

## **THE BANK OF NOVA SCOTIA**

### **Statement of Disclosure Policy and Practices and Mandate of Disclosure Committee**

Scotiabank is committed to providing timely, accurate and balanced disclosure of all material information about the Bank and to providing fair and equal access to such information. This Statement explains our disclosure policies and practices.

#### **Material Information**

Securities laws and the policies of securities regulators and stock exchanges require prompt disclosure of all material information through news media.

“Material information” means any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Bank’s securities. In addition, the United States considers material information to include any information a reasonable investor would consider important in making an investment decision, or that alters the total mix of information in the marketplace.

#### **Primary Principles of Disclosure Policy**

- Material information will be publicly disclosed promptly by news-wire release. The only exceptions occur in restricted circumstances where regulation allows the maintenance of confidentiality for a period of time and regulatory filings on a confidential basis.
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading.
- Precautions are to be taken against selective disclosure. Previously undisclosed material information will not be disclosed selectively to an individual or limited group. If previously undisclosed material information is inadvertently disclosed to an individual or limited group, such material information will be publicly disclosed promptly by news-wire release.
- The corporate web site will be used to enhance dissemination of information, by posting information contemporaneously with the issuance of news-wire releases, regulatory filings of financial statements or other disclosure documents, and presentations by senior officers.
- Disclosure policy applies to all methods of communication to the public, inclusive of written, oral and electronic communications.

#### **Disclosure Committee**

The Disclosure Committee of the Bank consists of the Chief Financial Officer (CFO), the Chief Risk Management Officer (CRO), the Treasury & Operations Officer (TOO), the General Counsel, the senior Investor Relations Officer (IRO) and the senior Public & Corporate Affairs Officer (PCO), or

their designates and reports to the Chief Executive Officer (CEO).

The Disclosure Committee shall have the mandate set forth in Schedule A. At least two members of the Committee shall meet or otherwise conduct discussions for this purpose as circumstances dictate.

Additions or changes to the disclosure policy will be implemented promptly when mandated by regulatory change. The disclosure policy will be reviewed by the Disclosure Committee, at least annually, for the purpose of considering effectiveness and updating procedures.

### **Spokespersons**

The Bank designates a limited number of spokespersons responsible for communication with the media, investors and analysts. These spokespersons are the CEO, President, the Vice-Chairs, CFO, CRO, TOO, IRO and the Head of Public Affairs. Individuals holding these offices may from time to time designate others to speak on behalf of the Bank or respond to specific inquiries from the investment community or media.

The Bank also has authorized a number of persons who may communicate with the media on topics pertaining to the economy or capital markets in general, or on limited topics pertaining to specific operating divisions and business lines. However, they are not authorized to engage in discussion about the Bank with analysts and the investment community or to comment on the Bank's financial results.

Employees who are not authorized spokespersons are not to respond to inquiries from the investment community or media unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to the IRO or Head of Public Affairs.

The IRO or PCO are to be involved in scheduling and developing all communications for meetings with or other presentations to the investment community or media. They are also responsible for preparing senior management for meetings with financial analysts, investors or media. Wherever practicable, a member of the Investor Relations or Public & Corporate Affairs staff, or another spokesperson will attend such presentations or meetings in addition to the speaker.

### **Timing and Procedure for Disclosure**

All news releases, including but not limited to releases of material information, are managed by the Public Affairs department.

If the information has been determined by the Disclosure Committee to be material, news releases will be disseminated through a news-wire service that provides national and simultaneous service to widespread news services, financial media, stock exchanges upon which the Bank's shares are listed, and to relevant regulatory bodies.

Timing of releases and circumstances requiring Market Surveillance pre-clearance of news releases

will be dealt with in accordance with the rules applicable to companies listed on the Toronto Stock Exchange and the New York Stock Exchange (and other stock exchanges relevant in the circumstances).

Material change reports will be filed when required in accordance with applicable securities regulation.

### **Scotiabank Web Site**

The Bank maintains an Internet web site which includes information of interest to investors which shall include this Disclosure Policy. The Investor Relations department manages the Investor Relations section of the Scotiabank web site.

News releases are posted to the corporate information section of the site after release through the news-wire service. It is recognized that posting on the web site alone is not sufficient dissemination in the case of material information.

The Scotiabank web site makes available (in live broadcast and for a subsequent period of continuing availability) audio broadcasts of the quarterly conference calls with analysts and the annual meeting of shareholders.

Information available on the web site includes the Annual Report, quarterly reports, supplemental quarterly financial information, management proxy circular, and annual meeting minutes. Other documents of interest are posted upon availability and materials related to presentations by senior officers are placed on the web site contemporaneously with events.

The Bank does not allow any web-based links to the sites of analysts commenting on the Bank.

### **Communications with Financial Analysts and Investors**

Investor Relations acts as liaison to provide financial analysts and investors with information about the Bank. If material information is to be announced or discussed at a shareholder or analyst meeting or media conference, it will be coordinated with a public announcement by news-wire release.

Senior officers conduct conference call meetings with members of the investment community each quarter, following public release of quarterly results. These conference call meetings are accessible to the public to listen to by telephone and through the Scotiabank web site. Advance notice and access instructions are posted on the web site and issued through news release.

Authorized spokespersons may contact, respond to, meet with or address analysts, investors or journalists on an individual or small group basis from time to time. Material non-public information will not be disclosed at these meetings. Topical speeches, slides, speaking notes and/or questions and answers will be posted in a timely manner on the Investor Relations section of the Scotiabank web site.

If material information is inadvertently disclosed in any such limited forum, a news-wire media release will promptly be issued to disseminate such information.

### **Forward Looking Information**

Forward looking information may be provided in appropriate circumstances to enable evaluation of the Bank's operations and prospects for performance. Forward looking information may include performance targets, discussion of factors that may influence results, and market potential for new product or business line initiatives or corporate expansions.

To the extent that forward looking information is provided by the Bank in a disclosure document, news release or statement by a spokesperson, it will be accompanied by or reference will be made to cautionary language to warn of the risk that circumstances beyond the Bank's control could change materially and alter anticipated results referenced in the document or statement.

### **Earnings Guidance**

Earnings guidance will be announced by news-wire release. Spokespersons may elaborate on this information in conference calls with analysts which are accessible to the public, members of the investment community and media. Any other guidance will only be based on information which the Bank has previously publicly disseminated.

### **Reviewing Analysts' Reports or Models**

Occasionally, the Bank may be requested to review financial analysts' draft reports or models. Spokespersons will limit their comments to correcting errors of historical fact and referring to previously released statements and information in the public domain. Spokespersons will not comment on analysts' conclusions.

### **Quiet Period**

In order to avoid any potential for, or the perception or appearance of selective disclosure, the Bank observes a "quiet period". This is during the period commencing from the first day following the end of the reporting period until the release of results. During the quiet period, spokespersons will not initiate meetings or telephone contacts with analysts, investors or media and will refrain from discussing matters related to earnings and financial performance.

### **Responding to Market Rumours**

It is the Bank's general practice not to comment on market rumours or speculation, particularly where it is clear that it is not information from the Bank that is the source or basis of the market rumour. Investor Relations periodically monitors Internet chat rooms and other sites in order to identify statements being made about the Bank, with a view to anticipating the source of a market

rumour. After consultation with the Disclosure Committee, the Bank's spokesperson may respond, if a rumour is causing market volatility or if a stock exchange or securities regulator requests that the Bank make a statement.

### **Maintaining Confidentiality and Restrictions on Trading**

The policy of the Bank on appropriate conduct related to the disclosure of information applies to all directors, officers and employees of the Bank and its subsidiaries.

The policy also includes by reference portions of the Scotiabank Guidelines for Business Conduct and the Scotiabank Group Internet and Electronic Mail Code of Conduct, which mandate employee requirements with respect to maintaining confidentiality of information, prohibitions against trading on the basis of or tipping undisclosed material information, and restrictions on periods during which insiders may effect trades in Bank securities in the absence of such information.

An employee who violates the policy may face disciplinary action up to and including termination of his or her employment.

(May, 2003)

**SCHEDULE A****MANDATE FOR DISCLOSURE COMMITTEE**

The Disclosure Committee (the "Committee") shall have the responsibilities and duties as outlined below:

The Committee shall:

1. determine when events, developments, changes or other facts constitute material information or a material change in the affairs of the Bank. In making such determination, the Committee will assess the impact of any such event, development or change on (a) the assets, liabilities and earnings of the Bank on a consolidated annual basis and on a consolidated quarterly basis to the extent the item is non-recurring (with the presumption that any impact of 10% or more will be considered material unless the facts prove otherwise), (b) the reputation or overall operations of the Bank, (c) the strategic direction of the Bank, and (d) the market price or value of any of the Bank's securities;
2. review annually disclosure practices and procedures for effectiveness and possible changes;
3. review annual timetable for preparation of Bank's filings with specific review of dates for due diligence review procedures;
4. confirm individuals responsible for preparation of filings;
5. review risk factor and forward-looking statement language in reports and review for updating requirements;
6. confirm quarterly immediately before the filing of the quarterly and annual reports that established procedures were followed to verify data in such reports and to confirm issues of evaluation of effectiveness of disclosure controls;
7. determine "whistleblower" protection mechanism;
8. review policies and procedures for briefings with analysts, or institutional investors;
9. review analyst reports;
10. review institutional investor presentation;
11. review policy on trading restrictions and "quiet periods".