

TFSA Contract

We have reviewed the contract to add details and clarifications provided for in the law and harmonize it with our other contracts of the same type.

The following table presents the main differences between the new version of the contract and the one it replaces. Minor differences and new features that do not apply to GIC type investments are not shown in this table. To view the full version of the contract, please go to nbc.ca/notices, under Registered plans, or call 1-844-413-5610 or 514-413-5610.

New version	Old version
<p>The contract specifies that the trust cannot borrow for the purposes of the account.</p> <p>Restrictions. The trust shall not be permitted to borrow money or other property for the purposes of the Account. (s. 6c) of the contract)</p>	<p>Similar wording, except that the term « trustee » is used instead of « trust » (s. 6 of the contract)</p>
<p>The contract specifies how certain distributions can be made from the account.</p> <p>Distributions. (...) The Trustee shall then dispose of all or certain of the Assets in the Account as indicated by the Holder and pay to the Holder an amount equal to the proceeds of disposition of such assets (net of applicable disposition costs), less any charges and taxes (including interest and penalties) that are or may become payable, as permitted by the Tax Legislation. (...) (s. 7 of the contract – extract)</p>	<p>Similar, but reworded (s. 7 of the contract)</p>
<p>The contract specifies that, like the trustee, the agent is not responsible for the transfer of assets to another account at the holder's request.</p> <p>Transfers to Other Accounts. (...) The Trustee and Agent shall be subject to no further liability or duty to the Holder with respect to the Assets in the Account so transferred. (...) (s. 8 of the contract – extract)</p>	<p>Similar passage, but the term « agent » is not indicated (s. 8 of the contract)</p>
<p>The contract specifies the conditions that the trustee must meet before resigning from its duties: to give notice to the holder and appoint a replacement.</p> <p>Withdrawal of Trustee. The Trustee may resign from its duties upon at least 30 days' prior notice given to the Holder in the manner set out in Section 14 f) hereof and provided a replacement issuer has accepted the appointment and on condition such replacement issuer is a body corporate resident in Canada duly authorized by the applicable laws to act in such capacity. (s. 13b) of the contract)</p>	<p>Similar, except for the notice period that was originally 90 days before being reduced to a minimum of 30 days and except for the type of replacement (trustee vs issuer) (s. 13b) of the contract) <i>Note : the term issuer is broader and includes both trustee and depositary</i></p>
<p>The contract provides that the holder must repay to the trustee any overdraft resulting from the payment of the fees and expenses owing by the holder, failing which the trustee may dispose of the assets without incurring any liability. The holder remains liable for fees and expenses that exceed the value of the assets.</p> <p>Fees and Expenses. (...) The Holder shall reimburse the Trustee for any overdraft resulting from the payment of such fees, out-of-pocket expenses and costs within 30 days of the date he is notified thereof. Should the Holder fail to make such reimbursement on time, the Trustee may, but without being obliged to do so, dispose of the Assets in the Account without any further notice and on such conditions as it may determine, and apply the proceeds of such disposition to the payment of sums due. The Trustee shall not be liable for any losses incurred as a result of such disposition. (...) The Holder shall be accountable to the Trustee for all fees, expenses and other amounts payable that exceed the Assets in the Account. (s. 13c) of the contract – extract)</p>	<p>Does not contain this passage (s. 13c) of the contract)</p>
<p>The contract excludes the liability of the trustee and its agents in respect of the beneficiary and the transfer of assets made at the holder's request.</p> <p>Liability and Compensation. (...) Without limiting the scope of any other provision hereof, neither the Trustee nor any of its nominees, agents or correspondents shall be liable for any loss incurred by the Account, the Holder <u>or a Beneficiary</u>, as a result of the acquisition, disposition or retention of any investment acquired <u>or not</u> at the direction of the Holder, as a result of (...) <u>or transfer out</u> of the Account as requested by the Holder (...) (s. 13d) of the contract – extract)</p>	<p>Does not contain these underlined passages (s. 13d) of the contract)</p>

(continued)

New version	Old version
The contract provides that the trustee may act on the instructions of the holder or the person designated by the holder, regardless of the form or manner in which such instructions are communicated.	Similar, but only written instructions are mentioned in the contract (s. 13e) of the contract)
Instructions. The Trustee shall be empowered to follow the instructions received from the Holder or any other person designated by the Holder, whether transmitted in person, by mail, fax or any other electronic means. (s. 13e) of the contract)	
The contract governs mailings made by the trustee, without excluding other means of communication.	Similar wording: however, mailing is the only delivery method mentioned in the contract (s. 14g) of the contract)
Notices. (...) Any notice, statement or receipt by the Trustee to the Holder or any person authorized to receive notice under the Account may be mailed to the address recorded in the books of the Trustee with respect to the Account, and any notice, statement or receipt so mailed shall be deemed to have been given the fifth day after the day of mailing. (s. 14f) of the contract – extract)	
The contract describes how the trustee and the agent manage personal information.	Does not contain this passage
Collection, Use and Disclosure of Personal Information. During the course of their business relationship with you, the Trustee and the Agent may collect and share with their service providers and agents personal information about you, such as your name, contact information, other identity information, social insurance number and information about the assets and activities in the Account. The Trustee and the Agent may also collect information about you from credit information and assessment agencies, other financial institutions or issuers or provide it to such organizations as well as regulatory or government authorities. The Trustee and the Agent use your information to identify you, provide you with the requested services, execute any instructions on your part or any transactions related to the administration of the Account, protect you and themselves from fraud and errors and comply with legal and regulatory requirements. At the time of your death, the Trustee and the Agent may disclose information about you and the Account to the executor or administrator of the estate or liquidator of the succession, Survivor Holder or Beneficiary in the measure reasonably necessary for administering the Account or the estate. Finally, the Trustee and the Agent may also share your personal information with other entities within the National Bank group for legal and regulatory compliance purposes, statistics, to manage business risks and to make sure that your information is accurate and up-to-date. To learn more about the Trustee and the Agent's personal information practices, please consult their common privacy policy available at National Bank branches and at nbc.ca . (section « Other terms and conditions » of the contract)	