

CHARTER

THE BANK OF NOVA SCOTIA

HUMAN RESOURCES COMMITTEE OF THE BOARD

The Human Resources Committee of the Board of Directors (the "Committee") has the responsibilities and duties as outlined below:

A. Mandate

To discharge the Board of Directors' (the "Board") responsibilities relating to compensation and annual disclosure by:

Regulatory Compliance & Governance

1. performing such duties as may be required by:
 - the *Bank Act* and the regulations thereunder; and
 - other applicable legislation and regulations including those of the Ontario Securities Commission, the Canadian Securities Administrators (the "CSA"), the Toronto Stock Exchange, the New York Stock Exchange ("NYSE"), the Securities and Exchange Commission, the *Sarbanes-Oxley Act of 2002* and those directives, guidelines and standards under the supervision of the Office of the Superintendent of Financial Institutions ("OSFI");
2. in conjunction with the Executive and Risk Committee:
 - satisfying itself that adequate procedures are in place to identify, assess and manage the risks associated with the Bank's material compensation programs and that such procedures are consistent with the Bank's risk management programs;
 - satisfying itself that the Bank's material compensation programs comply with the design policies and procedures, including compensation outcomes, risk measurements and risk outcomes; and
 - reviewing the definition and composition of employees that may have a material impact on the risk exposure of the Bank;
3. staying informed with respect to regulatory changes affecting the Bank's material compensation programs;

Total Compensation

4. reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer's (the "CEO") compensation, evaluating the CEO's performance relative to the established goals and objectives and recommending the CEO's total compensation based on this evaluation to the Board for approval;
5. reviewing the total compensation principles and material compensation programs of the Bank and recommending to the Board, the following:

- the general criteria and design – including scenario and/or back-testing analysis on payouts and plan changes – of the Bank’s material incentive plans as well as the Stock Option Plan, Performance Share Unit Plan, Restricted Share Unit Plan, and other Bank equity-based plans; and
- the basis and allocation for distribution of awards relating to various other incentive plans;

Executive Officers

- the total compensation to be paid or awarded to Executive Officers of the Bank and other Board or Board Committee appointed officers of the Scotiabank Group of Companies, including the Chief Auditor and Chief Compliance and Regulatory Officer, with such compensation to include salaries, bonuses, and whatever types of incentive plans, equity-based plans, benefits, pension and perquisites the Committee and the Board may consider appropriate from time to time;
 - agreements and employment contracts applicable to Executive Officers and other Board appointed officers of the Scotiabank Group of Companies;
6. evaluating and reviewing the assessments made by the CEO for other Executive Officers, and taking into consideration such assessments in the Committee’s compensation recommendations to the Board;
 7. establishing guidelines on share ownership and post-retirement holdings for Executive Officers and other Board appointed officers of the Scotiabank Group of Companies and reviewing compliance relative to these guidelines;
 8. overseeing the Bank’s material employee benefit plans, including any significant proposed changes to such plans;

Succession

9. at least annually, reviewing the senior level organizational structure and staffing of the Bank, and taking into consideration regulatory findings as part of its on-going review of senior management, and, when necessary, submitting its concerns and recommendations to the Board;
10. at least annually, reviewing and approving mandates for all Executive Officers and the job descriptions for the Chief Auditor and the Chief Compliance and Regulatory Officer;
11. regularly reviewing:
 - management succession plans for Executive Officers;
 - management succession plans for the heads of each of the Bank’s control functions (namely, Finance, Internal Audit, Global Risk Management and Global Compliance), taking into consideration input provided by the Chair of each of the Executive and Risk Committee and the Audit and Conduct Review Committee;
 - development plans for other members of senior management; and

and at least annually, reporting to the Board on such plans;

Reporting & Review

12. reviewing and approving the statement of executive compensation for inclusion in the Bank's Management Proxy Circular;
13. reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;
14. overseeing that a process is in place to notify OSFI of potential changes to the membership of senior management;
15. annually reviewing the Charter for the Committee and evaluating the Committee's effectiveness in fulfilling its mandate; and
16. performing such other duties as may from time to time be assigned to the Committee by the Board.

B. Independent Advisors

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other independent advisor (each, an "Advisor") and shall be responsible for the appointment, compensation and oversight of the work of any such Advisor retained by the Committee. The Bank shall provide for appropriate funding, as determined by the Committee, for an Advisor retained by the Committee. Prior to selecting or receiving advice from an Advisor, the Committee must take into consideration certain factors relevant to an Advisor's independence from management, including the following:

- (a) the provision of other services to the Bank by the person that employs the Advisor;
- (b) the amount of fees received from the Bank by the person that employs the Advisor, as a percentage of the total revenue of such employer;
- (c) the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the Advisor with a member of the Committee;
- (e) any stock of the Bank that is owned by the Advisor; and
- (f) any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Bank.

C. Composition

Structure

The Committee shall consist of such number of Directors as the Board shall determine from time to time, a majority of whom shall be resident Canadians.

Independence and Experience

The Committee is composed entirely of independent directors as defined in the NYSE Corporate Governance Listing Requirements and the CSA Corporate Governance Guidelines.

No member of the Committee may be a current or former officer or employee of the Bank or any of its subsidiaries or affiliates. No member may be a person who is affiliated with the Bank.

All members of the Committee should have an understanding of issues related to human resources, leadership and compensation, or be willing to acquire the requisite knowledge within a reasonable period of time.

Appointment of Committee Members

Members are appointed or reappointed annually by the Board, upon the recommendation of the Corporate Governance and Pension Committee, such appointments to take effect immediately following the annual meeting of the shareholders of the Bank. Members shall hold office until their successors are appointed or until they cease to be Directors of the Bank.

Vacancies

Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.

Appointment of Committee Chair

The Board shall appoint from the Committee membership, a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

The Chair for the Committee must have all the qualifications for Committee membership, including experience related to leadership, compensation or human resources.

D. Meetings

Calling of Meetings

Meetings of the Committee may be called by the Chair or by any two members of the Committee.

The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:

- a resident Canadian member who is unable to be present approves in writing or by telephone, electronic or other communications facilities the business transacted at the meeting; and

- a resident Canadian majority of members would have been present if the absent member had been present.

The Committee members shall meet separately with the Executive Vice-President, Global Human Resources of the Bank during a minimum of two Committee meetings per year.

The Committee shall meet with the Group Head & Chief Risk Officer of the Bank during a minimum of two Committee meetings per year to discuss risks associated with the Bank's material compensation programs.

The Committee shall hold joint sessions with the Executive and Risk Committee at least twice per year to review risks associated with the Bank's material compensation programs. The Committee may discharge its responsibilities, as set out in this Charter, during such joint sessions.

A resolution in writing signed by all of the Directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

Notice of Meetings

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

Quorum

The quorum for a meeting of the Committee shall be 40% of the number of members, subject to a minimum of 2 members.

Secretary and Minutes

The Secretary, or the most senior officer of the Human Resources Department, shall act as Secretary of the Committee and, in their absence, an Assistant Secretary of the Bank or such other person as the Committee may request shall so act.

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary and subsequently presented to the Committee and to the Board, if required by the Board.

Meetings without Management

The Committee will schedule an in camera session at the end of each regularly scheduled meeting in the absence of management.

This Charter was reviewed and approved by the Board on **June 24, 2013**.