

**CERTIFICATION OF TAX TREATMENT OF CERTAIN PUBLIC DISTRIBUTIONS TO WHICH  
INTERNAL REVENUE CODE SECTION 302 [and/or 304] APPLIES**

*Short description of the Event – [Placeholder - can be copy and paste from the DTC's bulletin]*

SECTION 302 [WILL/SHOULD] APPLY, AND SECTION 304 [WILL/SHOULD/MAY], SOMETIMES [“NOT CERTAIN”] APPLY, TO THIS EVENT.

Name of Distributing Corporation: \_\_\_\_\_

Total shares of the distributing corporation outstanding immediately before the public section 302 distribution: \_\_\_\_\_

Total shares of the distributing corporation outstanding immediately *after* the public section 302 distribution: \_\_\_\_\_

Payment Date of the Event: \_\_\_\_\_

You are required to complete Parts A through C below to indicate whether the public Section 302 distribution (“Distribution”) (i.e., certain consideration received as part of the Section 302 and/or Section 304 event) qualifies as a dividend distribution under Section 301(c) of the U.S. Internal Revenue Code of 1986 as amended (“Code”) or as proceeds from a sale or exchange under Section 302(a) of the Code, and must return this signed and completed certificate by *month/day/yyyy*, or such later time and date to which the distributing corporation may extend. Otherwise, the Distribution will be presumed as U.S. sourced dividend and subject to a 30% rate (or a reduced rate under an applicable income tax treaty) of U.S. withholding tax.

**A. BENEFICIAL OWNER/CLIENT INFORMATION**

Name of Scotia entity that Account is Maintained: \_\_\_\_\_

Account Number: \_\_\_\_\_

Name: \_\_\_\_\_

**B. NATURE OF THE DISTRIBUTION**

Check the applicable box.

- i  Complete Termination of Interest
- ii  Substantially Disproportionate Redemption
- iii  Not Essentially Equivalent to a Dividend
- iv.  Dividend Distribution Taxable Under Section 301(c) of the Code

If i or ii or iii is selected, you must also complete a and b below:

a. Immediately prior to the completion of the event, the Beneficial Owner owned \_\_\_\_\_ shares of the distributing corporation ("Shares"). The Beneficial Owner's percentage ownership in the distributing corporation (which is based on the number of shares outstanding immediately before completion of the event) was \_\_\_\_\_%.

b. Immediately following the completion of the event, the Beneficial Owner owned \_\_\_\_\_ shares of the distributing corporation. The Beneficial Owner's percentage ownership in distributing corporation (which is based on the number of shares outstanding immediately after completion of the event) was \_\_\_\_\_%

**C. CERTIFICATION**

If the undersigned is (i) a foreign partnership or (ii) a nominee or legal person other than the beneficial owner of the Shares for U.S. federal income tax purposes, to the actual knowledge of the undersigned (without any inquiry or duty of inquiry), none of the undersigned's direct or indirect partners or any such beneficial owner, as applicable, actually and constructively owns any Shares other than by reason of Shares owned by the undersigned.

Under penalties of perjury, I declare that I have examined the information on this form, including the information I provided in Part B above, and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that I am the beneficial owner (or am authorized to sign on behalf of the beneficial owner) of the Distribution.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Capacity in which acting

## D. INSTRUCTIONS

**Scotiabank is required under the pertinent U.S. Treasury Regulations to provide below instructions for completing this certification. However, these instructions cannot be considered to be, and are not, tax, legal or accounting advice. Please consult your own tax advisor to establish the nature of the Distribution.**

For U.S. federal income tax purposes, your portion of the Distribution may be treated either as a dividend or as a payment of proceeds from a sale or exchange. Dividends paid by U.S. corporations to non-U.S. shareholders generally are subject to withholding tax, at a rate of 30% or such lower rate as may be provided under an applicable income tax treaty (generally, 15%). In contrast, a payment of proceeds of a sale or exchange of shares is generally exempt from U.S. withholding tax.

So that the withholding agent can fulfill its responsibilities in respect of the Distribution, your portion of the Distribution will generally be treated as a dividend, unless you certify one of the following:

- A. You exchanged all of your shares of the distributing corporation's stock solely for the Distribution and you had no interest in any Acquirer stock immediately after the Event (taking into account, in each case, shares of Acquirer stock that you acquired prior to the Event and shares of Acquirer stock that you are deemed to own for this purpose under the Attribution Rules, as described below).
- B. Your potential proportionate interest in Acquirer common stock was "meaningfully reduced" as a result of the Distribution, as reflected in a comparison of your actual interest in Acquirer common stock immediately after the Event with the interest in Acquirer common stock that you would have had if all of the distributing corporation's shareholders had exchanged their shares of distributing corporation's common stock solely for shares of Acquirer common stock in the Event; or

If the requirements of either [A] or [B] are satisfied, your portion of the Distribution will generally be treated as a payment of proceeds from a sale or exchange of your distributing corporation's shares, not as a dividend.

### ***Purpose of the Certification***

Please complete and return the certification with instructions on how your portion of the Distribution is to be treated. Check the appropriate box in Part B to indicate whether the Distribution should be treated as a (i) Complete Termination of Interest, (ii) Substantially Disproportionate Redemption or (iii) Not Essentially Equivalent to a Dividend. If neither (i), (ii) or (iii) applies, please complete (iv) Dividend Distribution Taxable Under Section 301(c) of the Code and the Distribution will be treated as a dividend. Please review the Description of the Attribution Rules on the latter page before completing the Certification.

### ***(i) Complete Termination of Interest***

You should complete (i) if you exchanged your shares of distributing corporation stock solely for the Distribution and did not own any shares of Acquirer stock (whether common or preferred, voting or non-voting) immediately after the Event (including shares of Acquirer stock that you acquired prior to the Event and shares of Acquirer stock that you are deemed to own for this purpose under the Attribution Rules, as described below).

### ***(ii) Substantially Disproportionate Redemption or (iii) Not Essentially Equivalent to a Dividend***

Section 302 of the Internal Revenue Code states that where a corporation redeems its stock, the redemption will be treated as a distribution in exchange for the stock if:

- The distribution is "substantially disproportionate with respect to the shareholder" (Section 302(b)(2))
- or
- The redemption is not "essentially equivalent to a dividend" (Section 302(b)(1)).

#### ***The distribution is "substantially disproportionate with respect to the shareholder"***

Section 302 of the Code defines the distribution as substantially disproportionate if the percentage of the voting stock owned by a shareholder (and attributed by Section 318 to that shareholder) after the redemption is less than 80% of that percentage owned before the redemption. This only applies if you hold less than 50% of the total shares outstanding of the Acquirer.

#### ***The distribution is not essentially equivalent to a dividend***

Section 302(b)(1) does not provide an objective definition of a "meaningful reduction" and therefore guidance has been provided by the Courts and the IRS. The U.S. Supreme Court has ruled that a redemption is essentially equivalent to a dividend unless the shareholder experiences a "meaningful reduction in proportionate interest" in the Issuer. It was also held that the attribution [constructive ownership] rules under Section 318(a) apply to determine whether there has been such a meaningful reduction.

In one case, the IRS has ruled that a shareholder holding 0.0001118% of a publicly traded corporation's stock before the redemption, and 0.0001081% (entirely constructive) after the redemption had experienced a "meaningful reduction in proportionate interest". The shareholder's interest in the corporation after the redemption was 96.7% of the shareholder's interest before the redemption. The IRS has stated in a private letter ruling that "any reduction in the interest of a shareholder in a publicly traded corporation is likely to be meaningful".

**NOTE:** The IRS has also ruled that if the proportionate interest remains unchanged, the redemption proceeds will not satisfy the "meaningful reduction" standard and will not qualify for sale or exchange treatment.

***(iv) Dividend***

If you do not qualify under (i), (ii) or (iii), please complete (iv) to indicate that your portion of the Distribution should be treated as a dividend. The standard 30% withholding tax rate will be applied to the Distribution unless you qualify for a reduced double taxation treaty rate.

***Description of Attribution Rules***

For purposes of determining whether the Distribution qualifies as a dividend distribution taxable under Section 301(c) of the Code or as proceeds from a sale or exchange under Section 302(a) of the Code, you must determine your percentage ownership in the Company under U.S. federal income tax rules both before and after the Distribution, pursuant to special "constructive ownership" rules under Section 318 of the Code. You are advised to consult your tax advisors regarding the application of the "constructive ownership" rules to your particular circumstances. In addition to stock that you own directly, you are generally considered for this purpose to own any stock owned (directly or indirectly) by or for:

1. Your spouse, children (including adopted children), grandchildren, and parents;
2. A partnership or estate of which you are a partner or beneficiary, in proportion to your interest in the partnership or estate;
3. A trust (or portion thereof) for which you are considered the owner under the "grantor trust" rules;
4. A trust, in proportion to your actuarial interest in the trust (but not if it is an employees' trust described in Section 401(a) of the Code that is exempt from tax under Section 501(a));
5. A corporation of which you own (directly or indirectly) 50 percent or more in value of the corporation's stock, in that proportion which the value of the stock you own bears to the value of all stock in the corporation;
6. If you are a partnership or estate, any stock owned (directly or indirectly) by or for a partner or beneficiary;
7. If you are a trust (other than an employees' trust described in Section 401(a) of the Code that is exempt from tax under Section 501(a)), any stock owned (directly or indirectly) by or for a beneficiary, unless the beneficiary's interest is a remote contingent interest. A contingent interest of a beneficiary in a trust is considered remote if, under the maximum exercise of discretion by the trustee in favor of such beneficiary, the value of such interest, computed actuarially, is 5 percent or less of the value of the trust property;
8. If you are a grantor trust, stock owned (directly or indirectly) by or for the grantor; and

9. If you are a corporation, any stock owned (directly or indirectly) by or for a person who owns (directly or indirectly) 50 percent or more of the value of your stock.

In addition:

10. Any person who has an option to acquire stock is considered to own the stock. An option to acquire an option is considered an option on the underlying stock;
11. An S corporation under U.S. federal income tax law is considered to be a partnership for the purposes of these rules. Shareholders of an S corporation are considered to be partners;
12. In the case of the “complete termination” test, the “family” rules of paragraph 1 may not apply to you. Please consult your tax adviser to see if you qualify for this exception (under Section 302(c)(2)(A) of the Code); and
13. You generally are considered to actually own any stock that you are deemed to own under any of the foregoing rules.

Additionally, if Section 304 applies to the event, Section 304(b)(1) modifies the application of the constructive ownership rules described above – for instance, 5 and 9 above are applied without regard to the 50 percent limitation contained therein. This modification allows for a broader application of the constructive ownership rules, potentially affecting the determination of the nature of the Distribution for U.S. federal income tax purposes.