

April 12, 2007

TAX ELECTION INSTRUCTIONS FOR FEDERAL ROLLOVER

To Eligible Purchasers:

Capitalized terms not defined in these instructions have the meaning assigned to them in the preliminary prospectus (the "Prospectus") of S Split Corp. (the "Company") dated March 30, 2007.

A holder of common shares of The Bank of Nova Scotia ("BNS Shares") who is a resident of Canada for purposes of the *Income Tax Act* (Canada) (the "Tax Act") and who is not exempt from tax under the Tax Act or, in the case of a holder that is a partnership, where one or more of its members is resident in Canada and not exempt from such tax (an "Eligible Purchaser") and who utilizes the Exchange Option (as described in the Prospectus at pages 33-34) may obtain a full or partial tax-deferred "rollover" by making a joint election with the Company pursuant to section 85 of the Tax Act, (a "Tax Election"). The procedure for making a Tax Election (the "Tax Election Procedure") is set out herein and generally in the Prospectus at pages 41-43 under the heading "PROCEDURE FOR TAX ELECTION".

Eligible Purchasers who wish to make a similar election in Québec may download copies of Québec Forms TP-518-V and TP-529-V from us at www.mulvihill.com.

The Company will make a Tax Election only with an Eligible Purchaser who has properly completed all the documents listed in the below checklist appropriate to that Eligible Purchaser (a "Tax Election Package"), and has ensured the receipt of two copies of the properly completed Tax Election Package by the Company no later than 30 days after the Closing Date (the "Election Deadline", currently estimated to be June 15, 2007) at the following address:

S Split Corp.
121 King Street West
Standard Life Centre
Suite 2600
Toronto, ON
M5H 3T9

Attention: Tax Election

Certain Agents may require the Tax Election Package to be submitted at an earlier date. The Company will not execute any Tax Election received by the Company after the Election Deadline. Any Eligible Purchaser who does not ensure that the Company has received a duly completed Tax Election Package on or before the Election Deadline will not be able to benefit from the "rollover" provisions in subsections 85(1) and 85(2) of the Tax Act or their provincial equivalents.

No Tax Election will be made with anyone who is not an Eligible Purchaser. A holder who completes a Tax Election Package and forwards such package to the Company will be considered to have represented to the Company that the holder is an Eligible Purchaser.

These instructions are of a general nature only and are not intended to be (nor should they be construed to be) legal or tax advice to any particular Eligible Purchaser concerning the Tax Election or the Tax Election Procedure. **Further, apart from providing these materials to Eligible Purchasers for their convenience, the Company will not provide Eligible Purchasers with any advice on making the Tax Election. Accordingly, Eligible Purchasers should consult with their own tax advisors for specific advice in respect of whether to make a Tax Election, making the Tax Election and complying with the Tax Election Procedure having regard to their own particular circumstances.**

In order to achieve a deferral of tax in some provinces or territories similar to that resulting from the Tax Election, it may be necessary to file a separate provincial or territorial tax election analogous to the Tax Election. The Company will also make such a provincial or territorial tax election with an Eligible Purchaser under the same conditions that it is willing to make the Tax Election. Eligible Purchasers are entirely responsible for determining whether any such separate provincial or territorial election is applicable and appropriate in their circumstances and (if so) obtaining, completing and forwarding the related forms to the Company (at the address listed above) for execution by the Company.

Please review the enclosed forms very carefully and consult your tax advisor as to their proper completion and delivery and any filing deadlines. You are also advised to review Information Circular IC 76-19R3 (available at <http://www.cra-arc.gc.ca/E/pub/tp/ic76-19r3/ic76-19r3-e.html>) and Interpretation Bulletin IT-291R3 (available at <http://www.cra-arc.gc.ca/E/pub/tp/it291r3/it291r3-e.html>) issued by the Canada Revenue Agency (the "CRA") for information in respect of the Tax Election.

The Company will assume that any representative who signs the Tax Election forms on behalf of a corporation, trust or estate has been duly authorized to do so, and will not take any action to verify the validity of any such authorization. Eligible Purchasers that are corporations, trusts or estates should consult their own legal advisors in determining whether such authorization has been properly given.

To ensure the availability of the Tax Election, the applicable Tax Election Package must be properly completed and executed and must be received by the Company (together with a self-addressed, stamped envelope for return delivery) at the address above no later than the Election Deadline. The Company will agree to execute any properly completed Tax Election contained in Tax Election Package received by the Company from an Eligible Purchaser on or before the Election Deadline and to send such Tax Election Package by mail for filing with the appropriate tax authorities. The Company will provide an Eligible Purchaser with a copy of such Tax Election Package as executed by the Company. In order for the CRA to accept the Tax Election Package without a late filing penalty being paid by an Eligible Purchaser, the Tax Election Package, duly completed and executed by both the Eligible Purchaser and the Company, must be received by such taxation authorities on or before the day that is the earliest date on or before which either the Company or the Eligible Purchaser is required to file an income tax return for the taxation year in which such Eligible Purchaser's BNS Shares are disposed of pursuant to the Exchange Option. **The Company is scheduled to have a December 31 taxation year-end and is required to file income tax returns by June 30 of the next year. Eligible Purchasers may have an earlier deadline for filing the Tax Election Package with**

the CRA. In such a case, the Eligible Purchaser must ensure that the Tax Election is filed on or prior to such earlier deadline in order to avoid late filing penalties.

Procedure for Completing Prescribed Forms

1. Where BNS Shares are not held by a Partnership or Co-owned

Where BNS Shares are held by an Eligible Purchaser that is not a partnership, and not co-owned, the Eligible Purchaser must ensure receipt of the following documents by the Company (at the address listed above and no later than the Election Deadline):

- ✓ Two originally-executed copies of Form T2057, with all yellow highlighted portions (other than yellow highlighted portions dealing with names and addresses of co-owners) complete, signed by the Eligible Purchaser (one copy will be kept by the Company and not returned to the Eligible Purchaser).
 - Eligible Purchasers choosing to receive Units (each such Unit consisting of one Class A Share and one Preferred Share) in exchange for their BNS Shares should use the form called “CRA Rollover Form – Non-Partnership – Unit Option”.
 - Eligible Purchasers choosing to receive Class A Shares and one cent in cash in respect of each Class A Share received in exchange for their BNS Shares should use the form called “CRA Rollover Form – Non-Partnership – Class A Shares + Cash Option”.
- ✓ A self-addressed, stamped envelope for return delivery of the Tax Election Package.

Eligible Purchasers seeking to take advantage of the Tax Election should consult with their own tax advisors for advice respecting the Tax Election Procedure relevant to them.

2. Where BNS Shares are Co-owned

Where BNS Shares are held in joint ownership and two or more co-owners wish to make the Tax Election, one of the co-owners designated such purpose (the “Designated Co-owner”) must ensure receipt of the following documents by the Company (at the address listed above and no later than the Election Deadline):

- ✓ Two copies of a written designation signed by each co-owner, authorizing the Designated Co-owner to execute and file the Tax Election Package on behalf of that co-owner (one copy will be kept by the Company and not returned to the Designated Co-owner).
- ✓ Two originally-executed copies of Form T2057 per co-owner, with all yellow highlighted portions complete, signed by the Designated Co-owner (one copy will be kept by the Company and not returned to the Designated Co-owner).
 - Eligible Purchasers choosing to receive Units (each such Unit consisting of one Class A Share and one Preferred Share) in exchange for their BNS Shares

should use the form called “CRA Rollover Form – Non-Partnership – Unit Option”.

- Eligible Purchasers choosing to receive Class A Shares and one cent in cash in respect of each Class A Share received in exchange for their BNS Shares should use the form called “CRA Rollover Form – Non-Partnership – Class A Shares + Cash Option”.
- ✓ Two copies of a list containing the names, addresses and social insurance numbers or business numbers of each electing co-owner (one copy will be kept by the Company and not returned to the Designated Co-owner).
- ✓ A self-addressed, stamped envelope for return delivery of the Tax Election Package.

Eligible Purchasers who are co-owners of BNS Shares seeking to take advantage of the Tax Election should consult with their own tax advisors for advice respecting the Tax Election Procedure relevant to them.

3. Where BNS Shares are held by a Partnership

Where BNS Shares are held as partnership property, a partner designated by the partnership (the “Designated Partner”) must ensure receipt of the following documents by the Company (at the address listed above and no later than the Election Deadline):

- ✓ Two copies of a written designation signed by each partner, authorizing the Designated Partner to execute and file the Tax Election Package (one copy will be kept by the Company and not returned to the Designated Partner).
- ✓ Two originally-executed copies of Form T2058, with all yellow highlighted portions complete, executed by the Designated Partner on behalf of all members of the partnership (one copy will be kept by the Company and not returned to the Designated Partner).
 - Eligible Purchasers choosing to receive Units (each such Unit consisting of one Class A Share and one Preferred Share) in exchange for their BNS Shares should use the form called “CRA Rollover Form – Partnership – Unit Option”.
 - Eligible Purchasers choosing to receive Class A Shares and one cent in cash in respect of each Class A Share received in exchange for their BNS Shares should use the form called “CRA Rollover Form – Partnership – Class A Shares + Cash Option”.
- ✓ Two copies of a list containing the name, address, and social insurance numbers or business number of each electing partner (one copy will be kept by the Company and not returned to the Designated Partner).
- ✓ A self-addressed, stamped envelope for return delivery of the Tax Election Package.

Members of a partnership seeking to take advantage of the Tax Election should consult with their own tax advisors for advice respecting the Tax Election Procedure relevant to partnerships.