



Relationship Disclosure Document and Terms and Conditions

This brochure contains your account agreements, and information about your Confidential Account Agreement.

ScotiaMcLeod®, a division of Scotia Capital Inc.

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Relationship Disclosure Document

1.1 Who we are

ScotiaMcLeod, a division of Scotia Capital Inc., is a full service investment dealer. We are registered with the securities regulators in all provinces and territories in Canada and are a dealer member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"). Scotia Capital Inc. is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank").

ScotiaMcLeod has prepared this Relationship Disclosure Document ("RDD") in order to provide you with a description of our products and services, the nature of your account(s) and the manner in which the account(s) will operate and our responsibilities owed to you.

This document should be read in conjunction with the ScotiaMcLeod Terms and Conditions brochure and other documents that we may provide to you from time to time. These other documents are described below. If you have any questions about any of the documents, please contact your ScotiaMcLeod advisor.

1.2 Our products and services

ScotiaMcLeod is committed to providing you with high quality advice and services intended to assist you in meeting your financial objectives. The services we provide include:

- < Accounts and plans: e.g. individual pension plans, group retirement plans and registered education saving plans.
- < Investment programs: e.g. The Summit Program, The Managed Portfolio Program, and Partnership Plus Program.
- < Wealth management services

In connection with these services, we also offer a wide range of investment products that include but are not limited to:

- < Fixed Income
- < Equities
- < Preferred Shares
- < Mutual Funds
- < Exchange traded Funds

- < Precious metals
- < Options

We do not provide tax advice in respect of any of the services or products we offer. For more information about these products and services, please contact your ScotiaMcLeod advisor or visit our website at www.scotiawealthmanagement.com.

We also provide insurance products and services, including segregated funds, through our wholly-owned life insurance agency, Scotia Wealth Insurance Services Inc. ("SWISI"). Our insurance products and services are offered through SWISI by licensed life insurance agents and, in Quebec, by financial security advisors. Many of our advisors are dually registered/licensed with both ScotiaMcLeod and SWISI — therefore, when they deal with you in respect of insurance products/services, they are acting on behalf of SWISI; when they deal with you in connection with the investment management services they are acting on behalf of ScotiaMcLeod. Additional information about the insurance products and services offered by SWISI can be found in Section 2.12 of this brochure.

1.3 Account relationships

ScotiaMcLeod offers clients two different account relationships:

Advisory accounts: In an advisory account relationship, our relationship with you is that of a non-discretionary advisor. While we will provide you with advice and recommendations, it is your responsibility to make the decision on what actions are to be taken and provide your specific authorization for each investment transaction. It is also your responsibility to monitor your advisory account and its holdings on an ongoing basis and to inform your ScotiaMcLeod advisor if you would like to make any changes.

Managed accounts: In a managed account relationship, a ScotiaMcLeod advisor is given discretion to make and implement investment decisions on your behalf within agreed upon limits. In this type of account, you delegate the day-to-day investment decisions to your ScotiaMcLeod advisor and you are not required to authorize each transaction.

Depending on the account relationship that you select, you may open one or more of the following:

- < Cash Account
- < Margin Account
- < Registered Retirement Savings Plan Account
- < Registered Retirement Income Fund Account
- < Registered Education Savings Plan Account
- < Group Retirement Savings Plan Account
- < Tax-Free Savings Account

It is important that you understand the differences between the various types of accounts and how they operate. You can find more information about the terms and conditions applicable to each of these accounts in Section 2 of this brochure.

1.4 Account documentation

At the account opening stage, your ScotiaMcLeod advisor will provide you with the following documentation:

- < This Relationship Disclosure Document
- < A copy of your completed Confidential Account Application Form — this includes the KYC information that we collected from you (discussed below)
- < The ScotiaMcLeod Terms and Conditions that apply to your account(s)

Following the account opening, a Welcome Package will be mailed to you, which includes the following documentation:

- < Scotia Capital Inc. Statement of Policies brochure
- < ScotiaMcLeod Administration and Service Fees brochure
- < IIROC's brochure — An Investor's Guide to Making a Complaint
- < IIROC's brochure — An Investor's Guide to Making a Complaint Part 1 of 2
- < IIROC's brochure — An Investor's Guide to How Can I Get My Money Back Part 2 of 2
- < IIROC's information statement — Strip Bonds and Strip Bond Packages

You may also receive other documents that are relevant to your particular account. Your ScotiaMcLeod advisor can answer any questions you may have about these documents.

1.5 Account service fees and charges

We offer two broad pricing bases:

- < **Commission based:** You pay a commission in relation to each trade that you make in your account.
- < **Fee based:** You pay fees on a quarterly basis which are calculated as a percentage of the value of the assets in your account (which may include cash), regardless of the number of trades you make.

There are options within these two broad categories as well. For example, in some circumstances, an account fee may be charged for a specific number of trades and trades beyond that number are subject to additional commissions.

You select the pricing basis for your account. However, as discussed below, we will consider your account type and pricing basis as part of our suitability obligation owed to you.

There are other fees and charges you may incur in respect of the operation of your account(s) which may include:

- < Administrative fees — e.g. fees for automated services, registered account trustee and administrator fees
- < Service fees — e.g. account transfer fees, wire transfer fees
- < Interest charges — e.g. in the event you do not make full payment when due in your cash account we will charge interest on the overdue balance, or when you receive a dividend payable in foreign currency
- < Foreign exchange conversion costs — e.g. when you execute a securities trade in a foreign market and settle the trade in a Canadian dollar account, a currency conversion will occur at the foreign exchange rate applied by us to the transaction. For further information, see Section 2.14 of this brochure.

The ScotiaMcLeod Administration and Service Fees brochure sets out the specific administration and service fees that can apply to your account(s). We will give you 60 days' prior written notice of any changes to our administration and service fees that relate to your account (such fees do not include interest charged to your account or commissions charged for executing trades). We may deduct applicable administration and service fees directly from your account.

We may receive compensation or earn revenue in other forms in addition to, or in substitution for, direct payments by you. For example, (i) you and your ScotiaMcLeod advisor may discuss purchasing mutual funds on a basis where you pay no up-front commission and we are paid commission directly by the mutual fund sponsor; and (ii) ScotiaMcLeod may receive periodic trailer fees from the mutual fund sponsor, in respect of securities held in a transactional account regardless of whether you or the sponsor pays the up-front commission.

ScotiaMcLeod may also receive periodic trailer commissions ("trailer") from an issuer in respect of certain securities held in a fee-based account that attracts an account fee calculated as a percentage of the value of the assets held in the account (the "account fee"). If ScotiaMcLeod receives trailer from an issuer of mutual funds, exchange traded funds or structured products (i.e. principal protected notes, principal at risk notes, and closed end funds) purchased or transferred into a fee-based account in respect of which an account fee applies, either:

- i) the trail-paying security will be switched by ScotiaMcLeod for a non-trail paying version of the same security; OR
- ii) the trailer received in respect of the security will be credited to the account or paid to the account holder at or before the end of the year in which the trailer is received; OR
- iii) the account fee will not apply in respect of the trail-paying security;

and the process applied will be at the sole discretion of ScotiaMcLeod in the circumstances.

ScotiaMcLeod or its related entities may be a sponsor of mutual funds and receive commission or other forms of compensation in relation to such proprietary mutual funds. We may receive commissions or other forms of compensation ("new issue commission") when securities are offered for sale for the first time in the primary market and/or through a secondary offering ("new issue") and the securities are distributed by ScotiaMcLeod or one of its affiliates as a member of the underwriting or selling group. The new issue commission is paid by the security issuer and/or selling security holder to ScotiaMcLeod, our affiliate(s) and/or their respective advisors, as applicable, and this is in addition to any commission and/or other fees and charges you pay

us in respect of our trading or advising on such securities for your accounts.

1.6 Other costs of making, holding and selling investments

Investment in securities involves various costs, such as commissions, taxes (e.g. sales taxes and withholding taxes and/or other taxes applicable to securities of non-Canadian issuers), and custody and accounting charges (including charges per trade in certain markets). Each of these costs, other than commissions, is charged directly to your account by your custodian or administrator. In many cases, ScotiaMcLeod does not have information on the amounts of these costs. Contact your applicable service provider directly if you have any questions about these particular costs.

Certain securities, such as some mutual funds, may be sold subject to a Deferred Sales Charge ("DSC"). Typically, DSCs are payable by you if you sell or redeem the securities within a specified period of time after purchase. When selecting a DSC sales option, you should consult the relevant offering document and speak to your ScotiaMcLeod advisor in order to determine how this charge may affect you and the fees your ScotiaMcLeod advisor receives.

1.7 "Know Your Client" (KYC) information

In order to conduct proper suitability assessments (discussed below), your ScotiaMcLeod advisor will need to obtain current and accurate information from you about your personal and financial circumstances such as your age, marital status, employment status, annual income and net worth, investment objectives, risk tolerance, time horizon and investment knowledge.

Up-to-date, accurate and complete KYC information is important to ensure that we can accurately assess suitability for you. It is your responsibility to notify us whenever there is a material change in your personal or financial circumstances so that we can update your KYC information.

We will provide you with a copy of your KYC information that we collect from you at the time your account is opened and anytime you notify us of a material change to this information.

1.8 Suitability assessment

We have an obligation to assess whether a purchase or sale of a security in your account is suitable for you. This obligation is part of our broader obligation to deal fairly, honestly and in good faith with each of our clients. Our suitability analysis starts at the time of account opening by ensuring that the account type or product (e.g. margin, options) and the fee basis for the account (e.g. commission based or fee based) are appropriate for you given your circumstances. Our suitability assessment obligation also includes ensuring that the order type, trading strategy and method of financing the trade recommendations are also suitable for you.

Using the KYC information that you have provided to us at the account opening stage (as updated by you when required), we assess investment suitability by evaluating your:

- < current financial situation (what are your assets, liabilities and sources of income);
- < investment objectives (what are your financial goals and objectives — e.g. capital growth, generate income, capital preservation);
- < time horizon (how long do you anticipate keeping your money invested);
- < risk tolerance (what is the level of risk you are prepared to assume in order to achieve your investment objectives); and
- < investment knowledge (do you understand the characteristics of the various securities and investment products and the associated risks with holding such investments).

If you have an advisory account relationship with us, we will assess whether a purchase or sale of a security is suitable for you prior to making a recommendation to, or accepting trade instructions from you. We will also assess the suitability of investments in your advisory account upon the occurrence of the following:

- < if securities are transferred or deposited into your account
- < if there is a change in your ScotiaMcLeod advisor responsible for the account
- < if there is a material change to your KYC information

We do not assess investment suitability in the absence of one of these trigger events. For example, it is your responsibility to review the suitability of the investments in your advisory account whenever significant market events or fluctuations occur. We encourage you to speak with your ScotiaMcLeod advisor if you wish to discuss the effect of market fluctuations on your portfolio, anticipate the need to convert your assets to cash in the near future (for example, for a major purchase such as a house) or are considering changing your retirement date or experience a significant life event.

If you have a managed account relationship with us, we provide ongoing suitability assessment in your account as part of the managed account service.

1.9 Leverage/margin risk disclosure statement

Borrowing to invest may not be suitable for all investors. Using borrowed money (whether through a margin account or any other method of borrowing) to finance the purchase of securities involves greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines. In the case of a margin account, you are also required to satisfy margin calls as required by the terms of the margin agreement. The use of leverage can result in investment losses which exceed the amount of your invested capital.

1.10 Investment performance benchmarks

The performance of your investment portfolio can be assessed by comparing its returns to that of an investment performance benchmark. Benchmarks show the performance over time of a select group of securities. There are many different types of benchmarks. When selecting a benchmark, care must be taken to choose a benchmark that is reasonably reflective of the composition of your investment portfolio. We have access to a broad range of investment performance benchmarks — please contact your ScotiaMcLeod advisor if you wish to learn more about investment performance benchmarks.

1.11 Client reporting

Trade confirmations: If you have an advisory account with us, you will receive a trade confirmation from us promptly upon a completion of a trade (purchase or redemption/sale) of a security that occurs in your account. The trade confirmation will contain details about the trade including:

- < the quantity and description of the trade
- < the consideration for the trade
- < the commission paid, if any, in respect of the trade

Unless otherwise instructed by you, we will not deliver trade confirmations to you in connection with trades in a managed account.

Account statements: You will receive an account statement from us on a quarterly basis and after any month where there occurred trading activity in the account. The account statements will detail the transactions that occurred within your account during the reporting period and will include:

- < the opening and closing balance of the account.
- < all debits and credits in the account during the period.
- < the quantity and description of each security purchased, sold or transferred and the dates of each transaction.
- < the quantity, description and market value of each security position held for the account.
- < ScotiaMcLeod is required to send you an annual performance report which will include the combined change in the market value of your investments and the amount of the annualized total percentage return calculated net of charges using a money-weighted rate of return calculation methodology generally accepted in the securities industry for the 12 months, 3 year, 5 year and 10 year periods (if applicable) and from the later of account inception, or January 1, 2013. The account position cost and account activity information will be provided to you on a monthly basis, unless there is no activity in the account in which case account position cost and account activity information will be provided to you quarterly.

It is your responsibility to review each trade confirmation and account statement for accuracy and to inform us if you believe there is any error, omission or an unauthorized transaction within the specified time period as noted in these documents. For example:

If you authorized a transaction that is not shown on a trade confirmation or account statement, you should advise us accordingly. You must provide us with this information in writing within ten (10) days from the date a trade confirmation is forwarded to you and within sixty (60) days from the date of an account statement. You will be deemed to have ratified the transactions and holdings in your account if you do not inform us of any errors or discrepancies within the time and in the manner specified in the relevant document or, if not specified, within a reasonable time period. Any legal action must be commenced within two (2) years from the date the transaction, act or omission first occurred.

1.12 Conflicts of interest

To ensure fairness to clients, we have adopted policies and procedures to help identify and manage the conflicts of interest that may arise between you and ScotiaMcLeod and/or your ScotiaMcLeod advisor. In general, we deal with and manage conflicts of interest as follows:

- < Avoidance — This includes avoiding conflicts which are prohibited by law as well as conflicts which cannot effectively be managed.
- < Control — We manage acceptable conflicts through means such as physical separation of different business functions and restricting the internal exchange of information.
- < Disclosure — By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions we take.

In circumstances where we cannot avoid a potential material conflict of interest, we will disclose such conflicts to you as they arise.

Material conflict of interest situations could include the following:

We earn compensation by selling products and services to you for which you pay us:

- < We endeavour to be fully transparent on fees and commissions and fully inform you in advance so that you know what you will be paying
- < We offer a wide variety of pricing options to choose from

Related and connected issuers: In the course of our relationship with you, we may trade in or give advice on securities of "related" and "connected" issuers. For example, we may:

- < Exercise discretionary authority to buy or sell these securities for your account.
- < Make recommendations regarding these securities to you.
- < Sell investment fund securities issued and managed by an affiliate of ScotiaMcLeod.

Please refer to the Scotia Capital Inc. Statement of Policies brochure for a description and full listing of our "related" and "connected" issuers.

If you have an Advisory account with us, you consent to the purchase or sale of securities issued by our "related" and "connected" issuers. If you have a Managed account with us, you consent to your ScotiaMcLeod advisor exercising discretionary authority in connection with the purchase or sale of securities issued by our "related" and "connected" issuers.

New issues: We may receive commissions or other forms of compensation ("new issue commission") when securities are offered for sale for the first time in the primary market and/or through a secondary offering ("new issue") and the securities are distributed by ScotiaMcLeod or one of its affiliates as a member of the underwriting or selling group. The new issue commission is paid by the security issuer and/or selling security holder to ScotiaMcLeod, our affiliate(s) and/or their respective advisors, as applicable, and this is in addition to any commission and/or any other fees and charges you pay us in respect of our trading or advising on such securities for your accounts ("account fees").

If you have an Advisory Account with us, you agree that new issues may be purchased in any of your

Advisory Accounts. You acknowledge that your advisor, ScotiaMcLeod and/or its affiliate(s) may be paid a new issue commission by the security issuer and/or selling security holder and that this is in addition to any account fees payable by you in respect of your Advisory Accounts. This agreement will remain in effect until terminated by written notice from you to ScotiaMcLeod. If you have a Managed Account with us, you acknowledge and consent to ScotiaMcLeod:

- i) transferring-in to your Managed Account(s); and
- ii) exercising its discretionary authority to hold in your Managed Account(s);

securities previously purchased by you on a new issue, notwithstanding that ScotiaMcLeod or any of its affiliates may have acted as a member of the underwriting or selling group for the new issue and received new issue commission from the security issuer and/or selling security holder in respect of the new issue and this is in addition to any commission and/or other fees and charges you pay us in respect of our trading or advising on such securities for your accounts. This consent will remain in effect until terminated by written notice from you to ScotiaMcLeod.

Referral arrangements: Referral arrangements may exist from time to time within the Scotiabank group of companies, including ScotiaMcLeod. Referral arrangements are arrangements in which an existing or prospective client is referred to or from a registrant within the Scotiabank group of companies, and compensation is provided to or by a registered person in respect of the referral. You may have been referred to ScotiaMcLeod by another member of the Scotiabank group of companies, or you may have been referred to another member of the Scotiabank group of companies that is qualified and registered to offer you products or services not offered by ScotiaMcLeod. The purpose of these referrals is to introduce you to experts within the Scotiabank group of companies who are best suited to help you achieve your financial goals.

The amount of any referral fee paid or received for referral services will not affect the fees paid or payable by you.

A brief description of the members of the Scotiabank group of companies who may have referred you to ScotiaMcLeod and to whom you may be referred, and the general nature of the services each provides, is set out below.

The Bank of Nova Scotia (Scotiabank®) is a federally regulated bank that provides a broad range of banking services, including day-to-day banking, power savings accounts, chequing accounts, registered savings accounts, GICs, lending services, mortgages, credit cards, electronic banking, and financial planning, through both domestic and international business lines.

The Bank of Nova Scotia Trust Company (Scotiastrust®) is a federally regulated trust company that provides a broad range of trust services, including estate and trust management, will and estate planning, philanthropic advisory services and custody.

1832 Asset Management L.P.TM is a registered advisor in all provinces and territories of Canada (other than the Northwest Territories and Nunavut) and provides discretionary investment management services to individual and institutional clients, including managing ScotiaFunds and Dynamic Funds, each a family of mutual funds.

1832 Asset Management U.S. Inc. is a registered advisor in the United States and provides discretionary investment management services to individual and institutional clients who reside in the United States.

Scotia Wealth Insurance Services Inc. is a provincially regulated insurance firm and provides insurance products and strategies for income and asset protection.

Scotia Capital Inc. (SCI) is a registered investment dealer in all provinces and territories of Canada that provides investment advisory, securities trading, financial planning, and related services to individual and non-individual clients through its full-service brokerage division, ScotiaMcLeod, and self-directed, electronic securities trading services through its online, self-directed, non-advisory brokerage division, Scotia iTRADE®.

Roynat Capital Inc. (Roynat) is in the business of advancing and making debt, subordinated debt, mezzanine capital and equity investments in mid-sized companies in Canada.

Fees for referral services

A referral fee may be paid or received, directly or indirectly, by a member of the Scotiabank group of companies, or by a referring employee of a member

of the Scotiabank group of companies. The amount of any referral fee paid or received for referral services will not affect the fees paid or payable by you. Particulars of the referral arrangements involving ScotiaMcLeod, and fees paid or received in respect of its referral arrangements, are provided below.

If you would like more information on these referral arrangements, do not hesitate to ask your ScotiaMcLeod representative. Our goal is to ensure that you have a rewarding experience working with us and that our services are tailored to your needs.

Current referral arrangements involving ScotiaMcLeod

I. By Scotiabank to ScotiaMcLeod

Wealth Management Consultants employed by Scotiabank who are involved in sales activities related to the Scotiabank group of companies refer clients to the expert within the Scotiabank group of companies best suited to helping them achieve their financial goals. If a referral is made by Scotiabank to ScotiaMcLeod that results in new business for ScotiaMcLeod, compensation for these referrals may be paid by ScotiaMcLeod to Scotiabank, estimated as a percentage of ScotiaMcLeod's net commissions earned by ScotiaMcLeod from the referred business during the initial five years following the referral.

Scotiabank (Private Banking) eligible employees may receive a payment of up to \$8,000 per household for the referral of client(s) which results in new business for ScotiaMcLeod, based on the total household assets referred to ScotiaMcLeod. To qualify, the referral must meet minimum dollar value thresholds.

II. By ScotiaMcLeod to 1832 Asset Management L.P.

ScotiaMcLeod receives payment from 1832 Asset Management L.P. for the referral of a client which results in the opening of an Investment Management Account by 1832 Asset Management L.P. To qualify, the referral must meet minimum dollar value thresholds. The payment is either a one-time payment, based on a percentage of fees received from the referred business during the initial year following the referral or, if the relationship management responsibility remains with the referring ScotiaMcLeod advisor, it is a continuing quarterly payment based on a percentage of 1832 Asset Management L.P. fees received from the referred business.

III. By ScotiaMcLeod to 1832 Asset Management U.S. Inc.

ScotiaMcLeod receives payment from 1832 Asset Management U.S. Inc. ("1832 US"). for the referral of an existing ScotiaMcLeod client who resides in the U.S. which results in the opening of an Investment Management Account by 1832 US. To qualify, the referral must meet minimum dollar value thresholds and other criteria. The payment is a continuing annual payment based on a percentage of 1832 US fees received from the referred business during the immediately preceding financial year.

IV. By Asset Management L.P. to ScotiaMcLeod

1832 Asset Management eligible employees may receive a payment of up to \$8,000 per household for the referral of client(s) which results in new business for ScotiaMcLeod, based on the total household assets referred to ScotiaMcLeod. To qualify, the referral must meet minimum dollar value thresholds.

V. By ScotiaMcLeod to Scotiabank

ScotiaMcLeod receives payment from Scotiabank for the referral of a client which results in new business for Scotiabank.

ScotiaMcLeod will receive a one-time payment from Scotiabank (Private Banking) for a referral made to Scotiabank (Private Banking) for each new prime rate-based retail loan (including mortgages and Scotiabank (Private Banking) with Scotiabank (Private Banking), calculated as a percentage of the loan amount if the loan amount meets a minimum dollar value threshold.

ScotiaMcLeod will receive monthly payments for the duration of 15 months from Scotiabank (Private Banking) for a referral made to Scotiabank (Private Banking) for each new prime rate-based loan with Scotiabank (Private Banking) through Private Banking's Total Wealth Credit Solution lending platform, calculated as a percentage of up to 0.04% (up to a total of 0.60%) of the average monthly drawn credit amount if the loan amount meets minimum dollar value thresholds. ScotiaMcLeod will receive a one-time payment from Scotiabank (Private Banking) for a referral made to Scotiabank (Private Banking) for each new prime rate based retail loan (including mortgages and Scotiabank (Private Banking) that meets minimum loan amount threshold calculated as a percentage of 0.20% of the original loan amount.

If a referral of a client is made by a ScotiaMcLeod advisor to Scotiabank (Retail Banking) which results in new business for Scotiabank (Retail Banking), Scotiabank (Retail Banking) will reimburse ScotiaMcLeod for referral fees paid by ScotiaMcLeod to its advisors in the circumstances described below.

A ScotiaMcLeod advisor will receive a one-time payment from ScotiaMcLeod of up to \$250 for a referral made to Scotiabank (Retail Banking) in respect of the following products and services:

A new mortgage or line of credit of a minimum amount, the amount of the payment depending on the amount funded or drawn down.

A new Scotia Professional Plan if it includes a business account with overdraft protection, unless the client already has both a Small Business and Retail relationship with Scotiabank.

A new ScotiaOne Account Plan for Business if it includes a business account, bank account and Visa account unless the client already has both a Small Business and Retail relationship with Scotiabank.

A ScotiaMcLeod advisor that refers an existing client to Scotiabank's Global Banking and Markets Division for equity hedge, or equity hedge and monetization services may receive a one-time payment of up to \$10,000 for the execution of each qualifying transaction, based on dollar value thresholds and other criteria.

VI. By ScotiaMcLeod to Scotiatrust

If a referral of a client is made by a ScotiaMcLeod advisor to Scotiatrust which results in new business for Scotiatrust, ScotiaMcLeod may receive a payment from Scotiatrust of up to 10% of the one-time Scotiatrust Estate Administration fee, or up to 10% of the first year fees for Estate Assist, Inter-Vivos Trusts, or Aqueduct (short-term).

VII. By ScotiaMcLeod to Scotia Wealth Insurance Services Inc.

A ScotiaMcLeod advisor may receive a one-time payment for referring a client to Scotia Wealth Insurance Services Inc. that results in new insurance business, based on a percentage of the commission derived from the initial sale of the new business. ScotiaMcLeod is reimbursed this one-time payment by Scotia Wealth Insurance Services Inc.

VIII. By ScotiaMcLeod to/from Roynat Capital Inc. ("Roynat")

ScotiaMcLeod may receive a one-time payment from Roynat for referring new business that results in a transaction, equal to a percentage of Roynat's fee from the transaction, subject to conditions. The referring employee may receive up to one half of the payment from Roynat to ScotiaMcLeod, subject to certain limits. ScotiaMcLeod may pay a one-time fee to Roynat for a referral of new business that results in a new client for ScotiaMcLeod, equal to a percentage of the estimated first year's management expense ratio from the new business. Eligible Roynat personnel who refer the new business may receive up to one half of the payment to Roynat, subject to certain performance conditions and a maximum amount payable per referral.

IX. By Scotiatrust to ScotiaMcLeod

A Scotiatrust employee may receive payment from ScotiaMcLeod of up to \$8,000 per household for the referral of client(s) which results in new business for ScotiaMcLeod, based on the total household assets referred to ScotiaMcLeod.

Other matters of interest

Policies and procedures have been adopted by the Scotiabank group of companies to assist in identifying and addressing any conflicts of interest that may arise from these referral arrangements. For more information on conflicts of interest, please refer to www.scotiamcleod.com/conflicts and the Scotia Capital Inc. Statement of Policies brochure.

A referral fee may also be paid if a referral arrangement is entered into between ScotiaMcLeod and a person or entity outside of the Scotiabank group of companies. As with referral arrangements between ScotiaMcLeod and other members of the Scotiabank group of companies, details of these referral arrangements, including the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to referred clients. All services resulting from a referral arrangement relating to your account which require registration under applicable securities laws will be provided by the registrant receiving the referral.

The Scotiabank Code of Conduct documents our core values and standards, including general standards for how we deal with conflicts of interest.

For more information on conflicts of interest, please refer to www.scotiamcleod.com/conflicts and the Scotia Capital Inc. Statement of Policies brochure.

1.13 Our trading and brokerage practices

ScotiaMcLeod is obliged under IIROC Dealer Member Rule 3300 to provide best execution when accepting customer instructions to transact in securities, both listed and unlisted ("OTC"). In order to meet this obligation, we will diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under prevailing market conditions (known as the "best execution" obligation), and have internal policies and procedures designed to achieve best execution. In discharging our best execution obligation to you, we may consider a range of factors relevant to the execution of your trade, including but not limited to:

- < Your instructions;
- < Price;
- < Speed of execution;
- < Certainty of execution;
- < Overall cost of the transaction to the client (including potential opportunity cost);
- < Conflicts of interest for order handling and execution;
- < Order size;
- < Reliability of quotes;
- < Liquidity; and
- < Market impact.

We may route orders to any Canadian marketplace which may include both lit and dark market venues. In considering best execution, we may also route orders to foreign marketplaces taking into account current foreign exchange rates, market conditions and any potential liquidity in Canada.

In executing your orders, we incur certain costs and, in seeking the best execution of your trades, we may achieve certain trade efficiencies that result in a lowering of our costs to the benefit of the firm. We also earn revenue such as trade commissions in executing your trades. Depending on the market or marketplace to which your orders may be routed, we may receive remuneration for directing orders to a particular broker-dealer or market center for execution and revenue from a conversion of currency in respect of the trade.

Regular trading hours for trading in publicly listed Canadian securities is between 9:30 a.m. and 4:00 p.m., Eastern Standard Time ("EST"). Monday through Friday, not including statutory Canadian holidays. Day orders received after 4:00 p.m. will not be booked on any market. Orders received after midnight and prior to 9:30 a.m. will be entered into the trade execution systems in accordance with the trade instructions.

Extended/after-hours and pre-market facilities are available for certain marketplaces. Clients should contact their ScotiaMcLeod advisor for further details.

We may move an order entered on one marketplace to another marketplace in our discretion in order to achieve best execution. Situations which may result in an order movement include:

- < An alternate marketplace demonstrating a better chance of fill;
- < Technical or operational issues with the original marketplace; or
- < A change in client instructions;

Where pricing and liquidity may be more advantageous, we may also route your order to other foreign marketplaces through an affiliate or another market participant / intermediary in that foreign jurisdiction. Where orders are routed to an intermediary, the order will be subject to the order handling and routing practices of the intermediary. We will review the order handling and routing practices of any intermediary where orders are routed to determine the best execution is being achieved.

1.14 Complaint handling procedures

Our goal is to provide quality service to every customer. We value your business and are dedicated to building strong relationships with our customers. To fulfil these goals, it is important for us to know when you have a complaint — your dissatisfaction about us or your ScotiaMcLeod advisor.

Your complaint can be delivered to us by you, or by someone who is authorized to act on your behalf, either verbally or in writing. The following summarizes our complaint handling procedures:

Service related complaints: If your complaint is service related, it will be handled directly by the responsible ScotiaMcLeod Branch Manager or their

designate. Service related complaints are those matters which are not subject to any regulatory rules or policies of a securities or financial service regulatory or self-regulatory organization in any jurisdiction either inside or outside of Canada; or any legislation or law concerning securities or exchange contracts of any jurisdiction either inside or outside of Canada. You may forward your complaint directly to the Branch office where your account is maintained or you may contact the Branch and speak with the Branch Manager directly. This information is located on your account statement.

Securities related complaints: Securities related complaints are those matters involving: (i) any securities or exchange contract (ii) any matter related to the handling of client accounts or dealings with clients; (iii) any matter that is subject to any law or legislation concerning securities or exchange contracts of any jurisdiction both within Canada or outside of Canada; (iv) any matter that may be subject to the by-laws, rules, regulations, rulings or policies of any securities or financial services regulatory or self-regulatory organization in any jurisdiction both within Canada or outside of Canada.

Securities related complaints should be forwarded to:

Designated Complaints Officer
Compliance Department
4 King Street W., 12th Floor
Toronto, ON M5H 1B6

Fax: 647-557-2149

Email: scotiamcleodcomplaints@scotiabank.com

Timelines: Within five (5) business days of us receiving your complaint, we will send you an acknowledgement letter by mail from the Compliance Department confirming the name and contact information of the individual handling your file. In conducting the investigation, the Compliance Department may contact you or your authorized agent to request additional information, which may be required to resolve the complaint.

ScotiaMcLeod will commence its review and analysis of allegations raised in your complaint and within 90 calendar days, you will be provided with our substantive response to your complaint or correspondence from us acknowledging that we may require additional time or information in order to complete our review.

Our substantive response letter will provide an outline of your complaint and ScotiaMcLeod's findings along with recommendations for resolution if warranted. You will also be provided with additional information regarding your options to escalate your concerns further in the event that you are not satisfied with the outcome of this review. This includes the contact information for Scotiabank's Ombudsman, the Ombudsman for Banking Services and Investments ("OBSI") and IIROC.

A detailed description of our complaint handling procedures is available on our website at www.scotiabank.com/swm/en/0,,9542,00.html or upon request from your advisor or branch

For residents of Quebec, we also wish to inform you that if you are dissatisfied with our examination of your complaint or the outcome of this examination, you may request that your complaint file be transferred to the Autorité des marchés financiers ("AMF"). To do so, you must wait for our final decision or the expiry of the time limit of 90 days, but this request must be submitted no later than one year after the date you have obtained our final response. Following the transfer of your complaint to the AMF, the latter will proceed with their investigation.

Please refer to the IIROC brochures, An Investor's Guide to Making a Complaint Part 1 and An Investor's Guide to How Can I Get My Money Back Part 2, which describes other avenues of dispute resolution that you may wish to consider.

Terms and conditions

2.1 Parties and definitions

In this agreement (the "Agreement") words capitalized bear the meanings stipulated within the text of this Agreement. In addition:

- a) "you" and "your" refer to the owner and/or joint owner of a ScotiaMcLeod account and, when applicable, mean an individual who has made application to us, or provided a guarantee, for any financial or insurance product or service offered by us;
- b) "we", "our" and "us" refer to ScotiaMcLeod and any member of the Scotiabank group of companies, as applicable, and include our directors, officers, agents and employees where appropriate;
- c) "securities" includes securities and securities options;
- d) "property" includes securities, commodities and other property;
- e) "Scotiabank group of companies", means collectively Scotiabank and all of Scotiabank's subsidiaries with respect to their operations in Canada;
- f) "Member of the Scotiabank group of companies" means Scotiabank or any one of its subsidiaries with respect to its operations in Canada;
- g) "Electronic Services" means services delivered by us to you by means of a computer program or any electronic means used to initiate an action or to respond to electronic documents or actions, in whole or in part, without review by an individual at the time of the response or action, as requested by you by any electronic means including touching or clicking on an appropriately designated icon or place on a computer screen or otherwise communicating electronically in a manner that is intended to initiate or respond to an action;
- h) "electronic" includes created, recorded, transmitted or stored in digital form or in other intangible form by electronic, magnetic or optical means or by any other means that has capabilities for creation, recording, transmission or storage similar to those means; and

- i) "Online Brokerage Services" means services delivered to you by us in respect of your account by means of Electronic Services.

2.2 Our contract with you

This booklet sets out the essential terms and conditions that govern the operation of your account. These terms and conditions are incorporated into and form part of the contract formed between you and us. By opening an account with us, you agree to be bound by these terms and conditions. Depending upon a variety of factors, including the type of account you wish to operate, the nature of the transactions you wish us to undertake on your behalf, and whether you wish to have access to your account and our services by means of Online Brokerage Services, you may be required to sign additional written agreements with us. The terms and conditions contained in this booklet are in addition to and not a substitute for these other written agreements. This booklet and the terms and conditions of all application forms and written agreements made between us respecting the operation of your account (collectively, "Contract Documents") in their totality constitute the terms of the contract between us.

For Quebec residents: If you live in Quebec, you have specifically requested that these agreements and related documents be in English. Les parties aux présentes, si elles résident ou sont domiciliées au Québec, exigent expressément que ces conventions et les documents qui s'y rattachent soient rédigés en anglais.

Information for clients in the United States:

Federal and state securities laws restrict our ability to deal with persons in the United States. In defined circumstances, ScotiaMcLeod is permitted to provide certain services to persons in the U.S. Such clients should be aware that Canadian RRSP, RRIF and similar retirement accounts are not regulated under U.S. securities laws and ScotiaMcLeod is not subject to the full regulations governing broker-dealers under U.S. federal and state securities laws.

2.3 Types of accounts

Securities transactions must be made in a Cash Account, a COD Account or a Margin Account.

Cash accounts: When you open a regular cash account, you are expected to make full payment for purchases or full delivery for sales on or before the regular settlement date. Regular settlement date means the settlement date generally accepted according to industry practice for the relevant security in the market in which the transaction occurs, including foreign jurisdictions, specified in your trade confirmation.

The normal settlement date (unless mutually agreed) is prescribed as the following number of business days after the transaction date:

- < Government of Canada treasury bills — same day as the transaction takes place.
- < Government of Canada bonds with a term of three years or less — two business days after transaction date.
- < Options — the next day after the transaction date.
- < New issues — the contracted settlement date as specified for that issue.
- < All other securities — two business days after the transaction date.

COD accounts: When you open a COD account, you must have an existing arrangement with a Financial Institution, acceptable to ScotiaMcLeod, to act as your single custodian and clearing agent, to take delivery of your security purchases, or to deliver securities for sales, on behalf of your ScotiaMcLeod account. You are expected to arrange to make full payment for purchases or full delivery of securities for sales on or before the settlement date, which is prescribed by industry rules and specified in your trade confirmation. The term COD refers to Cash on Delivery. In the event that you do not make full payment on or before the settlement date, in your Cash and COD accounts we will charge you interest on the overdue balance.

Margin accounts: Margin accounts are for clients who wish to buy or sell securities (or sell securities short) on credit and initially pay only a portion of the full price of the transaction. The word “margin” refers to the portion of the transaction amount you must personally provide to acquire or maintain the margined position. When you open a margin

account, ScotiaMcLeod may, in its sole discretion, lend the remainder of the transaction amount to you, charging you interest on the loan. Interest is calculated daily on your debit balance, and charged to your account monthly. ScotiaMcLeod takes a charge against assets in your account as security for all amounts owed by you to us. Currently, ScotiaMcLeod only offers Canadian and U.S. dollar margin loans.

It is important that you recognize the difference between cash accounts and margin accounts.

When you open a cash account, ScotiaMcLeod does not grant you credit and our explicit understanding is that you have sufficient funds and/or equity in your account to cover your transactions and that you will settle all transactions on the settlement date.

On the other hand, **when you open a margin account,** it is on the explicit understanding that ScotiaMcLeod is granting you credit based on the market value and quality of the securities held by you, long (purchased) and/or short (sold) in the account.

You shall be responsible for meeting any margin calls immediately. Where you fail to meet a margin call upon request, we reserve the right to liquidate securities from your account without further notice to you and apply such proceeds to satisfy your indebtedness to us. You will remain liable to us for any remaining deficiency in your account.

Please refer to Margin Terms within Section 2.5 of this brochure for information that will govern the operation of your margin account.

2.4 Deemed insiders and control positions

A company which offers its securities for sale to the public in Canada is called a reporting issuer. Canadian securities legislation (the “Acts”) generally require insiders of a reporting issuer to file reports of their trading in its securities and to refrain from such trading when in possession of information obtained as an insider that has not been disclosed to the public.

By regulating insiders, the Acts attempt to ensure that in any securities transaction the buyer and seller both have access to the same information.

The rationale for this regulation is two-fold:

1. transactions by insiders are material information that may affect investment decisions of outsiders; and
2. use of undisclosed information by an insider confers an unfair advantage at the expense of those who trade without such inside information.

When we engage in transactions in securities on your behalf we assume that neither you nor your spouse is an insider of the reporting issuer whose securities are traded. If either of you is an insider, you must tell us before we act on your behalf.

The Acts generally define an insider to include any of the following;

- < a director or senior officer of a corporation or of a subsidiary company;
- < a person or company owning, directly or indirectly, or controlling more than 10% of the voting shares of a corporation;
- < a director or senior officer of a company which is itself an insider of a corporation by virtue of owning or controlling more than 10% of the voting shares of that corporation.

Failures to file an insider report or giving false or misleading information are offences under provincial securities legislation and are usually punishable by fines. Insiders who trade with inside information may be subject to fines, imprisonment, and repayment of profits and may be liable in damages for their activities.

2.5 General terms and conditions applicable to all accounts

Contract terms and applicable law: The operation of each account that you maintain with us for transactions in securities is governed by:

- < the laws, regulations and orders governing personal property and securities transactions (the "Applicable Law");
- < the constitution, by-laws, rules, regulations and practices of the stock exchange or market on which a particular transaction is concluded (the "By-Laws") the laws, regulations and orders governing personal property and securities transactions (the "Applicable Law");

- < the terms and conditions contained in this booklet, which form part of the binding contract between you and us; and
- < the terms and conditions of all other written agreements between us at any time respecting operation of your account.

When the Applicable Law or By-Laws change, the terms of the contract between us will be deemed to have been changed accordingly. If you have indicated in your Confidential Account Agreement that you are a resident of a province or territory of Canada, the Applicable Law shall be the laws of that jurisdiction and the laws of Canada applicable therein. Otherwise, the Applicable Law shall be the laws of the province of Ontario and the laws of Canada applicable therein.

Investment objectives: Your investment objectives and restrictions, if any, in respect of the investments made on your behalf are those set out in the Confidential Account Agreement form, as they may be amended by subsequent written agreements between us concerning specific types of accounts. You understand that there are risks inherent in any investment and that the level of risk you are undertaking depends in part on your choice of investment objectives.

Operation of account: You appoint us as your agent to undertake transactions in securities, with power to buy, sell, borrow and lend securities and advance and disburse cash on your behalf in accordance with your instructions.

You warrant that all securities to be delivered to your account by you or on your behalf are owned by you and may be sold free of all liens, charges or encumbrances and without prior notice to or consent of any other party. We will maintain a record of receipts and deliveries of securities and your resulting positions in the account.

We will credit to the account the net amount of any interest, dividend, proceeds of sale or other amount received in respect of securities held in the account and will debit to the account all amounts owed to us under the terms of the contract between us.

We may hold securities for your account at any location where it is customary or convenient for us to do so, and we will exercise the same degree of care with your securities as with our own. We are not required to deliver to you the specific certificates

deposited to your account, but may deliver certificates for the same issue and aggregate amount.

Any cash balances held to your credit in any account need not be segregated and may be used by us:

- < as your debtor in the ordinary conduct of our business; or
- < as your creditor to discharge obligations you owe to us in respect of other accounts you maintain with us, whether the accounts are held jointly with another or guaranteed by you.

Without notice to you, we are entitled to set off any credit balance in your account against any deficit in any other account you have with us or any other debt or obligation you owe to us. In addition, we may transfer securities among your various accounts, including joint accounts and those guaranteed by you.

Unfunded accounts may be closed by us at any time at our discretion.

Accepting orders: We have the right, without providing any notice or reasons to you, to decline to accept or execute any order, direction or request from you if in our sole discretion we think it unreasonable or imprudent, having regard to factors such as the state of your account or accounts, the nature of the proposed transaction, and your financial position. Once we accept and act on your order you cannot amend or cancel your order and you are fully responsible for all consequences and costs of the order.

Filling orders: We retain the exclusive right to determine the best way to buy and sell securities for your account. At our option, your transaction may be completed:

- < as an independent transaction;
- < as part of a larger transaction for you and other customers, our agents and ourselves;
- < by purchase from or sale to us or other customers of ours; or
- < as part of broken lots and public or private sales.

You acknowledge that ScotiaMcLeod may be the vendor or purchaser acting as principal or for its own account in a transaction with you, including in connection with treasury or secondary offerings by prospectus or private placement. ScotiaMcLeod may match an order executed on your behalf with an

order from another party for whom it acts as agent and from whom it receives commission.

Delivery of securities:

- a) Long Sales — You will not instruct us to sell a security unless we hold the security for you or you can deliver the security to us before the settlement date.
- b) Short Sales — You will not instruct us to sell a security that you do not then own unless you expressly notify us at the time of your order that you are ordering a short sale. To complete a short sale we borrow securities from others on a demand basis and sell them for your account. You agree to return the borrowed securities at any time by buying equivalent replacements at current market prices.
- c) Delivery by Us — To protect our own interests, we have the right to borrow or purchase securities and deliver them on your behalf and to buy for your account any options we consider necessary, all without notice to you:
 - < if you fail to deliver securities by the settlement date of a long sale;
 - < if we are required by the owner of securities borrowed and previously delivered on your behalf for a short sale or by any regulatory authority to replace such securities; or
 - < if at any time we think it advisable to replace securities borrowed for your account for a short sale.

You are responsible for all liability and expenses arising from such transactions.

Margin terms — Upon your request and at our sole discretion we may, grant you credit for the purchase of securities, charging to your account interest calculated daily on your debit balance. In assessing the portion of each transaction that must be funded by you (the "margin"), we take into account the value of the underlying securities held by you. That value is always subject to changes in market prices, and so we must constantly reassess the margin we require from you to maintain your holdings, and we may require you to increase it from time to time ("margin calls").

Consequently, we permit margin trading only on condition that we may at any time, without notice, and at our sole discretion:

1. require you to provide security in excess of margin required by applicable law;
2. reduce or cancel the amount of credit provided to you;
3. refuse to provide any further credit; or
4. cancel any open order for the purchase or sale of any securities if we think the margin or deposit in any of your accounts is inadequate.

We reserve the right to immediately, and without notice, charge to your margin account the amount by which credit granted to you is reduced or cancelled by us. You agree to maintain the margin levels we require in your margin account(s) and to meet all margin calls promptly. Where you fail to meet a margin call upon request, we reserve the right to liquidate securities from your account without further notice to you and apply such proceeds to satisfy your indebtedness to us. You will remain liable to us for any remaining deficiency in your account.

Service charges, interest and foreign exchange:

You agree to pay to us on demand:

- < transaction based commissions and fees in respect of a fee based account, and any related administration and services fees;
- < interest on all credit granted to you by us, whether in respect of margin, or otherwise;
- < a debit balance in any account; and
- < foreign exchange rates and costs arising from necessary currency conversions.

Our commissions and charges and the interest we charge on loans to you, or pay on credit balances, will be calculated at our prevailing rates, which vary from time to time, and may be subject to certain minimums. Foreign exchange rates and costs are subject to market fluctuations which could increase your risk of holding securities denominated in foreign currencies. The rate and amount of such commissions, charges, exchange and costs charged to you in any month will be disclosed on your account statements (or, if not disclosed on your account statements, as in the case of certain foreign exchange rate charges, available on request), and you waive any right to require any other notice of rates or changes in such rates.

It is understood that in some circumstances, ScotiaMcLeod and/or your advisor may receive fees from other sources in connection with transactions

for your account. You acknowledge that ScotiaMcLeod and your advisor may receive from others third party sales commissions, ongoing trailer or other benefits in respect of any mutual fund or other securities such as exchange-traded funds and structured products in which you invest or remain invested. You also acknowledge that ScotiaMcLeod may be a promoter or sponsor of a mutual fund and may receive compensation in relation to such mutual funds.

ScotiaMcLeod may also receive periodic trailer from an issuer in respect of certain securities held in a fee-based account that attracts an account fee calculated as a percentage of the value of the assets held in the account (the "account fee"). If ScotiaMcLeod receives trailer from an issuer of mutual funds, exchange traded funds or structured products (i.e. principal protected notes, principal at risk notes, and closed end funds) purchased or transferred into a fee-based account in respect of which an account fee applies, either:

- i) the trail-paying security will be switched by ScotiaMcLeod for a non-trail paying version of the same security; OR
- ii) the trailer received in respect of the security will be credited to the account or paid to the account holder at or before the end of the year in which the trailer is received; OR
- iii) the account fee will not apply in respect of the trail-paying security;

and the process applied will be at the sole discretion of ScotiaMcLeod in the circumstances.

For information about currency conversion see Section 2.14 of this brochure.

We do not currently permit foreign currency holdings in RESPs. As a result, any transactions in such accounts involving foreign currency will be automatically converted by us into Canadian currency as described in Section 2.14 of this brochure.

You may at the same time hold credit and debit balances within your margin account balances in Canadian dollars and United States dollars. The interest rate that we pay you for a credit balance in your accounts may differ and is typically lower than the interest rate that we charge you on a debit balance in your accounts in each of the two currencies. As a result, you may receive interest for a

credit balance in your account in one currency while at the same time be charged interest for a debit balance in your account in another currency. You may specifically request that a credit balance in one account be converted to pay a debit balance in another account and in another currency, at any time.

Ratification of notices and statements: We will send to you written confirmation of each transaction for your account. The transaction as confirmed will be deemed to be authorized, correctly transacted and ratified by you unless we receive written notice to the contrary within ten (10) days from the date the confirmation is forwarded to you.

Confirmations of transactions are subject to amendment to record the correct details of the transaction.

Statements and other communications: ScotiaMcLeod will issue a Statement of Account to you for an account registered in your name whenever there has been activity in that account within the preceding month. Accounts with security positions and/or money balances and no activity are issued Statements of Account on a quarterly basis. The Statement of Account is the statement of record. Accounts with security positions and/or money balances with no activity are issued Statements of Account on a quarterly basis. You agree to examine all statements upon receipt and to advise us of any errors, irregularities, discrepancies or omissions contained in those statements within 60 days of their date. During that period you will also advise us of any trades which appear on the statement that were not specifically ordered or authorized by you. After the 60 day period, and except as to any errors, irregularities, discrepancies or omissions brought to our attention within the 60 day period, all statements shall be conclusively deemed to be accepted by you as true and correct for all purposes.

Payments to us: You agree to pay promptly to us all amounts owing to us under the terms of our contract except to the extent covered by a current margin facility, including the purchase price of securities purchased for your account, whether or not we have received such securities or delivered them to you.

Security interest in account assets: As continuing collateral security for the performance of all your obligations to us, including the payment of all

amounts now or in the future owed by you to us, including interest calculated daily at ScotiaMcLeod's prevailing rate on the debit balance of your accounts, you grant to us a security interest in and charge on, and in the province of Quebec a movable hypothec on, all securities, cash and other assets held in any of your accounts with us now or at any future time (the "Collateral"). In the province of Quebec, unless otherwise agreed between us in writing, the hypothec is granted for one million dollars, though we are not entitled to recover from the actual amount of your debt to us. You agree that we may hold the Collateral third party of our choice and that delivery of the Collateral to such third party shall constitute evidence in writing of the hypothec or security interest.

Remedies: If you fail to pay any amount owing to us when it falls due or cause us any loss or liability by failing to fulfill any of your obligations under this contract, or if for any reason we consider it necessary for the protection of our interests, you agree that we may, in addition to other remedies available at law, take one or more of the following actions without notice to you:

- < take or retain possession of the Collateral;
- < sell the Collateral or any part of it or buy it for our own account or that of other customers;
- < purchase for your account securities necessary to honour any short or long sales made on your behalf;
- < cancel any outstanding orders; or
- < enter stop loss orders in respect of any securities of which your account may be long or short, and withdraw or change any such stop loss orders.

We will apply the proceeds of all such remedies to reduce your indebtedness to us, but you will remain liable to us for any deficiency in the proceeds realized.

All such remedies shall be exercised in compliance with applicable law.

Customer information: You represent to us that you are of full legal capacity and that, unless you have notified us to the contrary in your Confidential Account Application, neither you nor your spouse is:

- < an insider of any reporting issuer of securities; or
- < singularly, or as part of a group, in a control position, as defined in Applicable Law, of any public company; or

- < a partner, director, employee, affiliate or associate of a member of any stock exchange, broker or investment dealer; or
- < a non-resident of Canada within the meaning of the Income Tax Act; and
- < you agree to notify us immediately of any change in your status.

You authorize us to obtain financial information and credit reports about you from third parties required for the opening or operation of your account, and to disclose financial information about you to credit reporting agencies and others with whom you have or propose to have a financial relationship.

You certify to us that the information disclosed by you in any Contract Document is complete and accurate and not misleading in any material respect. You acknowledge that we are relying on the truth, accuracy and completeness of all such information in administering your account and you agree to notify us promptly in writing of any change or inaccuracy in information provided to us by you.

Communications with you: We may communicate with you by any available means, including letter, e-mail, fax and telephone. You will notify us of any change in your address, whether residential, telephonic or electronic, and we may rely on the last reported address in directing our communications to you.

You hereby authorize and request that we contact you with investment advice and recommendations on securities and investments by telephone at the numbers you have given to us. You specifically authorize that we may do so at any reasonable time, having regards to the investment markets, including times outside of the calling hours set out in the Unsolicited Telecommunications Rules as this is a service in relation to your accounts with us. This means that we may contact you before or after market hours with advice or recommendations concerning your investments or other services you have with us, including information concerning initial public offerings and other investment decisions we think would interest you. You acknowledge that you can tell us not to do this. If you wish to rescind this solicitation and authorization at any time, contact your advisor.

Any communication sent by us to your last reported address will be deemed to have been received by you at noon

1. on the next business day, if sent by e-mail, fax or other electronic communication;
2. on the next business day following receipt by you if delivered by courier or other personal delivery; or
3. on the third following business day if sent by prepaid ordinary or registered mail.

You authorize us to act upon communications from you given by telephone and to rely on the electronic input of your account number in conjunction with a valid personal identification number or any recognized form of electronic identification for the purpose of authenticating any attached instructions or enquiries and responding accordingly. However, in our sole discretion, we may decline to act upon such instructions if we doubt the authority or lawfulness of those instructions.

Access to designated accounts by means of Electronic Services is automatically available to all new ScotiaMcLeod clients. Please contact your advisor for details of how this service may be provided to you.

Risk and liability: We act as your agent. You, as owner of your accounts, have full responsibility for your investment decisions and for transactions conducted for your account.

You agree that ScotiaMcLeod is not liable on any legal basis, including negligence, for any loss, damage or expense (direct or indirect) that you may suffer or incur as a result of any transaction concluded by you or for you on the advice of an advisor. ScotiaMcLeod is not liable if we fail to act with regard to any transaction or prospective transaction, except in cases of gross negligence or wilful misconduct on our part. You acknowledge that you are solely responsible for knowing about developments and reorganizations related to your investments, that ScotiaMcLeod is not obligated to notify you of such developments and reorganizations except where required by regulation, and that you are responsible for any errors resulting from any failure on your part to discharge your responsibilities in these areas.

You expressly release us from any liability for any loss, damage or expense that you incur as a result of:

- < any transaction undertaken by or for your account on our advice;

- < any act or failure to act on our part in respect of any transaction or proposed transaction, unless resulting from gross negligence or wilful misconduct on our part;
- < delays in the transmission of orders and other circumstances beyond our control;
- < failure on our part to notify you of developments related to your investments, including stock splits, reorganizations and consolidations, unless required by Applicable Law;
- < any action taken by us to protect our own interests that is permitted by the terms of the contract between us.

The liability from which you expressly release us includes:

- a) liability for loss of revenue or profits, failure to realize expected profits or savings, missed investment opportunities and other items of economic loss of any kind, and
- b) liability for special, indirect, consequential, exemplary or incidental damages, in each case however caused, even if we have been advised of the possibility of such damages.

2.6 Amendment and term

The contract between us can only be changed:

- < by amendments to the Applicable Law or By-Laws;
- < by a written amendment signed by you and on our behalf by an authorized signing officer;
- < by amendments to Contract Documents published by us from time to time; and
- < by notices governing Electronic Services.

If you die or are declared by a court to be incompetent to manage your affairs, the contract between us will continue in effect and will be binding on your personal representatives.

Failure by you or by us to exercise any of our respective rights under any Contract Document shall be deemed not to be a waiver of such rights for the future. An account or any Contract Document may be terminated at any time by you or us by giving notice in writing to the other, and the termination will be effective on the date that written notice is received by the other.

Invalidity provision: Whenever possible each provision of this and any other Contract Document shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this or any other Contract Document shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity but the remainder of such provision or the remaining provisions of this or any other Contract Document shall remain in full force and effect.

Authority to act: If the owner of any account to which any Contract Document is applicable is not a natural person but a corporation, cooperative, unincorporated association, general partnership, limited partnership, limited liability partnership, joint venture, trust or other legal entity (each one an "Organization"), you as signatory for such Organization represent and warrant (A) that the Organization: (i) is duly constituted and validly existing; (ii) has the corporate power and authority to execute and deliver the Contract Documents and to perform its obligations under them; and (iii) has duly authorized, by all necessary corporate action, the execution, delivery and performance of each of the Contract Documents; (B) that you: (i) are the duly authorized signatory of the Organization; and (ii) have the power to bind the Organization to the terms of the Contract Documents; and (C) that the Contract Documents do not contravene: (i) the articles, charter, by-laws or other such constating documents of the Organization; or (ii) any law, rule or regulation applicable to the Organization.

2.7 Your joint account agreement

Additional terms: If your account is opened by you and one or more other person, it will be subject to all of the terms and conditions set out in this booklet plus the additional terms and conditions below which apply to all joint accounts.

Joint and several liability: Except for residents of Quebec, each owner of a joint account is responsible jointly with each other owner and severally, in his or her individual capacity, for the performance of all obligations of the account owner as though each were the individual owner of the account. In particular, each owner is individually liable for:

- < all debit balances in the account;

- < all losses arising from any transaction in the account;
- < all fees, commissions and expenses payable in connection with the operation of the account.

In the province of Quebec, each holder of a joint account is liable for the performance of all obligations owed to us in respect of the account and performance of such obligations by one such holder of a joint account releases all other holders from their obligations.

In addition, each holder of a joint account may act as the sole holder of the account by giving unilateral instructions to us in respect of the account that are binding on all other holders of the Joint Account, thereby releasing us from any obligation to the other account holders.

Survivorship election: Except for residents of Quebec, on opening a joint account all owners of the account must elect whether the account will be:

- < a joint tenancy; or
- < a tenancy in common.

If you elect a joint tenancy, each owner will have an undivided ownership interest in the whole account and when one member dies his or her ownership interest will be automatically extinguished in favour of the ownership interest of the surviving owner or owners.

If you elect a tenancy in common, each owner will have an individual ownership interest in a specific percentage of the account and when one member dies that interest will survive and be disposed of according to the deceased's will. In the province of Quebec the Applicable Law requires that all joint accounts be tenancies in common.

Authorization, ratification and indemnity: Each joint account owner severally, in his or her individual capacity:

- < authorizes us to act on the instructions issued by any one joint account owner from time to time in respect of the joint account as though such instructions had been issued jointly by all owners of the joint account;
- < releases us from any obligation to give separate notice to all owners of the joint account before or after acting on instructions issued by one of them;

- < agrees to confirm and ratify the instructions received by us from any one joint account owner and to indemnify us against and promptly pay on demand all losses that we incur and all debit account balances that arise as a result of us acting on those instructions.

We are entitled to act on the instructions of any one joint account owner without inquiring as to the purpose or propriety of the instructions or the rights or interests of any other owner of the joint account, even if the instructions involve the delivery of all securities and money held in the account to one owner of the joint account personally. Please be advised that ScotiaMcLeod has the right, at our discretion, to require joint instructions from all owners of a joint account on any matter related to the account.

This authorization, ratification and indemnity is a continuing one. It may be revoked only by a written notice signed by a joint account owner and delivered to us, but no such notice can revoke any instructions already acted on by us or avoid loss or liability resulting from those instructions.

Communications: We will direct all communications to the last known address of the joint account owner identified as the Applicant in the Confidential Account Application and such communication shall be deemed to be communication with all owners of the joint account.

Death of one owner of a joint account: If the joint account is a joint tenancy, on the death of one joint owner the account will become entirely the property of the surviving joint owner or joint owners. The interest of the deceased in the account is automatically extinguished and no longer forms part of his or her estate.

If the joint account is a tenancy in common, the proportionate share of the joint account that was the separate property of the deceased will survive and be disposed of in accordance with the will of the deceased. In this case, we have the right to freeze that portion of the joint account owned by the deceased and to convey it as separate property to the personal administrator of the deceased. The interests of the surviving owners will not be affected at all.

2.8 Pre-authorized contribution and investment instructions agreement

Pre-authorized contribution and investment instruction ("PAC") services are available to all ScotiaMcLeod clients subject to the type of account you have. Please contact your advisor for details on how this service may be provided to you in respect of your account(s). PAC services are delivered expressly subject to the PAC form you have completed and the following terms, as applicable, (collectively the "PAC Agreement") and use of the PAC services by you shall constitute unqualified acceptance by you of such terms.

You assume full responsibility for ensuring contributions made pursuant to this PAC Agreement do not cause you to exceed any applicable contribution limits for your account(s) under the Income Tax Act (Canada) and any other applicable law. You authorize ScotiaMcLeod to use your Social Insurance Number for the purposes of operating and maintaining the account.

You agree to indemnify and hold us harmless against and will pay us promptly on demand for any loss, cost, claim, damage, liability and expense, including legal costs, suffered or incurred by us arising out of our compliance with this PAC Agreement.

You may cancel this PAC Agreement at any time by written notice addressed and delivered to ScotiaMcLeod. To obtain a sample cancellation form or to obtain more information on your right to cancel this PAC you may contact your advisor, or visit www.cdnpay.ca currend by us arising out of our compliance with this PAC Agreement.

ScotiaMcLeod will have no obligation to give effect to such cancellation until the 15th day after receipt by ScotiaMcLeod of the written notice. This PAC Agreement may be cancelled at ScotiaMcLeod's discretion without notice.

This PAC Agreement, including the indemnities contained in it, is a continuing one and shall remain in full force and effect unless the PAC is cancelled. Such cancellation shall not affect any liability resulting from, or the waiver of liability and indemnity relating to transactions initiated prior to such cancellation. Cancellation of the PAC Agreement will not alter any agreement existing between you and us. This PAC Agreement is not

effective until the PAC form has been accepted by ScotiaMcLeod head office.

This PAC Agreement, inclusive of the subsections that follow, is expressly made subject to the General Terms and Conditions applicable to all accounts, which appears in this booklet, all of which are incorporated into and form an integral part of this PAC Agreement. Where there is a conflict between the provisions of this PAC Agreement (excluding the General Terms and Conditions) and the General Terms and Conditions, the provision in the PAC Agreement governs.

Investment instructions: If your pre-authorized contributions are subject to investment instructions the following additional terms apply:

ScotiaMcLeod will execute trades in mutual funds on your behalf, including purchasing and selling or otherwise dealing in mutual funds, in accordance with your written statement of investment instructions set out on the PAC Agreement. You agree to inform ScotiaMcLeod in writing of any change in the investment instructions by providing a new completed PAC Agreement for your account(s).

ScotiaMcLeod will have no obligation to give effect to such change in investment instructions until the 15th day after receipt by ScotiaMcLeod of the written notice of such change. You must notify ScotiaMcLeod in writing forthwith of any legal or contractual restrictions imposed on you with respect to trading in mutual funds generally or in any specific security/mutual fund.

ScotiaMcLeod will not place an order for any mutual funds on your behalf until there is sufficient cash in your account to settle the trade for such.

ScotiaMcLeod may buy and sell mutual funds on your behalf in any manner it deems best, including without limitation, either separately for you or as part of a larger transaction for you and other persons. Notwithstanding the investment instructions, ScotiaMcLeod, in its discretion, will have the right not to execute an order for mutual funds to the extent that ScotiaMcLeod determines that to execute such order would not be in your best interests.

ScotiaMcLeod will be fully protected in relying and acting upon the investment instructions in respect of any purchase, sale or exchange of any mutual funds on your behalf. ScotiaMcLeod will act honestly and

in good faith in executing trades in mutual funds on a pre-authorized basis on your behalf and, without limiting any other indemnity contained in this PAC Agreement, you will indemnify and save us harmless from any losses, costs, claims, damages, liabilities and expenses arising from any act or omission by ScotiaMcLeod except to the extent that such losses, costs, claims, damages, liabilities and expenses are caused by the gross negligence, dishonesty or wilful misconduct of ScotiaMcLeod.

PAC — Bank account: If your pre-authorized contributions are debited from a bank account the following additional terms apply:

You warrant that all persons whose signatures are required to sign on the Bank Account (as defined in the PAC form) to be debited have signed this PAC Agreement. You acknowledge that delivery of the PAC Agreement to us also constitutes delivery by you to the bank, noted in the Bank Information section of the PAC form, in order to authorize the debit from the Bank Account. The bank branch at which you maintain the Bank Account is not required to verify that the payments are drawn in accordance with this agreement.

You hereby acknowledge and agree that you will be fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable. You agree to notify us in writing of any changes in the Bank Account information prior to the next due date of the pre-authorized debit by providing a new completed PAC Agreement for your account(s). ScotiaMcLeod will have no obligation to give effect to such change until the 15th day after receipt by ScotiaMcLeod of the written notice.

Amounts debited pursuant to your instructions will be reimbursed by the bank only where notification is given by you to the Bank branch at which you maintain the Bank Account within 90 days of the debit and only under the following conditions:

- a) You never provided this agreement to ScotiaMcLeod; or
- b) The pre-authorized debit was not drawn in accordance with this agreement; or
- c) This agreement was revoked; or
- d) The debit was posted to the wrong account due to invalid/ incorrect account information supplied by ScotiaMcLeod.

You have certain recourse rights if any debit does not comply with your pre-authorized contribution instructions. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAC Agreement. To obtain more information on your recourse rights, you may contact your advisor or visit www.cdnpay.ca. A written declaration setting out the grounds for reimbursement must be given to the bank.

You have no immediate entitlement to reimbursement on any debit 90 days after the debit is made. After a 90 day period has elapsed, all disputes with respect to debits will be resolved solely between you and ScotiaMcLeod.

You hereby waive notification of the aforementioned transactions and hereby ratify any and all such transactions heretofore and hereafter made. ScotiaMcLeod shall have no liability or responsibility for any loss or damage suffered or incurred by you in connection with the debits contemplated by the pre-authorized contribution or other losses or damages caused by or resulting from complying with or any delay in complying with this PAC Agreement.

PAC — Payroll deductions: If your pre-authorized contributions are from payroll deductions as a result of your participation in your employer's or association's group plan(s), the following additional terms apply:

ScotiaMcLeod will not be required to recognize anyone as agent unless it receives documentary evidence showing the existence of such agency satisfactory to ScotiaMcLeod and thereafter from time to time, as ScotiaMcLeod may determine, additional documentary evidence showing the continuance of such agency. Until such time as ScotiaMcLeod receives documentary evidence satisfactory to ScotiaMcLeod of the cessation or modification of any such agency, ScotiaMcLeod will be entitled to rely upon the continuance of such agency and to deal with the agent as if such agent were you.

2.9 Electronic Funds Transfer agreement

Electronic Funds Transfer ("EFT") services are available to all ScotiaMcLeod clients. Please contact your advisor for details on how this service may be

provided to you in respect of your account(s). EFT services are delivered expressly subject to the following terms (the "EFT Agreement"), and use of the EFT services by you shall constitute unqualified acceptance by you of those terms.

By utilizing the EFT services in whatever way to effect the transfer of funds, you authorize and direct ScotiaMcLeod to debit your Canadian dollar account(s) with the amount(s) and pay the funds to the Financial Institution(s) and account(s), all as indicated by you by means of the EFT services. You should refer to the other Financial Institution(s) for the prevailing charges, if any, imposed by such institution for transfers performed by means of EFT services with the use of its facilities.

In consideration of ScotiaMcLeod accepting and complying with each such direction, you waive notification of each such transaction and ratify any and all such transactions heretofore and hereafter made for your ScotiaMcLeod account. ScotiaMcLeod shall have no liability or responsibility for any loss or damage suffered or incurred by you in connection with the debits contemplated by any direction made by you by means of EFT services, including, without limitation, any loss of interest or other losses or damages, whether economic or otherwise, caused by or resulting from any delay in complying with any such direction. You are liable for all indebtedness, withdrawals and account activity contemplated by this Agreement resulting from your use of the EFT services, including all indebtedness, withdrawals and account activity by persons authorized by you to use such services on your behalf.

While ScotiaMcLeod will make commercially reasonable efforts to maintain continuous access to the EFT services, you agree and acknowledge that ScotiaMcLeod does not guarantee and is not offering continuous access to these facilities pursuant to this EFT Agreement.

ScotiaMcLeod makes no representation, warranty, covenant, promise, guarantee, agreement or condition, or any warranties or conditions of merchantability or fitness or adequacy for a particular purpose or use, or of quality, productiveness, capacity or adequacy, whether express or implied, statutory or otherwise or arising from a course of action or usage of trade, in respect of the EFT services or the equipment whereby they

are delivered or otherwise relating to this EFT Agreement.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SCOTIAMCLEOD SHALL NOT BE LIABLE TO YOU OR ANY THIRD PARTY FOR LOSS OF REVENUE OR PROFITS, FAILURE TO REALIZE EXPECTED PROFITS OF SAVINGS MISSED INVESTMENT OPPORTUNITIES OR OTHER ITEMS OF ECONOMIC LOSS, OF ANY NATURE WHATSOEVER, OR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATED TO USE OF THE EFT SERVICES, HOWEVER CAUSED, AND WHETHER ARISING UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER THEORIES OF LIABILITY, EVEN IF SCOTIAMCLEOD HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

You agree to indemnify and hold ScotiaMcLeod harmless against, and will pay ScotiaMcLeod promptly on demand for, any loss, liability and expense, including legal costs, arising out of our compliance with any direction made by you by means of the EFT services.

This direction and indemnity is a continuing one and shall remain in full force and effect unless revoked by you by written notice addressed and delivered to ScotiaMcLeod, but such revocation shall not affect any liability resulting from, or the waiver of liability and indemnity relating to, transactions initiated prior to such revocation.

This EFT Agreement is expressly made subject to the General Terms and Conditions Applicable to all accounts, which appear earlier in this brochure, all of which are incorporated into and form an integral part of this EFT Agreement.

2.10 Scotiabank privacy agreement

Your privacy is important to Scotiabank. This Agreement sets out the information practices for Scotiabank in Canada, including what type of information is collected, how the information is used, and with whom the information is shared.

This Agreement may be amended from time to time. (See "Further Information", below, for an explanation of how we will advise you of any future changes.)

In this Agreement, "we", "our", "us" and "Scotiabank" mean The Bank of Nova Scotia and any of its affiliates,

subsidiaries, programs or joint ventures they participate in, with respect to their operations enterprise-wide.¹ Scotiabank 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; and services related to the above such as loyalty programs. "You" and "your" mean an individual who has made application to us for, enrolled in or signed an application in respect of any personal or business banking, insurance, brokerage or financial product or service offered by us ("Service"), including any coapplicants, guarantors, personal representatives, or an individual who participates in a Scotiabank contest, survey, event or has otherwise provided personal information to us.

Collecting, using and disclosing your information

When you apply for, or provide a guarantee in respect of, or use any Service and while you are our customer, or when you participate in any contest, survey, event or otherwise provide us your personal information, you agree that we may collect your personal information from you and third party sources. Examples of information collected may include:

- < Your name, address, telephone number, nature of your principal business or occupation and date of birth, all of which may be required by law;
- < Identification, such as a valid driver's license or passport. We may also ask for documents such as a recent utility bill to verify your name and address;
- < Your education, annual income, assets and liabilities and credit history;
- < Information about your transactions, including payment history, account activity and how you intend to use the account or Service and the source of any incoming funds or assets;
- < Information we may need in order to provide you with a Service such as health information if you are applying for certain insurance products. In some instances, providing this information is optional;

- < Information about third parties such as your spouse if you are applying for certain Services, where this information is required by law; and
- < Information about beneficial owners, intermediaries and other parties, which is required by law.

For legal entities such as businesses, partnerships, trusts, estates, clubs or other organizations, we may collect the information referred to above from each authorized person, signatory, partner, trustee, executor and club member, as appropriate.

In addition, when you apply for, enrol in or use a Service, or participate in any contest, survey or event via a digital channel (such as online or mobile banking), we may collect information about your computer or device, operating system, internet connection or telephone account, settings, IP address and device locational data, browser information, and transaction data, as well as personal information as described above. We may collect, use, disclose and retain this information for the purposes described below, as well as to determine which settings are appropriate for your computer system, to provide or enhance digital functionality and banking options, and for security purposes, internal analysis and reporting. You may withhold consent to the collection, use and disclosure of this information, although in some cases this may prevent you from using the digital channel to apply for or use a Service or to communicate with us, or may reduce the functionality of that channel.

Scotiabank or its service providers may also use various web tools including Cookies (please see our Cookies Policy), Web Beacons and Tagging on our websites and advertisements to evaluate and improve our websites and other electronic offerings, tailor our services, enhance our customer experience and communicate with you regarding products and services that may be of interest.

- < **Tagging** is a customized code on our websites that provide the ability to monitor user activity on Scotiabank websites. This software can be used to capture user activity to be used by us or a third party for analysis so that we can understand and enhance our user experience and provide further security controls.

¹ For a list of Scotiabank's principal affiliates and subsidiaries in enterprise-wide, please refer to the most recent Annual Report available on the Scotiabank website at scotiabank.com.

- < **Web beacons** are small images embedded in our websites that, when combined with Cookies, help provide us with information about the use and effectiveness of our website.

We may collect your personal information, and use it, and disclose it to any person or organization, including any member of Scotiabank, for the following purposes:

- < To confirm your identity;
- < To understand your needs;
- < To determine the suitability of our Services for you;
- < To determine your eligibility for our Services;
- < To set up, manage and offer Services that meet your needs;
- < To provide you with ongoing Service;
- < To provide you with various options for applying for and accessing Services;
- < To satisfy legal and regulatory requirements that we believe are applicable to us, including the requirements of any self-regulatory organizations to which we belong;
- < To help us collect a debt or enforce an obligation owed to us by you;
- < To respond to a local or foreign court order, search warrant or other demand or request which we believe to be valid, or to comply with the rules of production of a local or foreign court;
- < To manage and assess our risks;
- < To investigate and adjudicate insurance claims, other claims or complaints; and
- < To prevent or detect fraud or criminal activity or to manage and settle any actual or potential loss in connection with fraud or criminal activity.

1. When we collect your health information for the purpose of providing an insurance Service, we will use that information strictly for that purpose. (See below for more information.) We do not provide directly all the services related to your relationship with us. We may use third party service providers to process or handle personal information on our behalf and to assist us with various services such as printing, postal and electronic mail distribution and marketing (including by telephone and electronic means), and you acknowledge that we may release information about you to them. Some of our service providers are located outside of Canada. In addition, we may use personal information in

Scotiabank locations outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the laws of these jurisdictions. When personal information is provided to our service providers, we will require them to protect the information in a manner that is consistent with Scotiabank privacy policies and practices.

2. We may collect, use and disclose your Social Insurance Number (SIN), as well as other information, for income tax reporting purposes and to fulfil other regulatory requirements, as required by law. In addition, we may ask you for your SIN to verify and report credit information to credit bureaus and credit reporting agencies as well as to confirm your identity. This allows us to keep your personal information separate from that of other customers, particularly those with similar names, and helps maintain the integrity and accuracy of your personal information. You may refuse to consent to its use or disclosure for purposes other than as required by law.
3. We may verify relevant information you give us with your employer or your references and you authorize any person whom we contact in this regard to provide such information to us. If you apply for or enrol in a Service and during the time you have the Service, we may consult various financial service industry databases, third parties (such as the Bank Crime Prevention and Investigation Office of the Canadian Bankers Association and the Investigative Services Division of the Insurance Bureau of Canada), or private investigative bodies maintained in relation to the type of Service you have applied for, enrolled in or have. You also authorize us to release information about you to these databases and investigative bodies.
4. You agree that we may monitor, record, and retain any telephone call or electronic communication we have with you. This is to establish a record of the information you provide, to ensure that your instructions are followed properly and to ensure customer service levels are maintained. Records of calls and electronic communications are destroyed when they are no longer required for business or other purposes, and any personal information is safeguarded in accordance with this Agreement.

5. Scotiabank may use video surveillance in and around our branches, bank machines and other locations for the purpose of safeguarding our clients and employees and protecting against theft, fraud and vandalism. Any video images recorded are destroyed when they are no longer required for business or other purposes, and any personal information is safeguarded in accordance with this Agreement.
6. If you have a Service with us, we may use, disclose to and collect from credit bureaus or financial service industry databases, credit and other information about you in order to offer you pre-approved credit products or margin facilities.
7. We may give information (except health information) about you to other members of Scotiabank (where the law allows this) so that these companies may communicate with you directly about their products and services. This consent will also apply to any companies that form a part of Scotiabank in the future. You also agree that we may provide you with information about or from third parties we select. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).
8. We may ask you for contact information such as your telephone, mobile or fax number or email address, and keep and use this information as well as disclose it to other members of Scotiabank so that we or any of these companies may contact you directly through these channels for the purpose of marketing, including telemarketing. This consent will also apply to any companies that form a part of Scotiabank in the future. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).
9. If we sell a company or a portion of the business or assets of a Scotiabank company, we may release the information we hold about you to the prospective purchaser. We will require any prospective purchaser to protect the information provided and to use it in a manner that is consistent with Scotiabank privacy policies and practices.
10. We may keep and use information about you in our records for as long as it is needed for the

purposes described in this Agreement, even if you cease to be a customer.

11. You agree that all information that you give us will, at any time, be true and complete. If any personal information changes or becomes inaccurate or out of date, you are required to advise us so we can update our records.

Refusing or withdrawing consent

Subject to legal, regulatory 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 your information at any time in the future by giving us reasonable notice. However, depending on the circumstances, withdrawal of your consent may prevent us from providing you, or continuing to provide you, with some Services, means of access to Services, or information that may be of value to you.

We will act on your instructions as quickly as possible but there may be certain uses of your information that we may not be able to stop immediately.

You cannot refuse our collection, use and disclosure of information required by third party service providers essential for the provision of the Services or required by our regulators, including self-regulatory organizations. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions.

You can tell us at any time to stop using information about you to promote our Services or the products and services of third parties we select, or to stop sharing your information with other members of Scotiabank. If you wish to refuse consent or to withdraw consent as outlined in this Agreement, you may do so at any time by contacting the branch or office with which you are dealing or by calling us toll-free.

Scotiabank	1-800-4SCOTIA
ScotiaMcLeod, Scotiitrust and Private Investment Counsel	1-866-437-4990
ScotiaLife Financial	1-800-387-9844
Scotia iTRADE®	1-888-872-3388

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

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

If you have a Service with us such as a banking card, credit card or line of credit product with an access card, you agree that we may give information (except health information) about you to electronic payment service providers, credit or charge card associations, loyalty program partners and their employees and agents for the purpose of processing, authorizing and authenticating your transactions (as the case may be), providing you with customer assistance services and for other purposes related to your services. We may also give this information in respect of your participation in contests and promotions administered by the electronic payment service providers, credit or charge card associations and loyalty program partners on our behalf.

If you have a mortgage account with us, we may give information about you, including credit information, to mortgage insurers for any purpose related to mortgage insurance. Information retained by Canada Mortgage Housing Corporation will be subject to federal access to information and privacy legislation.

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

In addition, if you accept an insurance Service with us

When you apply for, enrol in or sign an application in respect of or accept an insurance Service from us, we may use, give to, obtain, verify, share and exchange information about you with others 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 underwrite or otherwise administer the Service requested, including the assessment of claims. You also authorize any person whom we contact in this regard to provide such information to us.

If you accept an insurance Service with us, or if an insurance Service is issued on your life, you may only withdraw your consent as noted above so long as the consent does not relate to underwriting or claims where Scotiabank must collect and report information to insurance service bureaus after the application has been underwritten or the claim has been adjudicated. This is necessary to maintain the integrity of the underwriting and claims systems.

Accessing your information

Subject to legal, regulatory and contractual requirements, you can request to access the personal information we hold about you. Much of this information is already accessible by you, for example: through your account statements or bankbook updates; by visiting the branch or office where you regularly do business; by accessing your account online; or through the Customer Contact Centre. However, if you need access to any other information, you must direct your request in writing to the President's Office (see contact details below under "Further information").

In order to process your request, we may ask you for specific details, such as branch and account number, and clarification on the specific information or time period you are requesting access to. Once your identity has been verified and the scope of your request confirmed, within 30 days we will provide you with access to your information, except where prohibited by law. If necessary, we will notify you

that we require an extension beyond the 30 day period.

Scotiabank may charge you a nominal access fee depending on the nature of your request. We will advise you of the fee, if any, prior to proceeding with your request.

If you have a sensory disability, you may request that your information be made available in an alternative format.

Further information

You acknowledge that we may amend this Agreement from time to time to take into consideration changes in legislation, technology or other issues that may arise. We will post the revised Agreement on our website and make it available at our branches or we may also send it to you by mail. We may also notify you of any changes to this Agreement in any of the following ways:

- < A notice prominently displayed at all Scotiabank ATMs;
- < An announcement through the VoiceResponseUnit (VRU) or a digital channel such as a mobile app;
- < A notice on the Scotiabank website or your Scotia OnLine portal;
- < A notice in our branches; or
- < A notice in your monthly statement.

Your continued use of the account or Service following such change means that you agree to and accept the new terms and conditions of the Agreement as amended. If you do not agree with any of the changes made or with the new terms of the Agreement, you must immediately stop using the account or Services and notify us that you are closing your account or terminating your Service with us.

If you have a general question about Scotiabank's privacy policies, please contact the branch or office you deal with or call us toll free at 1-800-472-6842. If your branch or office is not able to resolve your concern to your satisfaction, contact the President's Office:

Telephone: 1-877-700-0043

Fax: 1-877-700-0045

Email: mail.president@scotiabank.com

Letter: The President, Scotiabank
44 King Street West
Toronto ON M5H 1H1

Our Privacy Code and Cookies Policy are available to the public on www.scotiabank.com. The Privacy Code and Cookies Policy both form part of the Scotiabank Privacy Agreement.

2.11 Shareholder communication

National Instrument 54-101 communication with beneficial owners of securities of a reporting issuer

Explanation to clients: Based on your instructions, the securities in your account with us are not registered in your name but in our name or the name of another person or company holding your securities on our behalf. The issuers of the securities in your account may not know the identity of the beneficial owner of these securities. We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account.

Disclosure of beneficial ownership information: Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies.

Part 1 — Client response form — Disclosure of beneficial ownership information

Allows you to tell us if you OBJECT to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

- < If you DO NOT OBJECT to the disclosure of your beneficial ownership information, please mark the first box in Part 1. In those circumstances, you will not be charged with any costs associated with sending security holder materials to you.

- < If you OBJECT to the disclosure of your beneficial ownership information by us, please mark the second box in Part 1.

If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us. You may be charged with any costs associated with the sending of security holder materials to you.

Part 2 — Receiving security holder materials

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with meetings of such security holders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a security holder meeting. Objecting beneficial owners may be charged with the costs in connection with the sending of security holder

Securities law permits you to decide if you would like to receive security holder materials. The three types of security holder materials are:

- proxy-related materials, including annual reports and financial statements that are sent in connection with a security holder meeting;
- annual reports and financial statements that are not part of proxy-related materials; and
- materials that a reporting issuer or other person or company sends to security holders that are not required by corporate or securities law to be sent to registered holders.

Part 2 of the Client Response Form — you should mark the corresponding box in Part 2 to show what materials, of the three types of materials described above, that you want to receive.

- < If you want to receive ALL security holder materials that are sent to beneficial owners of securities, please mark the first box in Part 2.
- < If you want to DECLINE to receive ALL security holder materials referred to above, please mark the second box in Part 2. Note that even if you decline to receive these types of materials, a reporting issuer or other person or company is entitled to send these materials to you at their own expense.

- < If you want to receive **ONLY proxy-related materials** that are sent in connection with a special meeting, please mark the third box in Part 2.

Important note: These instructions do not apply to any specific request you give or may have given to a reporting issuer concerning the sending of interim financial statements of the reporting issuer. In addition, in some circumstances, your instructions will not apply to annual reports or financial statements of an investment fund that are not part of the proxy-related materials. An investment fund is also entitled to obtain specific instructions from you on whether you wish to receive its annual report or financial statements, and where you provide specific instructions, the instructions you have provided to us with respect to financial statements will not apply.

The costs to deliver these materials to you are charged by the security issuer, and are subject to change at their discretion. Details of these costs are available upon request. If you do not object to the disclosure of your account information noted above, you will not be charged with any costs associated with sending these materials.

2.12 Insurance products and services — Scotia Wealth Insurance Services Inc.

Securities and insurance activities are each subject to different regulations, registration and licensing requirements. Scotia Wealth Insurance Services Inc. ("SWISI") is our wholly-owned life insurance agency through which we provide insurance, including segregated funds, sales, service and advice. All insurance products, including segregated funds, are offered through SWISI by licensed life insurance agents and, in Quebec, by financial security advisors. Many of our advisors and certain other employees are dually registered / licensed with both ScotiaMcLeod and SWISI. When they deal with you for securities they are representing ScotiaMcLeod and when they deal with you for insurance they are representing SWISI.

If you transact in insurance products, including segregated funds, through SWISI you authorize ScotiaMcLeod to be your attorney and exclusive agent for matters such as transmitting instructions and monies to and from the applicable insurer and

making withdrawals from any segregated funds held in your ScotiaMcLeod account required to pay fees or expenses owing in that account. You also agree that ScotiaMcLeod may provide administrative, processing, accounting, custody and similar services on behalf of SWISI. However, by doing so ScotiaMcLeod is not engaged in the sale of insurance products, which remains the exclusive responsibility of SWISI, and the relevant insurance products remain a contract of insurance between you and the issuing insurance company.

The manner in which you buy and hold insurance products, such as segregated funds, can give rise to complex legal issues relating to matters such as probate status and creditor protection. A nominee account is one in which an investment is held in trust for an individual by a corporation or entity other than the individual. A segregated fund policy held within a ScotiaMcLeod self-directed plan is one example of investing in a nominee account, and this enables us to report your holdings on a consolidated basis as part of your ScotiaMcLeod account statement. However, a segregated fund held in a nominee account may not offer creditor protection. It is solely your responsibility to consult with your legal counsel or other professional advisors on these matters, make appropriate determinations and provide us with informed instructions. We are not legal or tax advisors and assume no liability for such matters.

2.13 Dividend reinvestment programs

ScotiaMcLeod offers Dividend Reinvestment Programs that are administered either as a Dividend Purchase Plan (DPP) or a Dividend Reinvestment Plan (DRIP).

The DPP is ScotiaMcLeod's automated dividend purchase plan that extends to clients the opportunity to receive stock for cash dividends through market purchases of securities. Under ScotiaMcLeod's DPP, the DPP automatically purchases shares in the market with the dividend entitlements of its participating clients, free of charge. Shares are purchased by the DPP on an aggregated basis at the market price of the shares at the time(s) of purchase, and are allocated by the DPP on an average-price basis to the accounts of participating clients quickly, usually within the standard security settlement period. Your dividend entitlement must be sufficient to cover the purchase of at least one whole share.

Only whole shares will be purchased by the DPP, and any residual cash will be deposited to your account as a cash dividend.

The DRIP is ScotiaMcLeod's automated dividend reinvestment plan through which dividend entitlements are reinvested directly with the securities issuer, usually through a program administered by the issuer's transfer agent. DRIP program conditions vary from issuer to issuer, and the reinvestment price depends on the method of calculation used by the issuer. DRIPs generally take longer than DPPs to deposit shares to accounts of participating clients, as the programs are administered by third parties.

As DPPs offer faster reinvestment of dividends than DRIPs, ScotiaMcLeod uses DPPs for most securities unless the issuer offers a discount on the price of dividend reinvestments through a DRIP. In addition, not all issuers offer a DRIP. ScotiaMcLeod reserves the right to add or remove any security from a DPP or DRIP at any time. If you would like to enrol in a ScotiaMcLeod Dividend Reinvestment Program, please speak with your advisor.

2.14 Currency conversion and foreign exchange

ScotiaMcLeod currently offers certain registered and non-registered accounts where investments and cash can be held in both Canadian and foreign currencies (each such denomination within one account is referred to as a "side of the account" below).

A currency conversion ("Foreign Currency Transaction") may occur in certain account transactions, such as:

- i) when you have funds in one currency and wish to convert them to another currency;
- ii) when foreign currency is deposited in an account which cannot hold such currency;
- iii) when a trade is placed in securities denominated in a currency other than the currency of the side of the account in which the trade will settle (e.g. a trade on a foreign marketplace);
- iv) when you receive or are entitled to receive a payment (for example, a cash dividend or interest) in a currency other than the currency of the side of the account in which the payment is received; or

- v) when there are insufficient funds in the required currency to pay a fee, charge, or tax (e.g. withholding tax), or to settle a trade.

In all Foreign Currency Transactions and at any time a conversion of currency is made for you by us or a party related to us (or a third party), we (or the third party) will act as principal in converting the currency at rates established or determined by us (or the third party). The party performing the currency conversion may earn revenue on such currency conversion transaction (a "spread"), in addition to commission or fees related to the Foreign Currency Transactions in your account.

The spread will be based on the difference between the applicable bid and ask rates for the currency then in effect (commonly referred to as the "spot rates") and the rates resulting when a markup is applied to such spot rates. Revenue may also be earned based on the difference between the bid or ask rates charged to you on Foreign Currency Transactions and the rates at which the dealer ultimately offsets any resulting foreign exchange exposure it may have, either as a net buyer or a net seller of the foreign currency.

The charge to you and the revenue earned by us (or a third party) may be higher when a transaction requires more than one currency conversion or when the currency is not commonly traded. Exchange rates are subject to change without notice throughout the day and may vary according to the market, type of currency in which the trade is transacted, and the value of the gross amount of the trade. We may, at our discretion, reject a Foreign Currency Transaction request. Conversion of currency, if required, will take place on the trade or deposit date, as applicable, unless we agree otherwise, or on a different day for other transactions, as we deem necessary.

If a transaction with a mutual fund company involves a currency conversion, the mutual fund company

may charge you for the conversion, but if the company is not a part of the Scotiabank group of companies, neither we nor any party related to us earns any revenue in connection with such currency conversion.

Under certain circumstances, in diligently pursuing the execution of securities orders placed by you in your account on the most advantageous terms reasonably available in the circumstances, as stated in section 1.13 of this brochure we may make the determination to route all or part of your order for execution to a foreign marketplace (e.g. a U.S. organized regulated marketplace). In making the determination as to where your order should be executed to achieve best execution, we will do so in accordance with the principles and terms described in section 1.13 of this brochure.

Foreign currency in registered plans

ScotiaMcLeod currently offers Registered Education Savings Plans (RESPs) that are denominated in Canadian dollars and other registered plans (e.g. RRSP, RRIFs) that are denominated in Canadian and U.S dollars. Where foreign denominated assets are bought, sold or held in a registered account:

- a) Any tax withholding or reporting under applicable tax legislation will be in Canadian dollars, at the applicable exchange rate. It is your responsibility to monitor any limits under applicable tax legislation when dealing in foreign denominated assets in a registered account;
- b) We may sell or settle assets within a registered account between different currencies to administer the account, including payment of fees, or to prevent debit balances; and
- c) We are not liable in respect of any fees or losses that may arise in connection with sales or conversions of foreign denominated registered assets.



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