WHISTLEBLOWER POLICY AND PROCEDURES

Supplement to the Guidelines for Business Conduct

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SECTION 1 - INTRODUCTION

The Scotiabank Guidelines for Business Conduct (the Guidelines) describe the standards of conduct required of directors, officers and employees\(^1\) of Scotiabank and its global subsidiaries (Scotiabank or the Scotiabank Group). The Bank’s reputation for honesty and integrity is reflected in the way it conducts business. It is also reflected in the integrity of the Bank’s financial reporting.

SECTION 2 – INTENT OF POLICY

The Whistleblower Policy and Procedures (“the Policy”) is designed as a control to help safeguard the integrity of Scotiabank’s financial reporting, its business dealings and to support adherence with the Guidelines.

The Guidelines require all directors, officers and employees to report concerns including incidents of retaliation against someone raising concerns in good faith. It is in the interest of all stakeholders of the Bank that such concerns be reported so that they can be properly addressed. The purpose of this Policy is to provide a series of options for reporting concerns. This reporting can be done confidentially through a number of channels, including an independent third party hotline/website that allows for anonymous reporting.

SECTION 3 - SCOPE

This Policy applies to all directors, officers and employees of Scotiabank. This includes the responsibility to report concerns through the reporting channels in Section 4.2 and the protection against retaliation for reports made in good faith in Section 4.5.

The Policy is a supplement to the Guidelines. Directors, officers and employees attest to their adherence to the Policy as part of the annual acknowledgement and certification of adherence to the Guidelines.

SECTION 4 – THE POLICY

4.1 Types of Concerns to be Reported

All directors, officers and employees have a responsibility to report concerns. This Policy deals with reporting concerns related to the following areas:

- **FINANCIAL REPORTING** – examples include: falsification or destruction of business or financial records; misrepresentation or suppression of financial information; non-adherence to

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\(^1\) For the purpose of this policy, the terms “The Bank of Nova Scotia”, “Bank”, “Scotiabank”, “employees” and “subsidiaries” have the same meaning as in the *Scotiabank Guidelines for Business Conduct*. 
internal financial reporting policy/controls, including management over-rides; and auditor independence concerns.

- **Suspected Fraudulent Activity** – examples include: theft; defalcation; and unlawful or improper payments.

- **Breaches of the Guidelines and Other Compliance Policies** – examples include: insider trading; market manipulation; corrupt practices including giving or receiving bribes or other improper benefits; conflict of interest concerns; illegal, deceptive or anti-competitive sales practices; other violations of governing regulations; and non-adherence to internal compliance policies.

- **Retaliation or Retribution Against an Individual Who Reports a Concern** – examples include: statements, conduct or actions involving discharging, demoting, suspending, harassing or discriminating against an individual reporting a concern in good faith in accordance with this Policy.

### 4.2 Reporting Channels

There are several channels through which all directors, officers and employees may report their concerns under the Policy. Consideration should be given to the nature of the concern in choosing the most appropriate channel.

1. **Chain of Communication**
   Scotiabank has well-established procedures to enable employees to escalate concerns through the “Chain of Communication”. This should be the channel of choice for most concerns, and in particular those relating to Human Resources matters.

2. **Scotiabank Group Compliance**
   Regulatory compliance concerns, or concerns related to breaches of the Guidelines or other compliance policies, can be escalated directly to Scotiabank Group Compliance.

3. **Directly to the Chief Auditor**
   Concerns may be raised in writing directly with the Bank’s Chief Auditor via email or other correspondence. This may be done on an anonymous basis.

4. **Third Party Independent Hotline**
   Scotiabank has established a mechanism for confidential and anonymous submission of concerns through an independent third party, “Global Compliance Services” (GCS). GCS provides a website (https://www.gcs-whistleblower.com) and hotline that is accessible in all countries in which the Bank operates 24 hours a day, 7 days a week. A list of telephone numbers on a world wide basis is available at “https://www.gcs-whistleblower.com/clientInfo/2528/Hotline.pdf”. Individuals calling the hotline from Canada or the United States can call 1-800-443-0312.

   If a report is submitted anonymously, the identity of the individual raising the concern (the Claimant) through the GCS hotline or website (together the Hotline) is not known to Scotiabank. The Claimant will be provided with a confidential PIN number that will allow for further anonymous communication through the Hotline.

   Concerns raised through the Hotline are submitted to the Chair of the Audit and Conduct Review Committee and/or the Bank’s Chief Auditor (one of which will be the
Primary Recipient, depending on the nature of the concern) to ensure independent review, investigation and disposition.

The Office of the President – Customer Concerns receives concerns from external parties, which may include concerns within the scope of this Policy. Such concerns raised through the Office of the President – Customer Concerns will be provided to the Chair of the Audit and Conduct Review Committee and/or the Bank’s Chief Auditor as appropriate for resolution, depending upon the nature of the concern.

**Important Note:** Scotiabank will investigate all credible complaints. However, employees should be aware that reporting anonymously can limit the ability of the Bank to thoroughly investigate a report if insufficient information is provided.

### 4.3 Investigation

Upon receipt of a concern, the Primary Recipient will evaluate the severity of the concern to determine whether an internal or external investigation is required.

The Primary Recipient will then assign the investigation accordingly and maintain oversight of the investigation to ensure appropriate and timely resolution.

### 4.4 Reporting

1. **To the Audit and Conduct Review Committee**
   - Significant concerns will be raised to the Chair of the Audit and Conduct Review Committee either by the Chief Auditor or directly by GCS.
   - The Chief Auditor will report quarterly, or more frequently as required, to the Audit and Conduct Review Committee on the results of investigations of concerns.
   - Guidelines violations and regulatory compliance matters of a significant nature will be reported by the SVP and Chief Regulatory and Compliance Officer as appropriate.

2. **To Executive Management**
   - The Chief Auditor will report the results of investigations to executive management with responsibility for the area concerned, as appropriate. This will be done in order to advise them of the disposition and/or to ensure appropriate resolution of the concern.

3. **To the Claimant**
   - The status/resolution of the investigation will be communicated to the Claimant, where possible. If the concern was raised through the Hotline, the Primary Recipient of the concern or a delegate will post the status/resolution on the Hotline, which can be accessed anonymously by the Claimant.

### 4.5 Protection from Retaliation

As stated in the Guidelines, Scotiabank will protect from retaliation any director, officer or employee who raises issues or reports concerns in good faith in accordance with the methods
described in the Guidelines or in accordance with this supplemental Policy. Retaliation against any individual who raises a concern, in good faith, is not tolerated.

SECTION 5 – ROLES AND RESPONSIBILITIES

5.1 Audit and Conduct Review Committee

Responsibilities include:

- Reviewing and recommending approval of the Whistleblower Policy and Procedures to the Board of Directors;
- Oversight of the Whistleblower Program; and
- Receiving, investigating and actioning concerns involving Executive Management and Audit.

5.2 Chief Auditor

The Chief Auditor is responsible for the overall management of the Policy and the concern handling process. This includes:

- Developing and maintaining the Policy;
- Managing the Program;
- Overseeing the activities of GCS;
- Conducting or assigning investigations of concerns, other than those performed under the direct supervision of the Audit and Conduct Review Committee;
- As appropriate, referring concerns raised to other departments such as Scotiabank Group Compliance or Human Resources for handling;
- Communicating with directors, officers and employees who have raised concerns, either directly or through the GCS facility;
- Reporting to the Audit and Conduct Review Committee, Executive Management and/or the External Auditors; and
- Consolidating, filing and retaining all records of concerns received, together with the status/results of investigations.

5.3 Global Compliance Services

Responsibilities include:

- Receiving concerns through the Hotline;
- Reporting concerns to the appropriate recipients within the Scotiabank Group; and
- Providing confidential access to the Hotline for follow up communication with the Claimant in order to maintain their anonymity.

5.4 Scotiabank Group Compliance

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2 Throughout this Policy the Chief Auditor’s responsibilities can be carried out by either the Chief Auditor and/or designate under the direction of the Chief Auditor.
Responsibilities include:

- Consulting in the development and maintenance of the Policy;
- Together with Human Resources, communicating the Guidelines for Business Conduct, to which this Policy is a supplement;
- Coordinating the annual certification of adherence to the Guidelines for Business Conduct, including this Policy;
- Conducting or assisting in the investigation of regulatory compliance concerns; and
- Providing interpretation of the Guidelines and the associated policies.

5.5 Human Resources

Responsibilities include:

- Consulting in the development and maintenance of the Policy;
- Together with Scotiabank Group Compliance, communicating the Guidelines for Business Conduct, to which this Policy is a supplement; and
- Conducting or assisting in the investigation of human resources concerns and reporting results to the Chief Auditor.

5.6 Business Unit and Executive Management

 Responsibilities include:

- Communicating and reinforcing the Whistleblower Policy and Procedures; and
- Directing concerns raised through the Chain of Communication to the appropriate department for investigation and resolution including, if warranted, the Chief Auditor.

5.7 All Directors, Officers and Employees

Responsibilities include:

- Acting with integrity and honesty in all financial reporting and other duties; and
- Reporting any wrongdoing or concerns, including those relative to:
  - Financial Reporting;
  - Suspected Fraudulent Activity;
  - Breaches of the Guidelines and Other Compliance Policies; and
  - Retaliation or Retribution.