

What is the dealer rebate?

The *dealer rebate* represents the amount that an order-execution only (OEO) dealer, such as NBDB, will give a client for investment funds with trailing commissions held in an account without advice. This amount will be the amount of trailing commission that the investment fund manager will pay the dealer, as long as the client holds the fund.

For what reasons will NBDB grant such a rebate?

In order to ensure a transition in connection with the prohibition on the payment of trailing commissions resulting from the amendments to *National Instrument 81-105 Mutual Fund Sales Practices*, which came into effect on June 1st, 2022, the Canadian Securities Administrators have authorized the implementation of dealer rebates granted by the dealer. Accordingly, NBDB will grant a rebate for funds with trailing commissions in certain circumstances.

Under what circumstance(s) will I receive a rebate?

You will receive a rebate from NBDB if:

- As of June 1st, 2022, you hold a fund with trailing commissions in your account at NBDB, and no switch to a series without trailing commissions has been executed, and the investment fund manager (IFM) will not provide a management fee rebate for this fund;
- You made a transfer of account(s), including a fund with trailing commissions, and no switch to a non-trailer paying series is possible and no management fee rebate will be granted by the IFM.

How will the rebate amount be calculated?

The amount of the rebate granted by NBDB, which will be paid to you, will correspond to the amount of trailing commission that NBDB will receive from the investment fund manager, for the funds held in your account.

How will the rebate payment be made?

NBDB will proceed with the payment of the rebate, by depositing in cash the amount thereof, in the account in which you hold the fund.

What will be the payment frequency?

NBDB will deposit the rebate in your account, as soon as possible, after receipt of the trailing commissions, paid by the investment fund manager (IFM). As a guideline, most IFMs make monthly payments to dealers. Therefore, the rebate granted by NBDB will often be made monthly.

Where can I view the rebate payment?

You will be able to see the deposit of the rebate in your account activity history, via the online brokerage platform, the day after the deposit. This transaction will also appear on your next portfolio statement in the “Cash Flow Summary” and the “Activity Details” sections.

What will be the tax impact of this rebate?

We remind you that NBDB does not provide tax advice. Consequently, we invite you to consult a tax specialist or any other expert as to the tax treatment applicable to this rebate. Please note that no tax slip will be issued for this rebate.