



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.

The Plan has been amended to remove the interest reinvestment option, which was previously available to shareholders who are also holders of the Bank's subordinated debentures. In the past, these participants could elect to have interest payments on subordinated debentures reinvested in additional common shares. In addition, certain updates were made to the Plan to align it with current Canadian and U.S. tax laws.

The two per cent discount for common shares issuable under the dividend reinvestment and stock dividend components of the Plan announced on August 26, 2008 will continue until further notice. The discount does not apply to the purchase of common shares with the optional cash payment option of the Plan. The Bank reserves the right, in its sole discretion, to amend or cancel the discount at any time.

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.

In order to participate in the Plan in time for the January 29, 2014 dividend payments, authorization forms for registered holders must be received by Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1 before the close of business on January 7, 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.

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 the above address, to be received by no later than January 6, 2014 to receive the January 29, 2014 dividend payment in cash. Non-registered participants in the Plan should contact their financial institution or broker in advance of January 6, 2014 for instructions on how to terminate participation so that the January 29, 2014 dividend payment is not reinvested on or after January 29, 2014.

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

November 6, 2013