

**VARIABLE-RETURN GUARANTEED INVESTMENT CERTIFICATE (the variable-return GICs) INFORMATION STATEMENT  
DATED MAY 22, 2012**


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*Before purchasing a variable-return GIC, prospective investors should determine whether this product corresponds to their investment objectives. Please read this document and take it into consideration when making your decision.*

**INVESTMENT HIGHLIGHTS**

<b>Issuer:</b>	National Bank of Canada or, where applicable, Natcan Trust Company
<b>Issue Date:</b>	June 28, 2012
<b>Maturity Date:</b>	June 27, 2017
<b>Term:</b>	5 years
<b>Minimum Investment:</b>	\$500
<b>Eligible for CDIC Coverage:</b>	Yes, subject to maximum CDIC coverage limitations
<b>Dividends Reinvested:</b>	No. The Reference Portfolio Return is a price return.
<b>Secondary Market:</b>	None
<b>Maximum Interest:</b>	40.00% over the term of the Canadian Advantage 8 Plus GIC, including the Guaranteed Interest of 2.53%

**CONDITIONS SPECIFIC TO THE INVESTMENT**
**Canadian Advantage 8 Plus GIC, Series 22, Investors Category (Compound Interest)**

The first Business Day following the Maturity Date, investors of the Canadian Advantage 8 Plus GIC, Series 22, Investors Category (Compound Interest) (the "Canadian Advantage 8 Plus GIC") will be entitled to receive repayment of the principal invested on the Issue Date and payment of the Guaranteed Interest of 2.53% throughout the term of the Canadian Advantage 8 Plus GIC (equal to a compounded annual rate of 0.50%). In addition, depending on the performance of the Reference Portfolio, investors may also be entitled to receive Variable Interest. The Maturity Date will be five years following the Issue Date. Assuming an Issue Date on June 28, 2012, the Maturity Date will be June 27, 2017.

The Variable Interest payment is calculated as follows:

Variable Interest = Principal invested on the Issue Date x Reference Portfolio Return

**The Variable Interest will be no less than 2.53% of the principal invested on the Issue Date (the "Guaranteed Interest") (which is equivalent to a compounded annual rate of return of 0.50%) and will be limited to a maximum of 40.00% of the principal invested on the Issue Date (the "Maximum Interest") (which is equivalent to a compounded annual rate of return of 6.96%).**

The Variable Interest on the Canadian Advantage 8 Plus GIC is based on the price return of the common shares of 20 Canadian companies (the "Reference Shares") included in the following reference portfolio (the "Reference Portfolio"):

Reference Shares*	Country*	Sector	Ticker symbol*
Barrick Gold Corporation	Canada	Materials	ABX CT Equity
BCE Inc.	Canada	Telecommunication Services	BCE CT Equity
Bank of Montreal	Canada	Financial Services	BMO CT Equity
Canadian Imperial Bank of Commerce	Canada	Financial Services	CM CT Equity
Canadian National Railway Company	Canada	Industrials	CNR CT Equity
Encana Corporation	Canada	Energy	ECA CT Equity
Husky Energy Inc.	Canada	Energy	HSE CT Equity
Kinross Gold Corporation	Canada	Materials	K CT Equity
Potash Corporation of Saskatchewan	Canada	Materials	POT CT Equity
Royal Bank of Canada	Canada	Financial Services	RY CT Equity
Shaw Communications Inc., Class B	Canada	Consumer Discretionary	SJR/B CT Equity
Shoppers Drug Mart Corporation	Canada	Consumer Staples	SC CT Equity
Sun Life Financial Inc.	Canada	Financial Services	SLF CT Equity
Suncor Energy Inc.	Canada	Energy	SU CT Equity
Teck Resources Limited, Class B	Canada	Materials	TCK/B Equity
TELUS Corporation	Canada	Telecommunication Services	T CT Equity
TransAlta Corporation	Canada	Utilities	TA CT Equity
The Toronto-Dominion Bank	Canada	Financial Services	TD CT Equity
Thomson Reuters Corporation	Canada	Consumer Discretionary	TRI CT Equity
TransCanada Corporation	Canada	Energy	TRP CT Equity

\* Source: Bloomberg, May 4, 2012.

The sector diversification of the Reference Portfolio by weight is set out below:

Sector diversification	Weighting
Financial Services	25%
Energy	20%
Materials	20%
Telecommunication Services	10%
Consumer Discretionary	10%
Utilities	5%
Consumer Staples	5%
Industrials	5%

*None of the entities comprising the Reference Portfolio have had any involvement with respect to the Canadian Advantage 8 Plus GIC or preparation of this document and such entities do not assume any responsibility or liability in respect of the Canadian Advantage 8 Plus GIC, and further, they make no representation as to the soundness or the purchasing of the Canadian Advantage 8 Plus GIC. The Canadian Advantage 8 Plus GIC is not sponsored, endorsed or promoted by such entities. All information included in this document with respect to publicly traded securities and the issuer of those securities is taken solely from information published by that issuer or by the providers of the Reference Shares or other publicly available information. The Bank and its affiliates have not reviewed the public information disseminated by these entities and assume no liability in respect of the accuracy and completeness of information disseminated by such entities.*

The Reference Portfolio Return is an arithmetic average (expressed as a percentage and rounded to two decimal places) of the price return of the Reference Shares over the period starting on the Issue Date of the Canadian Advantage 8 Plus GIC and ending on the Valuation Date, where each of the eight Reference Shares with the highest price return will be allocated a fixed return of 40.00%, for the purpose of such calculation, notwithstanding the actual price return. The remaining twelve reference shares will be assigned their actual price returns.

**No interest or any other amount will be paid during the term of the Canadian Advantage 8 Plus GIC. Notwithstanding whether the Reference Portfolio Return is positive or not at maturity, the Canadian Advantage 8 Plus GIC will generate the Guaranteed Interest. However, if the Reference Portfolio does not generate a positive price return at maturity that is greater than 2.53%, the Canadian Advantage 8 Plus GIC will generate only the Guaranteed Interest in addition to the principal invested on the Issue Date.**

Issue Date: June 28, 2012

Maturity Date: June 27, 2017

The Reference Portfolio is used solely as a notional reference for the purpose of calculating the Variable Interest. No actual funds will be invested in the purchase of Reference Shares, investors will not be the owners of, or have any rights or interest in or to, the Reference Shares. The Reference Portfolio Return will not reflect the payment of ordinary dividends in respect of the Reference Shares in the Reference Portfolio since the Reference Portfolio Return calculation is based on the price return of the Reference Shares and will not take into account dividends paid on such shares. As of May 4, 2012, the dividends paid on account of all of the Reference Shares in the Reference Portfolio represented an annual return of approximately 3.78%.

The price return on each Reference Share will be calculated as follows:

$$\frac{\text{Reference Share Final Value} - \text{Reference Share Initial Value}}{\text{Reference Share Initial Value}}$$

where: the Reference Share Initial Value will be equal to the Reference Share Price on the Issue Date. The Reference Share Final Value will be equal to the Reference Share Price on the Valuation Date (i.e. the fifth Business Day preceding the Maturity Date).

where: the "Reference Share Price" means, on any day, the closing price of a Reference Share on the primary exchange on which the Reference Share is traded, as reported by the applicable price source, provided that if the primary exchange on which a particular Reference Share is traded is not open for trading or if there is no closing price on that day, the closing price on the following day on which such exchange is open for trading will be used (except if this occurs on the Issue Date, in which case the closing price on the day immediately preceding the day on which such exchange is open for trading will be used). If there is no closing price or if there is a market disruption event on the Issue Date or on Valuation Date in respect of a Reference Share, the Valuation Date in respect of such Reference Share may be postponed to the next Business Day on which there is a closing price and no market disruption event, up to a maximum postponement of five Business Days. If the market disruption event should last more than five Business Days, or if there is no closing price after five Business Days, the closing price of the relevant Reference Share will be a price determined by the Calculation Agent in its sole discretion and in good faith using market-accepted practices.

In order for the Canadian Advantage 8 Plus GIC to pay the Maximum Interest of 40.00% at maturity (including the Guaranteed Interest of 2.53%), the arithmetic average of the returns of the 12 remaining Reference Shares must be equal to or above 40.00%. In order for the Canadian Advantage 8 Plus GIC to pay a Variable Interest at maturity, the arithmetic average of the returns of the 12 remaining Reference Shares must be above -22.45%. The following is a table showing the impact of the price return of the 12 remaining Reference Shares on the Reference Portfolio Return and accordingly, on the Variable Interest paid at maturity.

The following hypothetical examples are included for illustrative purposes only and should not be construed as forecasts or projections. There can be no assurance that the results shown will be achieved.

Arithmetic average of the 12 remaining Reference Shares	-40.00%	<b>-22.45%</b>	-20.00%	0%	20.00%	<b>40.00%</b>	60.00%
Reference Portfolio Return	-8.00%	<b>2.53%</b>	4.00%	16.00%	28.00%	<b>40.00%</b>	52.00%
Variable Interest at maturity (min: 2.53%; max: 40.00%)	2.53%	<b>2.53%</b>	4.00%	16.00%	28.00%	<b>40.00%</b>	40.00%

With respect to the reporting throughout the term of the Canadian Advantage 8 Plus GIC, the Bank will use a Reference Portfolio level to demonstrate and calculate the performance of the Reference Portfolio. On the Issue Date, the Reference Portfolio level will be set at 1,000 and after that date, the level will fluctuate, either increasing or decreasing, depending on the Reference Portfolio Return, calculated as follows:  $1,000 \times [1 + \text{Reference Portfolio Return}]$ . As the fixed return of 40.00% applies only at maturity, the eight Reference Shares with the highest price returns will be calculated in proportion to the time elapsed in the term of the investment in the calculation of the Reference Portfolio Return prior to Valuation Date. The remaining twelve reference shares will be assigned their actual price returns.

Other than the Guaranteed Interest, the Canadian Advantage 8 Plus GIC is not a conventional fixed income investment, as it does not provide investors with a defined income stream or a return that can be calculated by reference to a fixed or floating rate of interest that is determinable in advance. The following tables demonstrate the hypothetical performance of a fixed-rate GIC compared to the potential performance of the Canadian Advantage 8 Plus GIC. These tables are included for illustration purposes only and the rates used for the fixed-rate GICs are hypothetical. No assurance can be given that the Canadian Advantage 8 Plus GIC will generate the Maximum Interest and each product is subject to its own features.

	Hypothetical fixed rate GICs			Canadian Advantage 8 Plus GIC	
	2%	3%	4%	Minimum Variable Interest (Guaranteed Interest)	Maximum Interest
Annual interest	2%	3%	4%	0.50%	6.96%
Compound interest at maturity (5 years)	10.41%	15.93%	21.67%	2.53%	40.00%
Compound interest at maturity on a \$1000 investment	\$104.08	\$159.27	\$216.65	\$25.30	\$400

Issue Date: June 28, 2012

Maturity Date: June 27, 2017

**Adjustments to the Reference Portfolio.** In certain cases, it may be necessary for the Calculation Agent to adjust the composition of the Reference Shares in the Reference Portfolio and calculations to be made under the Canadian Advantage 8 Plus GIC. Examples of such situations are provided below.

In the event of a Potential Adjustment Event in respect of a Reference Share, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Share and, if so, may (i) make the corresponding adjustments, if any, to any one or more of the Reference Share Initial Value, the Reference Portfolio Return, or any other component or variable relevant to the determination of a Reference Share Price as the Calculation Agent determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. A "Potential Adjustment Event" means, as determined by the Calculation Agent acting in good faith, any event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares, including a subdivision, consolidation or reclassification of the Reference Shares, an extraordinary dividend and shareholder right distribution.

Moreover, on or after the closing of a Merger Event, the Calculation Agent may either (i) (A) make adjustment(s), if any, to any one or more of the Reference Share Initial Value, the Reference Portfolio Return, or any other component or variable relevant to the determination of the Variable Interest as the Calculation Agent determines appropriate to account for the economic effect on the Canadian Advantage 8 Plus GIC of the relevant Merger Event and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, the Calculation Agent may replace the affected Reference Share as set forth below. A "Merger Event" means any transaction such as a consolidation, amalgamation, merger, binding unit exchange, take-over bid or similar transaction involving a Reference Share or the issuer thereof which happens on or before the date on which the return of the Reference Share is to be determined.

In the event that an entity included in the Reference Portfolio becomes insolvent or files for bankruptcy or similar insolvency proceedings before the Maturity Date, the Calculation Agent will attribute a nil value to the common shares of that entity. If an entity in the Reference Portfolio receives a downgrading or is delisted or in the event of any other special circumstances that would affect its inclusion in the Reference Portfolio, the Calculation Agent may decide to replace it. In such a case, the Calculation Agent will try to replace it with an entity of similar size, sector of activity, geographic area, or as it deems appropriate under the circumstances.

In all cases, the Calculation Agent will make all appropriate decisions and adjustments in the best interest of investors.

**Examples**

The following hypothetical examples are included for illustrative purposes only and should not be construed as forecasts or projections. There can be no assurance that the results shown will be achieved.

**Hypothetical example of a positive variable return**

The following table is based on the assumption that most of the price returns for the Reference Shares will **increase** during the 5-year term.

Reference Share	Reference Share Initial Value (\$C)	Reference Share Final Value (\$C)	Reference Share Return	Reference Share Return used for the calculation of the Reference Portfolio Return
Barrick Gold Corporation	49.71	102.08	105.36%	40.00%
Potash Corporation of Saskatchewan	43.40	84.43	94.54%	40.00%
BCE Inc.	37.91	72.73	91.85%	40.00%
Bank of Montréal	58.70	111.31	89.63%	40.00%
Encana Corporation	18.15	33.71	85.74%	40.00%
Shoppers Drug Mart Corporation	43.79	81.06	85.11%	40.00%
Kinross Gold Corporation	9.46	17.37	83.58%	40.00%
Canadian Imperial Bank of Commerce	75.68	135.05	78.45%	40.00%
Husky Energy Inc.	26.17	46.29	76.87%	76.87%
Sun Life Financial Inc.	24.74	43.21	74.65%	74.65%
TransAlta Corporation	17.63	30.27	71.68%	71.68%
Canadian National Railway Company	78.83	133.02	68.74%	68.74%
Teck Resources Limited	35.60	58.81	65.19%	65.19%
Royal Bank of Canada	51.65	83.36	61.39%	61.39%
Shaw Communications Inc.	21.68	31.48	45.18%	45.18%
Suncor Energy Inc.	32.43	45.46	40.18%	40.18%
TELUS Corporation	52.85	71.75	35.77%	35.77%
The Toronto-Dominion Bank	76.88	97.82	27.24%	27.24%
Thomson Reuters Corporation	31.47	34.83	10.68%	10.68%
Transcanada Corporation	41.46	38.97	-6.00%	-6.00%
Arithmetic average of the returns for the Reference Shares				<b>44.58%</b>
Variable Interest at maturity (Min. 2.53%; Max. 40.0%)				<b>40.00%</b>
Variable Interest payable at maturity (\$1,000 investment)				<b>400.00 \$</b>

In this example, the 8 Reference Shares with the highest returns would each be automatically assigned a 40.00% return. Since, the arithmetic average of the 20 Reference Shares is 44.58% (subject to the Maximum Interest of 40.00%), the Variable Interest payable at term on a \$1,000 investment would be \$400.00 in the example above.

**Hypothetical example of a nil variable return**

The following table is based on the assumption that most of the price returns for the Reference Shares will **decline** during the 5-year term.

Reference Share	Reference Share Initial Value (\$C)	Reference Share Final Value (\$C)	Reference Share Return	Reference Share Return used for the calculation of the Reference Portfolio Return
Barrick Gold Corporation	49.71	68.69	38.18%	40.00%
Potash Corporation of Saskatchewan	43.40	55.50	27.88%	40.00%
BCE Inc.	37.91	43.70	15.28%	40.00%
Bank of Montréal	58.70	67.65	15.24%	40.00%
Encana Corporation	18.15	20.71	14.11%	40.00%
Shoppers Drug Mart Corporation	43.79	47.58	8.66%	40.00%
Kinross Gold Corporation	9.46	9.71	2.69%	40.00%
Canadian Imperial Bank of Commerce	75.68	75.59	-0.12%	40.00%
Husky Energy Inc.	26.17	24.35	-6.97%	-6.97%
Sun Life Financial Inc.	24.74	21.42	-13.43%	-13.43%
TransAlta Corporation	17.63	14.93	-15.31%	-15.31%
Canadian National Railway Company	78.83	64.90	-17.67%	-17.67%
Teck Resources Limited	35.60	28.78	-19.15%	-19.15%
Royal Bank of Canada	51.65	40.79	-21.03%	-21.03%
Shaw Communications Inc.	21.68	17.03	-21.45%	-21.45%
Suncor Energy Inc.	32.43	24.94	-23.11%	-23.11%
TELUS Corporation	52.85	38.38	-27.37%	-27.37%
The Toronto-Dominion Bank	76.88	53.69	-30.16%	-30.16%
Thomson Reuters Corporation	31.47	17.96	-42.94%	-42.94%
Transcanada Corporation	41.46	20.99	-49.38%	-49.38%
Arithmetic average of the returns for the Reference Shares				<b>1.60%</b>
Variable Interest at maturity (Min. 2.53%; Max. 40.0%)				<b>2.53%</b>
Variable Interest payable at maturity (\$1,000 investment)				<b>25.30 \$</b>

In this example, the 8 Reference shares with the highest returns would each be automatically assigned a 40.00% return. The arithmetic average of the 20 Reference Shares is 1.60%. Because this return is under 2.53% only the Guaranteed Interest of 2.53% will be payable. On a \$1,000 investment, the Variable Interest payable at term would be \$25.30 in the example above.

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## SUITABILITY CONSIDERATIONS AND GUIDELINES

An investment in the Canadian Advantage 8 Plus GIC is not suitable for all investors and even if suitable, investors should consider what part the Canadian Advantage 8 Plus GIC should serve in an overall investment plan.

Other than the Guaranteed Interest, the Canadian Advantage 8 Plus GIC is not a conventional fixed income investment, as it does not provide investors with a defined income stream or a return that can be calculated by reference to a fixed or floating rate of interest that is determinable in advance.

The Variable Interest, other than the Guaranteed Interest, of the Canadian Advantage 8 Plus GIC, (if any), unlike the return on conventional fixed income investments offered by Canadian banks, is uncertain in that if the Reference Portfolio does not generate a positive price return at maturity greater than 2.53% (the Guaranteed Interest), the Canadian Advantage 8 Plus GIC will produce no additional Variable Interest on the investor's principal invested on the Issue Date. There is no assurance that the Reference Portfolio will be able to avoid losses prior to maturity or generate a positive price return at maturity. Therefore, there is no assurance that an investor will receive any amount at maturity other than repayment of the principal invested on the Issue Date and the Guaranteed Interest. Moreover, the value of an investment in the Canadian Advantage 8 Plus GIC may diminish over time owing to inflation and other factors that adversely affect the present value of future payments.

The performance of the 20 Reference Shares will ultimately determine the Reference Portfolio Return and thus, the Variable Interest. Each investor should make their own investigation, have an understanding and form their own view of each of the 20 Reference Shares. Neither the Bank nor any of its affiliates make any representation or express a view on the merits of the Reference Shares for the purposes of the investment.

The Canadian Advantage 8 Plus GIC is designed for investors who:

- Seek the protection of a guaranteed investment certificate combined with the return potential of the market;
- Want exposure to a diversified portfolio of Canadian equities;
- Have an investment horizon of at least 5 years and who are prepared to hold the Canadian Advantage 8 Plus GIC until maturity;
- Are prepared to assume the risks associated with the Canadian Advantage 8 Plus GIC, including a return linked to the performance of the Reference Portfolio;
- Are prepared to assume the risk that they may receive only the repayment of the principal that they invested on the Issue Date and the Guaranteed Interest at maturity; and
- Are willing to accept a guaranteed return less than that of a fixed rate GIC for the potential to earn a higher market-linked return.

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## RISK FACTORS

**An investment in the Canadian Advantage 8 Plus GIC is not without risk.** An investment in the Canadian Advantage 8 Plus GIC is subject to certain risks that investors should carefully examine before purchasing the Canadian Advantage 8 Plus GIC, including the following factors. **Prospective investors that are not prepared to accept the following risks should not invest in the Canadian Advantage 8 Plus GIC.**

***Suitability for investment: Canadian Advantage 8 Plus GICs may not be a suitable investment for some investors.*** An investor should reach a decision to invest in the Canadian Advantage 8 Plus GIC after carefully considering, in conjunction with his or her advisor or otherwise, the suitability of a Canadian Advantage 8 Plus GIC in light of his or her investment objectives and the other information set out in this document.

***Uncertain return until maturity; the Canadian Advantage 8 Plus GIC is linked to the price return of the Reference Portfolio.*** The Variable Interest, other than the Guaranteed Interest, if any, on the Canadian Advantage 8 Plus GIC will not be known until the Maturity Date. There can be no assurance that the Canadian Advantage 8 Plus GICs will post a positive Variable Interest in addition to the Guaranteed Interest. The Canadian Advantage 8 Plus GIC is linked to the price return of the Reference Shares in the Reference Portfolio. There is, moreover, no guarantee that, at maturity, the price of these Reference Shares will have appreciated since the Issue Date.

***The Reference Portfolio Return may not reflect the full price return of each Reference Share in the Reference Portfolio.*** The potential Variable Interest will not reflect the exact price return that may be associated with the Reference Share Final Price in respect of each Reference Share, at the Maturity Date as a fixed return of 40.00% has been set for the purposes of calculating the Variable Interest in respect of the eight best-performing Reference Shares in the Reference Portfolio. Investors will therefore not participate in any appreciation in excess of the fixed price return. Furthermore, the potential positive return of each of the 12 remaining Reference Shares is unlimited, notwithstanding that at maturity, an arithmetic average return of 40.00% for the remaining Reference Shares will generate the Maximum Interest. The maximum negative return of each of the 12 remaining Reference Shares is -100%.

***Maximum Interest; the price return on the Canadian Advantage 8 Plus GIC may not reflect the full Reference Portfolio Return.*** Because of the Maximum Interest which is 40.00%, the Variable Interest on the Canadian Advantage 8 Plus GIC is capped at maturity. Investors will not be able to participate in the full Reference Portfolio Return if its price appreciation exceeds the Maximum Interest of 40.00%.

***The return of each Reference Share will not reflect the full appreciation in the Reference Shares when including dividends.*** The return of the Reference Shares used to calculate the Reference Portfolio Return is a price return and will not take into account dividends paid on such shares. As of May 4, 2012, the dividends paid on account of all of the Reference Shares in the Reference Portfolio represented an annual return of approximately 3.78%.

***No ownership interest in the Reference Shares.*** An investment in the Canadian Advantage 8 Plus GIC does not constitute an investment in the Reference Shares included in the Reference Portfolio. An investor will not be a beneficial owner of the Reference Shares during the term of the Canadian Advantage 8 Plus GIC and therefore will not be entitled to receive any dividends or similar amounts paid on the Reference Shares, nor will the investor be entitled to any recourse to the Reference Shares to satisfy amounts owing under the Canadian Advantage 8 Plus GIC or to acquire Reference Shares by virtue of their ownership of the Canadian Advantage 8 Plus GIC. Moreover, an investor will not be entitled to any voting rights or to other control rights that holders of Reference Shares may have.

***Adjustments to the Reference Portfolio may have an impact on the Variable Interest.*** The composition of the Reference Portfolio may be subject to changes and adjustments as described herein. Such changes or adjustments will have an impact on the arithmetic average of the Reference Share return and, consequently, the Variable Interest.

***Payments at maturity of the Variable Interest, including the Guaranteed Interest and the principal invested on the Issue Date are unsubordinated and unsecured obligations of the Bank and Natcan, where applicable, and are dependent upon the creditworthiness of the Bank.*** Because the obligation to make payments to investors of the GIC is incumbent upon the Bank, the likelihood that such investors will receive the payments owing to them in connection with the Canadian Advantage 8 Plus GIC, including the principal invested on the Issue Date, will be dependent upon the financial health and creditworthiness of the Bank.

***No independent calculations; conflict of interest.*** The Calculation Agent will be solely responsible for calculating the Reference Portfolio Return, the Variable Interest including the Guaranteed Interest, payable at maturity and any other determination and calculation with respect to any payment in connection with the Canadian Advantage 8 Plus GIC. The Calculation Agent will also be solely responsible for determining whether a market disruption or extraordinary event has occurred and for making certain other determinations with regard to the Canadian Advantage 8 Plus GIC and the Reference Portfolio. No calculation agent other than the National Bank of Canada or an affiliate will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

The Calculation Agent may have economic interests that differ from and may be adverse to those of the Canadian Advantage 8 Plus GIC investors, including with respect to certain determinations that the Calculation Agent must make in connection with the amounts owing by the Bank under the terms and conditions of the Canadian Advantage 8 Plus GIC.

In addition, the Bank and its affiliates may engage in trading activities that are neither on behalf of Canadian Advantage 8 Plus GIC investors nor on their own behalf. These trading activities may present a conflict between the interests of Canadian Advantage 8 Plus GIC investors and the interests that the Bank and/or its affiliates have in their proprietary accounts in facilitating transactions, including block trades and other derivatives transactions, for their clients and in accounts under their management. These trading activities, if they influence the value of the Canadian Advantage 8 Plus GIC, could be adverse to the interests of Canadian Advantage 8 Plus GIC investors. The Bank and its affiliates may, at present or in the future, engage in business with issuers of shares comprising the Reference Portfolio, including by granting loans and providing advisory services to such entities. These services could include investment banking services, merger and acquisition services and advisory services. These activities may present a conflict between the obligations of the Bank and its affiliates and the interests of the Canadian

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Advantage 8 Plus GIC investors. Moreover, subsidiaries of the Bank may publish research reports on all or part of the issuers of the shares comprising the Reference Portfolio. Such research may be modified without notice and represent opinions or recommendations that are inconsistent with purchasing or holding the Canadian Advantage 8 Plus GICs. Any of these activities of the Bank or its affiliates may affect the price of the shares comprising the Reference Portfolio and, consequently, the value of the Canadian Advantage 8 Plus GIC and the interest payable thereon.

**Hedging transactions could have an impact on the Reference Portfolio.** No later than the date of maturity, the Bank and the members of its group may hedge all or part of the Bank's anticipated exposure in connection with the Canadian Advantage 8 Plus GIC by purchasing and selling Reference Shares and/or exchange-traded and/or over-the-counter options on any of the Reference Shares comprising the Reference Portfolio or futures or futures contracts or by taking positions in any other instruments they may wish to use in connection with hedging. The Bank and its affiliates may also modify a hedge position throughout the term of the Canadian Advantage 8 Plus GIC, including on the Valuation Date. The Bank and its affiliates may also from time to time buy or sell Reference Shares comprising the Reference Portfolio or derivatives related to such Reference Shares in connection with their normal business practices. Although the Bank does not believe that such activities will have a material impact on the price of these options, Reference Shares, futures or futures contracts or on the price or level of Reference Shares comprising the Reference Portfolio, there is no assurance that the Bank or its affiliates will have no impact on the price or level of Reference Shares or on the value of the Reference Portfolio of the Canadian Advantage 8 Plus GIC as a result of such activities. It is possible that the Bank could receive substantial returns or incur substantial losses from these activities while the market value of Canadian Advantage 8 Plus GICs or the value of the Reference Portfolio declines.

**The Canadian Advantage 8 Plus GIC could be redeemed prior to maturity under a reimbursement under special circumstances.** If a special circumstance (as defined in this document) occurs, the Bank may redeem the Canadian Advantage 8 Plus GICs before their maturity pursuant to a reimbursement under special circumstances. Upon the occurrence of a special circumstance where the Bank decides to reimburse the Canadian Advantage 8 Plus GIC, the Calculation Agent will establish a value for the Canadian Advantage 8 Plus GIC, acting in good faith in accordance with market-accepted methods, based on a number of interrelated factors, such as the appreciation and volatility of the Reference Shares, interest rates and the time remaining to maturity. Such value will be the reimbursement amount, and will not be less than the principal invested on the Issue Date and the accrued portion of the Guaranteed Interest of 2.53%. Under such circumstances, the investor will not be able to participate fully in the increase in the Reference Portfolio that might have occurred up to the payment date pursuant to a reimbursement under special circumstances. Investors may only be entitled to receive their principal invested on the Issue Date and the accrued portion of the Guaranteed Interest.

**The occurrence of a market disruption event could postpone the Valuation Date, which may affect the payment at maturity.** The occurrence of a market disruption event with respect to one or more Reference Share, as determined by the Calculation Agent acting in good faith, could lead to a postponement of the Valuation Date in respect of the affected Reference Shares up to a maximum of 5 Business Days, after which the Calculation Agent will use a value for the affected shares established in good faith according to market-accepted practices. If there is a postponement of the Valuation Date in respect of one or more Reference Shares of the Reference Portfolio owing to the occurrence of a market disruption event or the absence of a closing price for any such Reference Shares on such day or the primary exchange for any such Reference Share being closed on such date, the interest that would be payable to an investor at maturity could be substantially lower than the interest that would have been otherwise payable at maturity had the Valuation Date not been postponed.

**Risk factors relating to the Reference Shares in the Reference Portfolio.** Certain risk factors applicable to investors who invest directly in the Reference Shares comprising the Reference Portfolio of the Canadian Advantage 8 Plus GIC may apply indirectly to an investment in an Canadian Advantage 8 Plus GIC to the extent that those risk factors could indirectly adversely affect the Reference Portfolio Return and, consequently, the Variable Interest, other than the Guaranteed Interest of the Canadian Advantage 8 Plus GIC if any. Some of these risk factors are described below:

**Risk factors relating to equities.** The Reference Portfolio is composed of equity securities. As a result, investors will be exposed to equities. The value of most investments and, in particular, equity securities, including the Reference Shares, is affected by changes in general market conditions and by changes in investors' perception of inflation expectations and the condition of the issuers of equity securities. These changes may be caused by actual or anticipated corporate developments, changes in interest rates, changes in the level of inflation, global or regional political, economic or credit crises and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability. These changes can affect the price of the Reference Shares, which can increase or decrease unforeseeably. It is possible that the price of the Reference Shares might not appreciate after the Issue Date and could in fact fall. A decline in the price of the Reference Shares would therefore be detrimental to the Reference Portfolio.

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## GENERAL CONDITIONS OF THE INVESTMENT

### VARIABLE-RETURN GUARANTEED INVESTMENT CERTIFICATE (the variable-return GICs) INFORMATION STATEMENT DATED MAY 22, 2012.

This agreement should be completed with the F.15142-002 or, where applicable, any other form required by the Bank or its affiliates.

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1. The initial principal amount and the guaranteed interest (if any) are fully guaranteed at maturity by the National Bank of Canada (the "Bank") or Natcan Trust Company ("Natcan"), as applicable. All references to the Bank herein shall be deemed to be a reference to Natcan where the GIC is issued by Natcan with the exception that the Calculation Agent will be National Bank of Canada in all cases. The initial principal amount will be invested on the Issue Date (the "principal invested on the Issue Date").
2. A variable-return GIC issued by the Bank that is payable in Canada in Canadian dollars and has a term no longer than five years is insured by the Canada Deposit Insurance Corporation (CDIC), subject to the maximum dollar limit of CDIC coverage. More information about CDIC deposit insurance can be found in the "Protecting Your Deposits" brochure, available online at [www.cdic.ca](http://www.cdic.ca) or by telephone at 1-800-461-2342.
3. A minimum investment of \$500 is required for any investment in a variable-return GIC. The Bank reserves the right to discontinue accepting subscriptions at any time without notice. The Bank, may in its sole discretion, at any time prior to the Issue Date, elect whether or not to proceed in whole or in part with the issue of a variable-return GIC. If for any reason the closing of this offering does not occur, any unaccepted initial principal amount will be returned to investors, without interest or charge. Moreover, the Bank may, in its sole discretion, postpone the Issue Date to a later date within thirty days following the Issue Date specified in this Information Statement. In such case, the Maturity Date will be adjusted in order to correspond to the end of the term following the variable-return GIC's Issue Date.
4. The investment is in Canadian dollars. The principal invested on the Issue Date and interest, if any, will be repaid in Canadian dollars.
5. Variable-return GICs are offered only in the provinces and territories in Canada where permitted by law. Variable-return GICs may be subject to other restrictions in a given province or territory.
6. Variable-return GICs are not redeemable by the investor prior to its Maturity Date, except in case of death. In such event, the investor shall receive an amount equal to the principal invested on the Issue Date and, if applicable, interest prorated to the term elapsed, subject to the maximum variable interest (if any) and net of the guaranteed annual interest already paid (if any), as calculated by the Calculation Agent, on the date the Bank processes the redemption request.
7. Principal invested on the Issue Date and Interest, if any, will be repaid the 1st Business Day following the Maturity Date of this investment or the payment date of the guaranteed annual interest, if any, during the Bank's regular business hours.
8. If the investor has not provided the Bank with instructions regarding the payment of those amounts payable following the Maturity Date, amounts owed pursuant to the variable-return GIC will be reinvested into a renewable fixed rate guaranteed investment certificate issued by the Bank for one year at no charge to the investor.
9. Variable Interest on a variable-return GIC is based on variation of the value of the underlying asset, including, without limitation, a Reference Index, Reference Share, Reference Unit or Reference Portfolio. Such underlying asset value may fluctuate up or down. These fluctuations will have a direct impact on the returns of variable-return GICs. **The return of the underlying asset could therefore be nil; in this case, no interest (other than the guaranteed interest, if applicable) would be paid.**
10. The rate of return at maturity or at any other specified time period is not an annual interest rate, unless otherwise specified.
11. It is possible that a disruption in the financial markets, a change in the calculation or publication of the underlying asset or any other event beyond the control of the Bank, may occur and affect the ability of the Calculation Agent to calculate the return or to fulfill any other obligation. In such case, the Bank may not comply with the general and specific conditions of the variable-return GIC and in such case, the Calculation Agent may take any measures deemed necessary, including, without limitation, an adjustment of the amount payable before or at maturity of the variable-return GIC, deferral of the calculation or payment of the return, a different determination of the return or the use of a replacement underlying asset. The Calculation Agent will be solely responsible for determining and calculating the return of the applicable underlying asset. The Calculation Agent will also decide whether market disruptions have occurred and make any other decisions necessary with regard to the variable-return GICs. All the decisions and calculations made by the Calculation Agent are in its sole discretion and, except for obvious errors, are final and binding.
12. If a special circumstance (as defined below) occurs, the Bank may redeem the variable-return GICs before their maturity pursuant to a reimbursement under special circumstances. Upon the occurrence of a special circumstance where the Bank decides to reimburse the variable-return GICs, the Calculation Agent will establish a value for the variable-return GICs, acting in good faith in accordance with market-accepted methods, based on a number of interrelated factors, such as the appreciation and volatility of the underlying asset and the time remaining to maturity. Such value will be the reimbursement amount, and will not be less than the principal invested on the Issue Date and if applicable, the accrued portion of the guaranteed interest. Under such circumstances, the investor will not be able to participate fully in the increase of the underlying asset that might have occurred up to the payment date pursuant to a reimbursement under special circumstances. Investors may only be entitled to receive their principal invested on the Issue Date and if applicable, the accrued portion of the guaranteed interest. A "special circumstance" means a circumstance of a taxation nature where, in the opinion of the Bank, acting reasonably and in good faith, an amendment or a change is made to an act, regulation, policy, taxation practice or administration or to the interpretation of an act, regulation, policy, taxation practice policy or taxation administration which would make it illegal or, from the Bank's perspective, disadvantageous from a legislative, regulatory or financial point of view, for the variable-return GIC to remain outstanding.

Issue Date: June 28, 2012

Maturity Date: June 27, 2017

13. There is no assurance that an investment in the variable-return GIC will be eligible for protection under the Canadian Investor Protection Fund (CIPF). An investor should take the necessary steps in order to verify the product's eligibility with respect to the protection under the CIPF and, where applicable, consult with his or her investment advisor as to whether the investor's investment in the variable-return GIC is eligible for protection in light of such investor's particular circumstances.

14. Investors shall be entitled to a right of cancellation, which must be exercised within two Business Days after the later of (i) the day on which the agreement to purchase the variable-return GIC is entered into, and (ii) the day on which this Information Statement is provided to the purchaser.

The agreement to purchase the variable-return GIC will be entered into (i) if the order to purchase is received via telephone or electronic means, on the day on which the order to purchase is received, and (ii) if the order to purchase is received in person, on the later of the second day following (a) the day on which the Information Statement is provided to the investor and (b) the day on which the order to purchase is received.

Investors will be deemed to have been provided the Information Statement (i) on the day recorded as the time of sending by the server or other electronic transmission system, if provided by electronic means; (ii) on the day recorded as the time of sending by a fax machine, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

Upon cancellation of the purchase of the variable-return GIC, the purchaser will be entitled to a refund of the principal invested on the Issue Date. To exercise their right of cancellation, the investor may contact their branch advisor or their broker with whom their account is held.

15. All information regarding the variable-return GIC is available on the website [www.bnc.ca](http://www.bnc.ca), by contacting your branch advisor, by calling 1-888-4-TELNAT or by contacting an investment service representative from National Bank Direct Brokerage at 514-866-6755 or 1-800-363-3511.

Investors should be aware that the information that will be appearing on their periodical investment account statements, on the website and/or any other communication related to the variable-return GIC, must not under any circumstances, be considered as a statement of the value of the investor's variable-return GIC before the Maturity Date. Such information may include, but is not limited to the estimated price and the return of the applicable underlying asset of the variable-return GIC. The rate of return and therefore the Variable Interest payable are only determined on the Maturity Date of the variable-return GIC. For greater certainty and subject to the conditions specific to the investment, the estimated price would be the price payable on the Maturity Date should the date of the estimated price be the Maturity Date. As the principal invested on the Issue Date is guaranteed at maturity, such mention of the estimated price will never be below the principal invested on the Issue Date, even if the return of the underlying asset is negative.

The Calculation Agent is responsible for all calculations and decisions concerning the variable-return GIC; it will calculate the interest payable at maturity, the variation of the applicable underlying asset value on the Initial Date and the Valuation Date and will determine if a market disruption or an extraordinary event has occurred. All the Calculation Agent's decisions will bind the investors of the variable-return GIC. The Calculation Agent will act in good faith in accordance with accepted market practices.

16. In this document, "Business Day" means every day, other than a Saturday or a Sunday or a day on which commercial Banks in either Montreal or Toronto are required or authorized by law to remain closed and every day that the Toronto Stock Exchange is open for business.

17. Before the Maturity Date of the variable-return GIC and in accordance with the conditions set forth in the contract between the investor and his advisor or broker, it is the investor's responsibility to give the relevant instructions to his advisor or broker with respect to the reinvestment, at maturity, of the principal invested on the Issue Date (together with the Variable Interest, if any).

18. Non-registered variable-return GICs are transferable by the investor only upon going to a branch of the Bank. No transfer will be made during the 15 days immediately preceding the Maturity Date of the investments. At the time of the transfer, the former investor and the new investor must adjust the interest between them, since the interest payable on these GICs shall be paid to the new investor. Variable-return GICs are not otherwise transferable. Investors should consult their tax specialist in respect to the tax consequences related to a transfer before proceeding to any transfer.

19. Variable-return GICs will not be listed on any stock exchange or other market and no secondary market will be established to sell variable-return GICs.

20. Federal laws of Canada prohibit anyone from charging or receiving interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. Therefore, when any payment is to be made by the Bank to an investor at the Maturity Date, payment of a portion of such payment constituting a variable return that would exceed 60% per annum may be deferred to ensure compliance with such laws. The Bank will pay any portion so deferred to the investor together with interest at the Bank's equivalent term deposit rate as soon as Canadian law permits. In addition, the Bank may withhold a portion of any payment to an investor that the Bank is legally able or required to withhold.

Investors should be aware that variable-return GICs are not securities issued by a mutual fund and that investors do not benefit from certain rights and recourses otherwise provided by certain securities laws in connection with the issuance of such securities, including the right to receive a prospectus and other current information documents provided by issuers, right of rescission and certain other rights to rescind a purchase, revise the purchase price or seek damages in case documents show false or misleading information. However, investors will receive a copy of this document, which grants investors in certain circumstances a contractual right of rescission described herein.

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## TAX CONSIDERATIONS

### To the persons concerned:

The following is a summary of the principal federal income tax implications in Canada that generally apply to individuals who purchase the variable-return GIC from the Bank who, at all times, for the purposes of the *Income Tax Act* of Canada (the "Act") are residents of Canada, and who hold the variable-return GIC until maturity outside of a registered savings plan (such as a Registered Retirement Savings Plan, a Registered Retirement Income Fund, a Registered Education Savings Plan, a Registered Disability Savings Plan, a Tax-free Savings Account or a Deferred Profit Sharing Plan). The information provided below is based on the provisions of the Act and the regulations thereunder ("Regulations") in effect on the date that this summary was drafted, all specific proposed amendments to the Act and its Regulations as publicly announced by the Minister of Finance prior to the date on which this summary was drafted, and certain administrative policies and practices of the Canada Revenue Agency. Provincial and foreign tax considerations have not been addressed in this document.

This summary is of a general nature; it is not exhaustive of all Canadian federal income tax considerations and does not constitute legal or tax advice to investors. No advice is provided concerning the Canadian federal income tax on the specific situation of a particular investor. Provincial and foreign tax considerations have not been addressed in this document.

**Please consult your tax specialist with respect to your situation.**

### Inclusion of gains in income:

In the case of investments in a variable-return GIC with a guaranteed minimum rate, an investor must include in computing his or her income annually the amount that is paid in respect of the guaranteed minimum rate on the variable-return GIC or, if the guaranteed minimum rate is not paid in the year, the amount that is accrued up to and including each anniversary of the issuance of such variable-return GIC occurring during the particular year. The amount by which the final value of the investment that is determined at the maturity of the variable-return GIC exceeds the total of the principal amount of the variable-return GIC and the minimum rate that has not already been paid and included in the calculation of the investor's income for the previous years will be included in the investor's income for the taxation year in which the date of maturity of the variable-return GIC falls.

In the case of investments in a variable-return GIC without a guaranteed minimum rate, investors are generally not required to add an amount to their income with respect to the variable-return GIC for a particular year until the final investment value has been determined at maturity. At maturity, if the investor receives interest, he must include this interest in his income. If there is a discontinuance of investing with a given issue, an investor may be deemed to receive interest on the variable-return GIC in the taxation year in which the discontinuance occurs.

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**Information concerning registered plans.** Variable-return GICs are investments that are eligible investments for a Registered Retirement Savings Plan, a Registered Education Savings Plan, a Registered Retirement Income Fund, a Registered Disability Savings Plan, a Tax-free Savings Account or a Deferred Profit Sharing Plan, other than a Deferred Profit Sharing Plan under which National Bank of Canada or any person or partnership with which National Bank of Canada does not deal at arm's length, within the meaning of the Act, is an employer and may be held in such plans subject to the conditions applicable to each of them.

**CANADIAN ADVANTAGE 8 PLUS GIC, Series 22, Investors Category (Compound interest)**

Issue Date: June 28, 2012  
Maturity Date: June 27, 2017  
Term: 5 years

**Sale at branch**

- I hereby acknowledge having received and read this agreement on the date indicated below.
- Both the investor and the institution hereby acknowledge that the information contained in this agreement (including the information prescribed by the regulation) has been communicated to the investor on the date indicated below. The investor and the institution wish to enter into this agreement on the date indicated below.

Agreement date: \_\_\_\_\_  
YYYY MM DD

\_\_\_\_\_  
Investor's signature

\_\_\_\_\_  
First and Last Name of the Investor

- National Bank of Canada
- Natcan Trust Company

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
First and Last Name of the Employee

**Sale via telephone**

\_\_\_\_\_  
First and Last Name of the Investor

Instructions received on: \_\_\_\_\_  
Date (YYYY MM DD) Time

Agreement was sent on: \_\_\_\_\_  
YYYY MM DD

Agreement sent by:  Fax  Mail

- National Bank of Canada
- Natcan Trust Company

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
First and Last Name of the Employee

**Sale via electronic means (except the branch network)**

\_\_\_\_\_  
First and Last Name of the Investor

Agreement was sent on: \_\_\_\_\_  
YYYY MM DD

Agreement sent by:  Fax  Mail

- National Bank of Canada
- Natcan Trust Company

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
First and Last Name of the Employee

Issue Date: June 28, 2012

Maturity Date: June 27, 2017