

December 2018

At The Bank of Nova Scotia, New York Agency (“BNSNYA,” the “Firm,” “we,” “our,” “us”), our top priority is to provide our customers and their representatives (“you,” “your”) with transparency on our business practices. This letter contains a summary of our practices and policies in handling customer confidential information.

I. Disclosure Applicable to All BNSNYA Customers

Access and Use of Customer Information

BNSNYA is dedicated to upholding a high level of integrity and adhering to published industry best practices (such as those published by the Treasury Market Best Practices Group, “TMPG”). Notably, BNSNYA maintains a “need to know” principle, which provides that access to counterparty-specific confidential information is limited to those employees who have a “need to know” such information to perform their duties and to carry out the purpose for which the information is provided. Access to customer order information is limited to the assigned sales representative of the account, personnel handling customer orders, and supervisors, as well as certain legal, compliance, risk management, senior management and other support personnel in the performance of their responsibilities. Other customers, traders, and sales traders do not have access to this information. Depending on respective personnel responsibilities, there are different levels of permissioned access of Scotiabank systems, pursuant to our internal policies.

Protecting the confidentiality and security of order, execution, position, revenue, and other related information is an important part of how we conduct our business, and we have implemented controls that are reasonably designed to protect such information. We may use such information for a variety of purposes, including customer coverage, supervision, risk management, surveillance, liquidity provision, and business strategy, and may disclose such information in connection with our regulatory obligations, customer instructions, and normal course brokerage functions.

BNSNYA employees must protect information received from and about customers, counterparties and Scotiabank irrespective of whether the information has been specifically designated as confidential. Such information may only be used for the purpose for which it was received and should only be disclosed to affect that purpose. Information may not be used to benefit Scotiabank, the employee or any other person through practices including, but not limited to:

- Disclosing Scotiabank or customer orders, positions or strategies;
- Using information in violation of an existing duty owed to the person from whom it was obtained or any other person;
- Trading ahead or front-running a counterparty/customer order;
- Directly or indirectly identifying the identity or trading strategy of customers or counterparties when discussing market conditions with, or providing market color to, other customers/counterparties.

Please contact your sales representative at The Bank of Nova Scotia, New York Agency if you have any questions regarding the content of this letter.

TM Scotiabank, together with “Global Banking and Markets,” is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates, including Scotia Capital (USA) Inc., a broker-dealer registered with the SEC and a member of FINRA, NYSE and SIPC.