

Referral Disclosures

Referral Arrangements

You may have been referred to ScotiaMcLeod® by another member of the Scotiabank group. Or, you may have been referred by ScotiaMcLeod to another member of the Scotiabank group 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 who are best suited to help you achieve your financial goals. A brief description of the members of the Scotiabank group 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.™** 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.
- **ScotiaMcLeod Financial 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 HollisWealth, 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, or by a referring employee of a member of the Scotiabank group. **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. To ScotiaMcLeod from Scotiabank

Financial Consultants employed by Scotiabank who are involved in sales activities related to the Scotiabank group refer clients to the expert within the Scotiabank group 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, calculated as a percentage of ScotiaMcLeod's net commissions (for referrals from Retail Banking) and ScotiaMcLeod's revenue (for referrals from Commercial Banking), earned by ScotiaMcLeod from the referred business during the initial year following the referral.

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 or sale of certain proprietary funds 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 relationship management responsibility remains with the referring ScotiaMcLeod advisor, it is a continuing monthly payment based on a percentage of 1832 Asset Management 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 a client who resides in the U.S. which results in the opening of an Investment Management Account or sale of certain proprietary funds by 1832 U.S. To qualify, the referral must meet minimum dollar value thresholds and other criteria. The payment is either a continuing annual payment (for existing SCI clients) based on a percentage of 1832 US fees received from the referred business during the immediately preceding financial year or a one-time payment (for individuals who are not existing SCI clients) based on a percentage of 1832 US fees received from the referred business during the initial year following the referral.

IV. By ScotiaMcLeod to Scotiabank

- (i) If a referral of a client is made by a ScotiaMcLeod advisor to Scotiabank which results in new business for Scotiabank, Scotiabank reimburses ScotiaMcLeod for referral fees paid by ScotiaMcLeod to its advisors in the circumstances described below.
- (ii) A ScotiaMcLeod advisor will receive a one-time payment from ScotiaMcLeod of up to \$500 for a referral made to Scotiabank 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 new full fee-paying Scotiabank Private Banking package, unless the package is part of the Private Banking Partners program.
- (iii) A ScotiaMcLeod advisor will receive a one-time payment from ScotiaMcLeod for a referral made to Scotiabank calculated as a percentage of authorized line of credit limits and funded mortgage amounts for a new residential mortgage or line of credit with Scotiabank (Private Banking), if the combined authorized lending meets a minimum dollar value threshold.

V. By ScotiaMcLeod to Scotiatrust

- (i) If a referral is made by a ScotiaMcLeod advisor to Scotiatrust resulting in new business for Scotiatrust, Scotiatrust reimburses ScotiaMcLeod for referral fees paid by ScotiaMcLeod to its advisors in the circumstances described below.
- (ii) A ScotiaMcLeod advisor will receive a one-time payment from ScotiaMcLeod for a referral made to Scotiatrust in respect of the following products and services:
 - A new Will with Estate Planning, the payment of up to \$250 depending on a number of criteria, including the asset value of the estate at the time the Will is signed and the estate having minimum probate-eligible assets.
 - Estate Assist, payment being a percentage of the Scotiatrust one-time fee, and paid only if the estate meets a minimum threshold of probate-eligible assets.
 - Income Tax preparation, the payment of \$100 per an initial tax return (individual T1 or T3 tax returns)
 - Trusts (Alter Ego, Inter Vivos etc.), the payment being a percentage of the first year's fees estimated at the time of account acquisition, paid to ScotiaMcLeod, with ScotiaMcLeod paying half to the referring advisor, and the fee being paid only if the trust meets a minimum dollar value threshold.
 - Philanthropic Services —Private Foundation (Instant Office or Scotiatrust as trustee), the payment being calculated as a percentage of the first year fee, and paid to the referring advisor only if the private foundation

meets a minimum dollar value threshold in assets under administration.

- Philanthropic Services —Aqueduct, the payment being calculated in terms of basis points on assets held from time to time, paid for a maximum of 10 years as a trailer fee, and paid only if the private foundation meets a minimum dollar value threshold in assets under administration.

VI. By ScotiaMcLeod to ScotiaMcLeod Financial Services Inc.

A ScotiaMcLeod advisor may receive a one-time payment for referring a client to ScotiaMcLeod Financial Services Inc. (SMFSI) 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 SMFSI.

VII. 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.

VIII. By ScotiaMcLeod to Scotia iTRADE (SiT)

A ScotiaMcLeod advisor will receive a one-time \$125 payment for a referral to SiT that results in an SiT account being opened with a minimum asset balance.

Other Matters of Interest

Policies and procedures have been adopted by the Scotiabank group to assist in identifying and addressing any conflicts of interest that may arise from these referral arrangements. Further information can be found in the Scotia Capital Inc. Statement of Policies at www.scotiabank.com/scotiacapitalpolicies.

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. As with referral arrangements between ScotiaMcLeod and other members of the Scotiabank group, 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 group includes The Bank of Nova Scotia, The Bank of Nova Scotia Trust Company, 1832 Asset Management L.P., 1832 Asset Management U.S. Inc., ScotiaMcLeod Financial Services Inc., Scotia Capital Inc., and Roynat Capital Inc. ScotiaMcLeod, HollisWealth and Scotia iTRADE are divisions of Scotia Capital Inc., a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.

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