

Customer-Owner Rebate Program

1. When will I receive my rebate?

Qualified customer owners will receive their rebate in late April.

2. How do I know if I qualify?

All qualifying personal customer owners will be notified by letter with details of their rebate. Rebates are calculated based on products and services used. The more products that a member has increases the amount of the rebate being paid.

The payment is being made to personal customer owners only and the minimum is \$5.00 (i.e. if the rebate calculated on your product mix works out to be less than \$5.00, no rebate will be issued).

3. Is the rebate taxable?

Yes, rebate income is treated like interest income and is therefore taxable. For rebates on non-registered products a T5 will be issued for qualifying amounts. Rebates on RRSP/RRIF products (registered products) are tax sheltered.

4. Will the rebate be credited to my account?

Rebates will be issued by cheque, except for RRSP/RRIF rebates; these will be automatic credits to the RRSP/RRIF account.

5. How was my rebate calculated?

The rebate was calculated based on 2008 data*:

- Personal share account with \$5.00 balance.
- A percentage of interest earned by members on savings accounts, term deposits, and registered products.
- A percentage of interest paid by members on loans, mortgages, Quickline lines of credit and overdrafts.
- Monetary credit for open MasterCard credit card accounts and open chequing accounts.
- A percentage of the value of index-linked products and preferred shares.

*For members of the former Halifax Civic Credit Union, the rebate for the first half of 2008 was calculated based on the formula Halifax Civic Credit Union had used in previous years; the rebate for the second half of 2008 was calculated using the CUA formula outlined above. The two calculations were then combined to determine your total rebate amount for the year.

Customer-Owner Rebate Equation

| Product Group | Refund Rate |
|---|---------------------|
| Savings | 1.01% |
| Chequing | \$1.00 |
| Term Deposits | 1.01% |
| Term Deposits - Index Link (rebate calculated on balance) | 0.015% |
| Term Deposits – Index Link Matured (rebate calculated on interest ytd) | 0.33% |
| Open Line of Credit | 1.01% |
| Consumer Loans | 1.01% |
| Mortgages | 1.01% |
| RRSP/RRIFs | 1.01% |
| RRSP/RRIF Index Link (rebate calculated on balance) | 0.015% |
| RRSP/RRIF Index Link Matured (rebate calculated on interest ytd) | 0.33% |
| MasterCard | \$1.00 |
| Total Rebate Amount | \$200,000.00 |

6. Why is the rebate only for qualified personal customer owners –what about non-personal members?

We are working to create a program that is sustainable and that allows as many customer owners as possible to share in our success. We will endeavor to broaden the reach of the rebate program in future years to include more customer owners.