

6 February 2009

## **FISCAL 2009 MORTGAGE BROKER COMPENSATION PROGRAM**

As you know, over the past several months, we have been working towards the final integration of Maple Trust and *Scotia Express Service*<sup>®</sup>. We are pleased to advise that we have reached the end of this process and will be launching our new, combined brand on November 1, 2008. To that end, we would like to introduce our new Broker Compensation Program for 2009. This comprehensive and competitive program will be in effect from November 1, 2008 to October 31, 2009 (Scotiabank's fiscal year) and will apply to all current Maple Trust and *Scotia Express Service* mortgage brokers. The details are as follows:

### **1. Finder's Fees**

Effective November 1, 2008, the Finder's Fee for our 5-year fixed rate mortgage is being **increased** to 80 basis points (bps). Finder's Fees for all other mortgage terms and credit products will remain at the levels currently posted on our broker website. Finder's Fees will continue to be paid on a weekly basis. We will continue to pay VISA<sup>+</sup> Finder's Fees for the sale of Scotiabank VISA cards when sold as part of a *Scotia Total Equity Plan*<sup>®</sup> (*Scotia STEP*<sup>®</sup> Program). Complete details are available on our broker website.

### **2. Volume Bonus**

Volume Bonus will be paid based on the aggregate of individual broker agents' performance in your firm. Highlights of our Volume Bonus program are as follows:

- Payment of Volume Bonus will be subject to meeting the criteria of a minimum of 5 funded applications per rolling 12 month period. Once this minimum has been satisfied, Volume Bonus will be retroactive to the agent's first funded application for the fiscal year;
- Retroactive Volume Bonus will be paid for all previous funded applications in the fiscal year when the broker agent moves to a higher Volume Bonus tier;
- At the beginning of the fiscal year, the individual broker agent performance will be "grandfathered" into a Volume Bonus tier based on the funded volume the agent achieved during the previous fiscal year;
- Volume Bonus will continue to be paid on a monthly basis

#### Volume Bonus Payout Grid

Annual Volume Range	Volume Bonus Basis Points (Retroactive)
< \$1 Million	0
\$1 Million - <\$2 Million	11
\$2 Million - < \$5 Million	21

\$5 Million - < \$10 Million	24
\$10 Million - < \$20 Million	27
\$20 Million or Greater	35

**3. President’s Club/Leaders Club**

The Maple Trust “President’s Club” and *Scotia Express Service* “Leaders Club” programs together with associated features will be retired effective October 31, 2008. Selected benefits of these programs have been retained through other elements of the new Broker Compensation Program and are now available for all broker agents.

**4. Scotia Total Equity Plan (Scotia STEP Program) Bonus**

As many of you know, our *Scotia STEP* Program is a leading edge product offered exclusively through Scotiabank. Whether your customers are purchasing a new home or re-financing to access equity, this borrowing solution provides the most flexibility available in the market today.

For Fiscal 2009, you will receive a *Scotia STEP* Program Bonus of 5 basis points on the *Scotia STEP* volume funded during the fiscal year, if you meet the following criteria:

- Fund a minimum annual volume of \$1,000,000;
- Fund a minimum of 5 applications per rolling 12 month period;
- Sell a minimum of two credit products under each *Scotia STEP* Plan; and,
- Achieve a “2 or more product” *Scotia STEP* Program penetration rate of 25% or better (25% or more of your funded applications must be completed as multi-product *Scotia STEP* Programs)

The *Scotia STEP* Program Bonus will be based on the total funds that are advanced within multi-product *Scotia STEP* Programs sold, and will be paid at the end of the fiscal year with the last Volume Bonus payment.

**5. Mortgage Protection Fee and Bonus**

As in previous years, we will offer a Mortgage Protection Fee and Bonus program. Details are as follows:

Mortgage Protection Fee:

- Mortgage Protection Fees are paid per product, per mortgage application;
- Mortgage Protection Fees have a 90 day in force look back period. (If insurance goes in force within 90 days of the mortgage application closing date, the Mortgage Protection Fee will be paid.)

Mortgage Protection Fee Payout Grid

Annual Volume Range	Loss of Life Protection (LOLP) Fee	Health Crisis Protection (HCP) Fee
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Less than \$1MM	\$75	\$50
\$1MM - < 2MM	\$75	\$50
\$2MM - < 5MM	\$125	\$65
\$5MM and above	\$200	\$100

Mortgage Protection Fees will be paid the month after the insurance status goes in force and on the same day as Volume Bonus is paid.

Mortgage Protection Bonus

The Mortgage Protection Bonus is based on your annual insurance enrolment performance.

The following additional criteria apply in order to qualify for payment of a Mortgage Protection Bonus:

- You must fund a minimum of 5 mortgage applications per rolling 12-month period;
- The Mortgage Protection Bonus is a percentage of the total Mortgage Protection Fees paid to you during the fiscal year; and,
- The Mortgage Protection Bonus payable will be based on the Volume Bonus Tier you achieve at the end of the fiscal year.

Mortgage Protection Bonus Grid

<b>Annual Volume Range</b>	<b>Bonus %</b>
Less than \$1MM	0%
\$1MM - < 2MM	5%
\$2MM - < 5MM	10%
\$5MM and above	20%

The Mortgage Protection Bonus will be paid along with the last Mortgage Protection Fee payment of the fiscal year. This letter provides an overview of the key elements of our Fiscal 2009 Broker Compensation Program. Complete details of all Program elements can be found on our website. The Fiscal 2009 Mortgage Broker Compensation Program is subject to review and adjustment at any time. We are excited about the launch of our enhanced Broker Compensation Program and would be pleased to answer any of your questions. Please feel free to contact Jim Smith at 647-258-2141, or Kevin Carroll at 647-258-2159. .

We look forward to our continued strong relationship and to building an even stronger partnership in fiscal 2009 and beyond.

Sincerely,

John Webster