

---

# Terms and Conditions

---

**(iii) Specific Terms Applicable to U.S. Holders of Scotia Non-Redeemable GICs, Scotia Cashable GICs, Scotia Personal Redeemable GICs and Non-Personal Scotia Redeemable GICs (the “GICs”).**

GICs held by holders resident in the United States (the “**U.S. Holders**”) are supported by an Irrevocable Direct-Pay Letter of Credit (the “**Letter of Credit**”) issued by The Bank of Nova Scotia, Houston Branch (the “**Houston Branch**”), at the request of The Bank of Nova Scotia, Head Office, Toronto (the “**Bank**”), in favour of the Bank for the account and benefit of the U.S. Holders.

The failure by the Bank to pay any amount of principal or interest due on the date specified or upon demand, where applicable, under a GIC held by a U.S. Holder in accordance with the terms specified for any such payment under any such GIC shall be a “**U.S. Holder Event of Default**”. Upon the occurrence of a U.S. Holder Event of Default, a U.S. Holder shall immediately have a right under the Letter of Credit to demand payment under such U.S. Holder’s GIC, in accordance with the following procedures:

1. A U.S. Holder shall present to The Bank of Nova Scotia Trust Company (the “Trustee”) at 44 King St. W., Toronto, Ontario M5H 1H1 (Attn: Director, Custody Services), at any other office of the Trustee in Canada which may be designated by the Trustee by written notice delivered to the U.S. Holders (a) a duly completed and signed letter in the form prescribed by the Trustee certifying and evidencing a U.S. Holder Event of Default (a “**Default Certificate**”), and (b) one item that is an official, personal identification document bearing a photograph of the U.S. Holder (such as a driver’s license or passport). The form of Default Certificate to be duly filled out and signed by the U.S. Holder is available upon request from the Trustee at the contact information provided above.
2. Upon receipt of a duly completed and signed Default Certificate and identification document conforming to the terms and conditions hereof, the Trustee has the right to make such inquiries into the matter claimed under the Default Certificate to verify the outstanding amount claimed by the U.S. Holder is owing to the U.S. Holder, without liability to the Trustee.

3. The Trustee shall, without delay, give notice to a U.S. Holder who is demanding payment if such demand for payment is not in accordance with the terms and conditions hereof, stating the reasons therefor and

that the relevant document or documents are being held at such U.S. Holder’s disposal or are being returned to such U.S. Holder, as the Trustee may elect, whereupon such U.S. Holder shall be entitled to submit a corrected Default Certificate which conforms with the terms hereof.

4. Subject to the foregoing, the Trustee shall promptly prepare and deliver a drawing certificate, in the form and at the location specified in the Letter of Credit (a “**Drawing Certificate**”), to the Houston Branch.
5. The Houston Branch shall pay the amount specified in the Drawing Certificate to the Trustee in immediately available funds, in accordance with the terms of the Letter of Credit. Upon receipt of payment from the Houston Branch, the Trustee shall promptly pay the U.S. Holder the amount specified in the corresponding Default Certificate in respect of which demand was made.