. (When we calculate periodic finance charges, we treat balance transfers, cash advance fees and Scotiabank credit card checks as cash advances and the other charges as purchases.)
- We calculate the daily balance for each of your different balances. The daily balance for cash advances is calculated by taking the beginning balance of cash advances, adding any new cash advances and debiting adjustments related to cash advances made during the current statement cycle. We then subtract any payments or credit adjustments applied to cash advances. The daily balance for purchases is calculated by using the two-cycle average daily balance method. The daily balance for purchases is calculated by taking the beginning balance of purchases, adding any new purchases and debiting adjustments for purchases as of the transaction date. We then subtract any payments or credit adjustments applied to purchases.
- To get the average daily balance, we divide the total of all daily balances in the current statement cycle by the number of days in the current statement cycle.

- To determine the daily periodic interest rate we divide the current annual percentage rate by 365. The resulting daily periodic interest rate is multiplied by the average daily balance and then multiplied by the number of days in the statement cycle to determine the amount of periodic finance charges chargeable on cash advances and purchases.
- New purchases on the current billing statement are excluded from the current average daily balance, but will be included in next month's average daily balance if the current billing statement balance is not paid in full by the payment due date.
- We add up all the daily periodic finance charges. The total periodic finance charge appearing on the billing statement will be the sum of the periodic finance charges on cash advances and the periodic finance charges on purchases and other charges.

### Balance Subject to Finance Charge.

Your statement shows the total amount of finance charges. It also shows the previous balance, purchases, cash advances and other debits made to your Account. The balance subject to finance charge is the average of the daily balances during the statement cycle. You can use your billing statement to calculate periodic finance charges. For each different balance multiply the balance subject to finance charge by its daily periodic rate. Multiply that amount by the number of days in the billing period. The result is the total periodic finance charge on that balance. Rounding may cause a small difference.

## TRANSACTION FEES

### Transaction Fee for Cash Advances.

For each cash advance you take (e.g. through an ATM) we add a fee of 3% of the amount of the total cash advance. This fee is a **FINANCE CHARGE**.

### OTHER CHARGES

#### Annual Fee.

The Scotiabank Rates and Fees Table in the promotional brochure and application and this Statement show the amount of the annual fee. If an annual fee applies, it will be billed yearly in arrears on the anniversary date when the Card was issued, whether or not you use the Account, and you agree to pay it when billed. The annual fee is non-refundable. Your payment of the annual fee does not affect our right to close the Account or limit your right to make transactions on the Account.

#### Late Payment Fee.

If we do not receive at least the required total minimum payment by the date it is due as shown on your billing statement for any statement cycle, we may charge the late payment fee in the amount of \$30.00.

#### Over Credit Limit Fee.

If the Account balance is over your credit limit at any time during a statement cycle, even if only for a day, we may charge an over credit limit fee of \$30. We may charge this fee even if your balance is over the credit limit because of a finance charge or fee we imposed or a transaction we authorized. We will not charge more than one over credit limit fee in any statement cycle. But we may charge an over credit limit fee in subsequent billing cycles, even if no new transactions are made on the Account, if the Account balance still is over your credit limit at any time during the subsequent statement cycles.

**Return Credit Card Check Fee and NSF Check Fee.**

If: (a) your payment check or similar instrument is not honored, (b) an automatic debit or other electronic payment is returned unpaid, or (c) we must return a payment check because it is not signed or cannot be processed, we may charge a fee of \$30 for NSF (Non Sufficient Funds) and \$20 if it is a returned credit card check.

**Balance Transfer Fees.**

There are no fees for balance transfers to your Account.

**Foreign Transaction Fees.**

We will not impose any fees for your use of the Card for purchases and cash advances made outside the United States other than those imposed by MasterCard International Incorporated.

**Administrative Fees.**

If you request a copy or replacement of a billing statement, sales draft or other record of the Account or if you request a replacement Card for one that is lost or damaged or any special services (for example, obtaining Cards on an expedited basis), we may charge you for these services. However, we will not charge you for copies of billing statements, sales drafts or similar documents that you request for a billing dispute you may assert against us under applicable law. We may charge fees for any services listed above and other services we provide that are in effect from time to time when we offer the service. For retrieval of items/request copy of sales draft the fee is \$5. To replace a lost or damaged card the fee is \$15.

**Information on Foreign Currency Conversion**

Our network provider is MasterCard International Incorporated. MasterCard International Incorporated converts transactions in foreign currencies into U.S. dollars on our behalf. The foreign currency conversion process is described in further detail in the Cardholder Agreement.

**ARBITRATION**

**The Cardholder Agreement provides that disputes are subject to binding arbitration. Arbitration replaces the right to go to court, including the right to a jury and the right to participate in a class action or similar proceeding. Read the "Arbitration" provision of the Agreement carefully.**

**WHAT TO DO IF THERE'S AN ERROR IN YOUR BILLING STATEMENT.****YOUR BILLING RIGHTS.****KEEP THIS NOTICE FOR FUTURE USE.**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

**Notify Us In Case of Errors or Questions About Your Billing Statement.**

If you think your billing statement is wrong, or if you need more information about a transaction on your billing statement, write to us at P.O. Box 420, St. Thomas, VI 00804. Write to us as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first billing statement on which the error or problem appeared. You can telephone us but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number;
- The dollar amount of the suspected error; and

- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your billing statement automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

**Your Rights and Our Responsibilities After We Receive Your Written Notice.**

We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the billing statement is correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent as it relates to the disputed amount only. We can continue to bill you for the amount you question, including finance charges and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating but you are still obligated to pay the parts of your billing statement that are not in question.

If we find that we made a mistake on your billing statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you will have to pay finance charges from the date of the transaction and you will have to make up any missed payments on the questioned amount. In either case, we will send you a billing statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten (10) days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your billing statement. We must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your billing statement was correct.

**Special Rule for Credit Card Purchases/Merchant Disputes.**

If you have a problem with the quality of the goods or services that you have purchased with your Card and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the goods or services. You have this protection only when:

- The purchase price was more than \$50; and
- The purchase was made in your home state or territory or within 100 miles of your current mailing address.

If we own or operate a merchant, if the merchant is a related company or if we mailed you the advertisement for the goods or services all purchases are covered regardless of amount or location of purchase.

## CONSUMER DISCLOSURES

### Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We will ask to see two forms of identification, one of which must have a picture. We may also request other identifying documents.

You authorize the Bank to obtain independent verification of any information provided.

You acknowledge that this account will be open for review by Bank Compliance Officers and auditors and any local government auditors and inspectors.

### Scotiabank Privacy Policy Notice Statement

It is our goal to provide to you, our customers, the best financial services. In order to do so, it is important that you let us know information about you, your needs and your goals. It is only through the acquisition of this information that we are able to identify your needs and provide you with the products and services that best suit your interests and goals. It also places us in a better position to evaluate your credit applications.

We acknowledge the importance of protecting your privacy along with your financial assets, by recognizing our obligation to assure the security and confidentiality of the information that you provide to us. To assure your trust, the cornerstone of a solid relationship, we express our commitment to guard your information under the principles and guidelines described below. We will continue to secure the confidentiality of your information by continuing to offer you the protection of this policy even after you cease to be our customer.

- I. Collection, Use and Employee Access: We collect only relevant information, required or allowed by law, and necessary to conduct our business. As part of this process we gather nonpublic personal information from the following sources:
  - Information we receive from you on applications and other forms (e.g. name, address, social security number, assets and income)
  - Information resulting from and about your transactions with us, our affiliates or others (e.g. account balance, payment history, parties to transactions, credit card use, etc.)
  - Information we receive from consumer reporting agencies (e.g. creditworthiness, credit history, etc.)

In order to maintain the accuracy of your records, we inform you of the data we have about you through statements and other types of communications. We urge you to contact us immediately to advise us of any mistakes or changes.

The information that we collect is strictly used for banking purposes. Our employees' access to your records is restricted and limited on a need-to-know basis, and allowed only for business reasons. We permit only authorized employees, trained in the proper handling of customer information, to have access to your records.

- II. Information Safety: We will always retain control over the confidentiality of your information. We maintain physical, electronic and procedural safeguards to guard your information. In addition we have adopted and implemented safety and security practices to ensure that your information remains confidential.

We have adopted and implemented disciplinary procedures to deal with employees that breach their duty to protect the security and confidentiality of your records.

- III. Sharing of Information: In the course of conducting our business we may share your information with other members of our corporate family, our service providers, credit or charge card associations, loyalty program partners and any other third parties that work together with us in the provision of the services you procure from us.

As a general rule, we will not reveal specific account information or other personally identifiable data to companies that are not members of our corporate family, except as permitted by law. Accordingly, we may exchange your information with reputable credit reporting agencies to maximize the accuracy and security of your information. Also, in the performance of bona fide corporate due diligence or business matter, we may disclose your information to other unaffiliated third parties such as government agencies, regulators, financial service providers and other non-financial companies we hold agreements with. In addition, we may disclose all the information we collect, as described in Part I above, to companies that perform marketing services for us or that function on our behalf, and to other financial institutions with whom we have joint agreements.

Therefore, we will share your information only if:

- You request it;
- We are required or allowed to do so by law (e.g. subpoena, fraudulent activity investigation, request by regulator, etc.);
- Our disclosure is necessary to aid in the completion of a transaction initiated by you; or
- You have been informed of the possibility of disclosure for any purpose not contemplated under this notice through a prior written communication, having also been given the opportunity to decline (i.e. opt out), including the method(s) by which you may exercise that right at that time.

Otherwise, we will not share your information.

**50 Countries. 12 Million Customers. 175 Years Strong**



\* Trademark of The Bank of Nova Scotia.

® MasterCard is a registered trademark of MasterCard International Incorporated.

®† Registered trademark of PriceSmart Inc.