



THE BANK OF NOVA SCOTIA

SHAREHOLDER DIVIDEND AND SHARE PURCHASE PLAN

To: Participants in the Shareholder Dividend and Share Purchase Plan

This notice is to advise you of a change in the Bank's Shareholder Dividend and Share Purchase Plan (the "Plan") in which you are a participant.

On March 4, 2014, the Bank announced that there will no longer be a discount from the Average Market Price (as defined in the Plan) applied to purchases of additional common shares with reinvested dividends. Most recently, the common shares have been purchased from the Bank's treasury at a discount of 2% from the Average Market Price. The first dividends for which this change will be effective are the dividends on the Bank's common and preferred shares declared by the Board of Directors on March 4, 2014 for the quarter ending April 30, 2014. These dividends will be payable on April 28, 2014 to holders of record at the close of business on April 1, 2014. Under the Plan, the Bank determines whether the additional common shares are purchased on the secondary market or issued by the Bank from treasury. At this time, and until such time as the Bank elects otherwise, the Bank has decided to continue to issue shares from treasury at the Average Market Price.

Participants may make optional cash payments of up to Cdn\$20,000 in each fiscal year of the Bank to purchase additional common shares at the Average Market Price (as defined in the Plan). The dividend reinvestment and optional cash payment option of the Plan are not available to residents of the United States.

If you wish to continue your participation in the Plan, you do not need to take any action.

Registered participants in the Plan who would prefer to receive a cash dividend rather than reinvest their dividends may terminate their participation in the Plan by giving written notice to Computershare Trust Company of Canada at 100 University Avenue, Toronto, Ontario, M5J 2Y1, to be received by no later than March 31, 2014 to receive the April 28, 2014 dividend payment in cash. Non-registered participants in the Plan should contact their financial institution or broker in advance of March 31, 2014 for instructions on how to terminate participation so that the April 28, 2014 dividend payment is not reinvested on or after April 28, 2014.

In order to participate in the Plan in time for the April 28, 2014 dividend payments, authorization forms for registered holders must be received by Computershare Trust Company of Canada at the address set forth above before the close of business on April 1, 2014. Beneficial or non-registered holders must contact their financial institution or broker for instructions on how to participate in advance of the above date.

Participants are advised to read the Plan information and other materials available on the Shareholder Information page at www.scotiabank.com under the Investor Relations section of the website.

March 4, 2014