

Equity Research

Scotia Capital Research Analyst Standards and Disclosure Policy

Our mission in Equity Research is to provide our clients and investors with strong leadership and guidance in their investment process. Therefore, it is vital that our clients and investors have confidence and trust in the research that we provide. To achieve this, we instill and support a philosophy of independence, objectivity, and credibility. The reputation of our business depends on it.

High analyst standards together with appropriate compliance policies, disclosure, and transparency are crucial to the integrity of our business practices. We have implemented responsible policies and procedures to address potential conflicts of interest and ensure responsible research.

One of Scotia Capital's core values is "Integrity: We act with integrity and professionalism in everything we do." We strive to live up to this core value.

Scotia Capital Research Analysts must adhere to a strict and comprehensive standards and disclosure policy. Outlined below are some of the key aspects of the policy.

- Analysts are prohibited from acting as directors or officers of companies that they cover.
- All personal trading is monitored by our Compliance Department. All personal trading of Analysts must be pre-approved by the Head of Equity Research or the Supervisory Analyst who will generally apply the restrictions below.
- Analysts are prohibited from trading contrary to their recommendations.
- If an Analyst is initiating coverage of a company, he or she is prohibited from trading the stock or any derivative of such security commencing when the decision is made to initiate coverage and ending 5 days after the report is issued.
- Analysts are not permitted to make purchases in securities they cover.
- If an Analyst plans on issuing a research report on a security, he or she is prohibited from selling the security for 30 days before and 5 days after the issuance of the research report.
- Analysts are prohibited from purchasing securities of an issuer before the issuer's IPO if such security is in the Analyst's sector of coverage.
- We disclose on our research reports when an Analyst or Associate or one of his or her related accounts has a financial interest in the securities they cover.
- All research reports and recommendation changes are approved by the Head of Equity Research or the Supervisory Analyst before publication.
- Analyst draft reports are closely supervised. Draft reports may be reviewed by Investment Banking for factual accuracy, provided that comments from Investment Banking must be made through the Supervisory Analyst and not directly to the Analyst. Draft reports may be sent to the corporate issuer to review for accuracy of factual information only. Such draft reports exclude the research recommendation and target price. Any subsequent recommendation or target price changes are reviewed by the Supervisory Analyst.
- All of our research is made available to our clients who are entitled to receive it at the same time, either electronically on our Web site or in hard copy.

- We disclose on our research reports where a director or officer of Scotia Capital is a director of the company that is the subject of the report.
- We disclose on our research reports where Scotia Capital has underwritten securities of the issuer being covered or has provided advice for a fee to the issuer within the last 12 months.
- We disclose if the Chairperson or CEO of a company that is the subject of a research report is a director of the Bank of Nova Scotia.
- We disclose where Scotia Capital and/or its affiliates expects to receive or intends to seek compensation for Investment Banking services from the issuer covered in the research report within the next three months.
- All disclosure is prominently disclosed in every research report.
- Analysts' compensation depends upon the overall profitability of Scotia Capital and individual performance, as measured by the value provided to investor clients of the firm. Primary evaluation criteria include external client feedback and internal peer reviews. Additional factors include measures of research productivity and the accuracy of investment recommendations. We disclose in all research reports that the overall profitability of Scotia Capital from which research analysts are compensated consists of the combined results of many departments, including Investment Banking. Scotia Capital does not compensate analysts based on specific Investment Banking transactions.