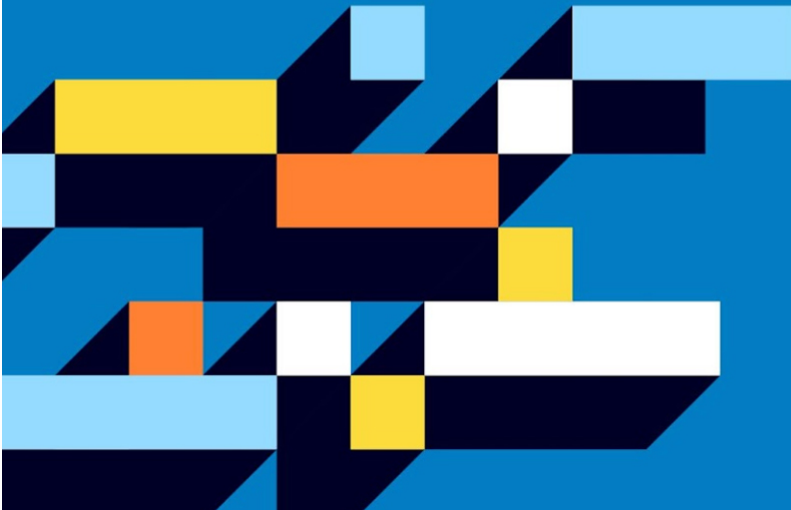




LITTLE BOOK OF FHSA INFO

(Or, your ATB Financial
First Home Savings Account
terms and conditions)





This booklet contains all the interesting terms and conditions that relate to your ATB Financial First Home Savings Account (FHSA).

We've tried to cover just about everything you should need to know, but if you still have questions, drop by an ATB branch or give us a call at **1-800-332-8383**.

The Quick Version

1. We keep any and all personal information private and confidential. Any personal information we collect about you is subject to our Privacy Statement and Privacy Code, which are designed to protect your personal information under privacy laws, including Alberta's *Personal Information Protection Act*. For more info on why we collect your personal information, how we use and protect it, the situations where we may share it and how you can request access to your own personal information, check out our Privacy Statement. You can pick up a copy at any branch or on atb.com.
2. You are responsible for ensuring that contributions made to your FHSA don't exceed the maximum permitted under the *Income Tax Act*. This means you need to know your limits!
3. There are lots of ways to connect with us including online banking, using our mobile app, calling our Client Care Centre at **1-800-332-8383** or coming into one of our branches.
4. You can choose between paperless and paper statements—whatever makes sense for you.
5. Only you (and upon your death, your Spouse, if designated as Successor Holder) can make contributions to this FHSA. That means no one else can make contributions for you (although it's awesome that they'd want to). We will set up a FHSA Daily Interest Account for you when we set up the FHSA, and all contributions will be placed into that account. From this savings account, you can move your money into various other options. (See the section entitled Contributions for more details.)
6. No one likes to talk about death including us. But no matter how hard it is to think about, it's important that you set things up correctly, so the people you care about don't have to worry about it once you're gone. Take a minute to read through sections entitled Beneficiary and Successor Designation and Death.
7. If you need to change your address, send us a written notice, visit your ATB branch, update your details in online banking or call our Client Care Centre at **1-800-332-8383**.

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LEGAL DEFINITIONS

Before we get too far into things, here are the definitions you'll need to know:

The Act means the Income Tax Act (Canada).

Beneficiary means an individual (including an estate) or a qualified donee that has a right to receive a distribution from the FHSA after the death of the holder of the FHSA.

FHSA means an account that you have requested, we open and register for you as a First Home Savings Account, subject to these terms and conditions, which is referred to as a "qualifying arrangement" in the Act.

GIC or Guaranteed Income Certificate is each deposit that you have with us that pays a specified rate (or rates) of interest over a specific term.

Holder means, until the death of the individual who entered into the arrangement, that individual, and after the individual's death, the individual's survivor, if the survivor is designated to become a Successor Holder and is a Qualifying Individual.

Issuer means the person described as the issuer, in the definition of Qualifying Arrangement (in this case, ATB Financial).

Qualifying Arrangement means a FHSA (a) entered into after March 2023 between an Issuer and a Qualifying Individual that (b) is either (i) an arrangement in trust with an issuer that is a corporation licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as a trustee, (ii) an annuity contract with an issuer that is a licensed annuities provider, or (iii) a deposit with an insurer that is a person who is, or is eligible to become, a member of the Canadian Payments Association or a credit union that is a shareholder or member of a body corporate referred to as a "central" for the purposes of the Canadian Payments Act, (c) provides for the contributions to be made under the arrangement to the Issuer in consideration of, or to be used, invested or otherwise

applied for the purpose of, the Issuer making distributions under the arrangement to the Holder, (d) under which the Issuer and the Qualifying Individual agree that at the time of the arrangement is entered into, the Issuer will file with the Minister of National Revenue an election to register the arrangement as a FHSA, in the prescribed form and manner under the Social Insurance Number of the Qualifying Individual with whom the arrangement was entered into, and (e) that at all times throughout the period that begins at the time the arrangement was entered into, complies with the conditions in subsection 146.6(2) of the Act.

Qualifying Home means (a) a housing unit located in Canada, or (b) a share of the capital stock of a cooperative housing association, the holder of which is entitled to possession of a housing unit located in Canada, except that, where the context so requires, a reference to a share with a right to possession of a housing unit described means the housing unit to which the share relates.

Qualifying Individual means an individual who is (a) a resident of Canada, (b) at least 18 years of age, and (c) did not at any prior time in the calendar year or in the preceding four calendar years inhabit as a principal place of residence a qualifying home (or what would be a qualifying home if located in Canada) that was owned, whether jointly with another person or otherwise, by (i) the individual or (ii) a person who is the spouse or common-law spouse of the individual at the particular time.

Qualifying Withdrawal means an amount distributed to you from the FHSA if (a) the amount is paid following your request in the prescribed form to withdraw funds from the FHSA following your purchase of a Qualifying Home that you have, or intend not later than one year after its acquisition by you to begin using as a principal place of residence, (b) you are a resident of Canada throughout the period of time beginning at the time the Qualifying Withdrawal was received and ending at the earlier of the time of your death and acquisition of the Qualifying Home, and (ii) you do not have an owner-occupied home within the meaning of paragraph 146.01(2)(a.1) of the Act in the period that begins at the beginning of the fourth calendar year that ended before the time the Qualifying Withdrawal was received and ends on the 31st day

before the Qualifying Withdrawal was received, (c) you entered into the arrangement in writing before the time the Qualifying Withdrawal was received for the acquisition or construction of the Qualifying Home before October 1st of the calendar year following the year in which the Qualifying Withdrawal was received, and (d) you did not acquire the qualifying home more than 30 days before the time the Qualifying Withdrawal was received.

Regulations means the *Income Tax Regulations* (Canada).

Spouse means your spouse or common law partner (as applicable), as those terms are defined in the Act.

Successor Holder means the individual designated to acquire all of your rights as the holder of the FHSA in accordance with the terms and conditions on your death, and who is a qualifying individual.

Tax Legislation means the Act, the Regulations as well as any provincial tax legislation that applies to First Home Savings Accounts.

Withdraw or **Withdrawal** means a payment out of the FHSA in satisfaction of all or part of your interest in the FHSA, which is referred to as a “distribution” in the Act.

We, our, and us mean ATB Financial as the issuer of the FHSA.

You and **your** means the individual that is named as the holder of the FHSA as indicated in our records, and, after your death, your Spouse if they become Successor Holder of the FHSA as described in the “Beneficiary and Successor Designation” section.

TAX REQUIREMENTS

Just because it's called a "tax-free" savings account doesn't mean there isn't tax-related information you need to know.

Registration

We will apply for registration of the FHSA (if we have not already done so) as required under the Act. The FHSA will be established upon registration under the Act.

Your Responsibilities

- a.** You must confirm that you are a "Qualifying Individual", as defined in subsection 146.6(1) of the Act. You need to ensure that any transfers to your FHSA are permitted by the Tax Legislation and that contributions made to your FHSA don't exceed the maximum permitted under Tax Legislation. This means you need to know how much you can contribute. Any year you have over contributed, you will have an "excess FHSA amount" for that year and you may be subject to tax on that amount.
- b.** If you become responsible for paying taxes, interest, penalties or charges under the Act (or any other Tax Legislation) in respect to your FHSA (because you have an "excess FHSA amount" or for any other reason), we may use the assets in your FHSA to pay the amount you owe, except for taxes, interest and penalties, if any, imposed on us by the Act that the Act states may not be reimbursed by the FHSA. We will not be responsible for any loss you may suffer as a result.
- c.** You agree to notify us immediately if you are no longer a resident of Canada.
- d.** You certify that your date of birth stated in your Application is correct and agree to provide any further evidence or proof of age that may be required for the purpose of determining eligibility to enter into a FHSA. A FHSA is not considered a qualifying arrangement unless the holder is at least 18 years of age when the arrangement is entered into.

MOVING AND MANAGING YOUR MONEY

Contributions

Only you, and upon your death, pursuant to the “Beneficiary and Successor Designation” section below, your Spouse, if designated as Successor Holder, can make contributions to the FHSA and decisions about investing those contributions. Nobody else can do this for you. When we set up the FHSA, we will set up a daily interest savings account for you called a FHSA Daily Interest Account, and all contributions will be placed into that account. From the FHSA Daily Interest Account, you can select to deposit money into various GIC options (you’ll receive a GIC certificate confirming the details and options you selected) or other accounts that we may make available for you.

We want to help you get the most from your FHSA, so we’re happy to sit down with you and explain your options (some options have minimum contribution requirements).

Interest

In the FHSA Daily Interest Account, interest will be calculated daily and paid monthly. The rate of interest that we pay may fluctuate and we don’t provide notice of changes. The current rate is always available online at atb.com/rates and will be provided to you on your statement. The GIC that you select will pay interest and interest will be calculated and paid as indicated in the GIC certificate.

Withdrawals

a. You (and no one else) can make a Qualifying Withdrawal of money from your FHSA at the time of purchase of a Qualifying Home, and you are the only person with any rights relating to the amount or timing of these Withdrawals. Please see the definition of Qualifying Withdrawal for detail regarding the circumstances under

which you may make a Withdrawal to assist in the purchase of a Qualifying Home. The only exception to this is that we may make a Withdrawal from your FHSA in accordance with these terms and conditions if you owe us or the government any taxes, interest, penalties, charges or other fees of any kind.

b. If you suddenly realize that you have over contributed, you can withdraw money from this FHSA in order to reduce the tax payable under Part X.1 of the Act. You will still have to contact the Canada Revenue Agency after the withdrawal to pay any tax owing. Make sure you contact them before they contact you! Please note however that if you would like to withdraw FHSA funds in order to correct an overcontribution from a GIC that's not redeemable, such withdrawals will, if permitted by ATB Financial, be subject to early redemption fees. We'll let you know what these early redemption fees are before you confirm that you want to redeem the funds. Interest may also be paid which interest will be reported to the Canada Revenue Agency as required.

Transfers

You can transfer money from your FHSA to another first home savings account, registered retirement savings plan or registered retirement income fund that belongs to you at another financial institution. However such transfers may still be subject to the terms and conditions applicable to non-redeemable GICs in the Section below entitled "Account Closing and Early Redemption". After this transfer is complete, we will be free from any further liability with respect to your FHSA.

Termination

The account shall cease to be a FHSA after the end of your "maximum participation period", which is defined in the Act to mean the end of the year following the year in which the earlier of the following events occur:

- a. The 14th anniversary of the date you first enter into the qualifying arrangement;

- b. You attain 70 years of age; and
- c. You first make a qualifying withdrawal (as that term is defined in the Act) from the FHSA.

Instructions

There are a number of ways you can give us instructions on your FHSA, including coming into a branch, calling our Client Care Centre at **1-800-332-8383**, or through online banking. In some cases we will accept instructions by email or fax, but please note that email and fax aren't secure and we can't guarantee when we'll read the communication.

We will act on any instructions that we think are from you, but we may decline or refuse any instructions—even if they appear to be from you—if we think they're improper, unlawful or fraudulent, or that there is a mistake. It's part of our commitment to keep you and your money safe.

You need to know this: we will not be responsible for any loss you may incur because we acted on instructions that we thought were genuine or because we didn't act on instructions that we thought were improper, unlawful, fraudulent or mistaken.

Statements and receipts

Here's the low-down on how we'll get your information to you, so you know what to watch for and where to watch for it. We'll send you a statement about your FHSA every three months ("quarterly"). You can choose electronic or paper delivery.

Paperless statements: You like trees. We like trees. So why not consider saving a tree by going paperless? If that's how you choose to receive your quarterly statements, then you're agreeing to receive and review your statements electronically through online banking. We will continue to send your tax receipts annually by mail, and we may still send you a paper statement or notice on occasion (if we think there's something important you should receive in writing).

Paper statements: If you prefer to receive paper statements, no problem! We will send tax receipts annually and statements quarterly, so you always have mail to look forward to.

No matter how you choose to receive your FHSA transaction and balance information, it's your responsibility to review the activity in your FHSA. You agree to do this review within 60 days of the date of your quarterly statement. We want to make sure everything is accurate and that your FHSA is working the way you want it to, so write it in your calendar and make a date with your statement!

If you find an error or if an item is missing, get in touch with us as soon as possible so we can check into it. Seriously. Don't put it off. You must notify us within 60 days of the statement date if you want to dispute any transaction or item that was posted or missed from your FHSA. If you don't notify us within that time period, then you are agreeing that your FHSA transactions and balances are conclusively accurate, regardless of whether you actually received your statement or otherwise reviewed the activity in your FHSA. We may debit your FHSA for any amount that was credited in error.

Long story short: it's worth your time to make sure you take a look at your statements.

Okay, now let's go over your beneficiary and successor information. In other words...

WHO GETS YOUR FHSA IF SOMETHING HAPPENS TO YOU?

Beneficiary and successor designation

You can designate one or more people (referred to in the Act as “**beneficiaries**”) to receive the proceeds of the FHSA on your death (as long as you live somewhere that permits you to do so—like Alberta!). These are people you like or loved ones you feel obligated to take care of. We'll ask you to complete and give us a document that sets out whom you wish to designate. You can change the beneficiaries that are noted in our records, but you need to do this in writing on our forms and you must provide those forms to us. Any designation, amended designation or revoked designation will be valid on the day following the day we receive it. If more than one form has been received by us, we will act on the one with the latest signature date. You can also change the beneficiaries by properly naming those people as beneficiaries of the FHSA in your will. (For that, we recommend you visit a lawyer.)

You agree that we can use our records to determine who to pay the FHSA proceeds to after your death. So if you make life changes (eg, get married, get divorced, have kids, move to a different province) and want to make sure someone specific gets (or doesn't get) your FHSA money, take the time to update your forms with us or in your will!

Notwithstanding the above, if you designate your Spouse, and this person is still your Spouse immediately before your death, then you agree that your Spouse will become the Successor Holder to your FHSA on your death.

Death

It's not fun to talk about, but really important to think about—and make plans for. Read through the following information and make sure you understand what to do, so the people who are grieving you know exactly what to do about your FHSA.

Here's what you need to know: If you die, the first thing we'll need is written proof of your death from your estate representative. We may require additional documents such as letters probate or your will, but don't worry, we'll let your estate representative know. If we have a beneficiary designation in our records, then we'll pay the FHSA proceeds accordingly. If the designation is to your Spouse, and this person is still your Spouse immediately before your death (and has not predeceased you), then we will transfer the FHSA to your Spouse if they qualify as a FHSA applicant, as the Successor Holder of the FHSA. If there is no beneficiary designation, then we'll pay the FHSA proceeds to your estate representative. Of course, we'll take care of deducting and remitting any withholdings or taxes that we are required to under the Tax Legislation.

Secondly, if any of your FHSA funds are in a GIC that's not redeemable, then if we're asked by your estate representative to do so, we'll redeem the whole GIC and pay the estate or the designated beneficiary as applicable. We may charge early redemption fees but will let your estate representative know the amount of these fees (if any) when they ask to withdraw the funds at which time they can confirm if they still wish to withdraw the funds. Interest may also be paid if the funds are withdrawn which will be reported to the Canada Revenue Agency as required.

Once we have made the payment to your designated beneficiary or estate, ATB Financial will be considered free from any further liability with respect to your FHSA.

Who can benefit under this Plan

This FHSA will be maintained for your exclusive benefit. Even though you may have designated a beneficiary who will benefit from your FHSA if you die, they will have no rights or obligations relating to your FHSA until after your death.

Almost done! This last section of the terms and conditions covers the really, really legal stuff.

THE REALLY, REALLY LEGAL STUFF

Fees

We love our clients and hate to see anyone leave ATB Financial. So if you're unhappy with your FHSA or how it's performing, talk to us first to see if there are other options we can offer you. We really want you to be happy, and you have a lot of choices! If you decide you still want to take your FHSA somewhere else, we charge a fee to transfer your FHSA funds to another financial institution— just to cover our costs in arranging the transfer. You can find our current fees for transfers and other transactions at **atb.com** or in any branch.

Unclaimed property

Your FHSA is subject to unclaimed property legislation, which means if you don't make any transactions or indicate your plans for your money at least every five years, then the money in your FHSA may be deemed abandoned. If it's deemed abandoned, we may be required to pay the money over to the Province of Alberta. Prior to paying the funds to the Province, we'll let you know what will happen with the money if you don't claim it, giving you time to indicate your plans. If we don't hear from you, then you may still be able to reclaim your money from the Province of Alberta, but we aren't able to do it for you.

Privacy

The information that we collect about you is used and disclosed in accordance with the document entitled Personal Information: Collection, Use and Disclosure Statement (the "**Privacy Statement**"). You will have received a copy of that document from us when the FHSA was opened. It's a fascinating read (just like this). If you can't find it, or really want to read it again, you can find the most current version at any branch or on **atb.com**.

Once you've taken a look at the Privacy Statement, if you have any questions or concerns about the personal information that is collected and retained by ATB Financial, you can call us at **1-866-858-4175** and we'll be happy to chat about it. Or write to our privacy officer at 2100, 10020-100 Street (Transit #115) Edmonton, Alberta T5J 0N3. They love getting mail!

Notices

Any notices that we are going to send you by mail will be addressed to you and sent to the mailing address that we have in our records. If you need to change your address or update your personal information, you can send us a written notice, update it through online banking, visit your branch or call our Client Care Centre at **1-800-332-8383**.

In other words, you need to let us know if you move. Seriously. We need to know where you're at and how to get your important information to you, so you can stay up-to-date with how your FHSA is doing. If you're moving, add us to the list of people who need to know where you're going.

Headings

We have inserted headings into these terms and conditions as a reference and for your convenience. They are not part of these terms and conditions.

Amendments

We can change any of the terms of this FHSA at any time; however, none of these changes will take effect if the change would not be permitted under the Tax Legislation. We need to play by the rules. We will give you 30 days written notice of any amendment unless it is made for the purpose of satisfying a requirement imposed by Tax Legislation or unless in our sole opinion it will not adversely affect your rights.

No right of offset

We cannot offset the balance in your FHSA against any other debt or obligation you may have to us that is unrelated to the FHSA (eg, not including taxes, interest, penalties or charges imposed on us in respect to your FHSA).

Account closing

- a.** If your FHSA has a zero balance and there's been no activity on it for three months, your FHSA Daily Interest Account will automatically close. So if you leave it sitting empty for a couple of years, don't be surprised when you find out it's closed.
- b.** You may choose to close your FHSA at any time by notifying us in writing that you want to close it. If you want to withdraw money from your FHSA or transfer your FHSA to another financial institution, the sections above dealing with Withdrawals, transfers and fees apply.
- c.** We may decide to close your FHSA at any time, but if we do, we'll give you advance written notice. If this happens, you will need to tell us where to transfer the assets in your FHSA. Don't worry, we'll take care of the administration and deliver the assets and any necessary records to another financial institution free of charge and take steps to ensure the continued and uninterrupted operation of the FHSA. If you forget to tell us, or choose a successor who is not acceptable to us, we'll be permitted to transfer the assets in their present form to you as a Withdrawal from your FHSA. After we've closed your FHSA and transferred your property and any information, we'll be considered free from any further liability or responsibility with respect to this FHSA.
- d.** If any of your FHSA funds are in a GIC that's not redeemable, we may, in certain circumstances, allow you to redeem your funds before your GIC's maturity date. If that happens, interest may be paid which interest will be reported to the Canada Revenue Agency as required. We will also charge an interest rate penalty

fee and an administration fee. We'll let you know what the interest rate penalty fee and administration fees are before you confirm that you want to redeem the funds. In addition to ATB Financial charging the above noted interest rate penalty fee and administration fee, if ATB Financial agrees to an early redemption for a Linked deposit, you may not be entitled to the full Principal Amount deposited as the market value of the deposit fluctuates prior to the Date of Maturity.

- e. If any of your FHSA funds are in a GIC that is redeemable then the Principal Amount deposited may be redeemed from this deposit in whole at any time provided that:
 - i. If the original term is less than one (1) year, then ATB Financial reserves the right to require up to ten (10) days notice of redemption;
 - ii. If the original term is for one (1) year or greater, then ATB Financial reserves the right to require up to thirty (30) days notice of redemption; and
 - iii. If redeemed in less than thirty (30) days from the Date of Deposit indicated above, then no interest will be paid and if redeemed after thirty (30) days from the Date of Deposit but prior to the Date of Maturity, then simple interest will be paid calculated at ATB Financial's then applicable early redemption rate.

A portion of the principal amount may be withdrawn at any time provided: (a) the specific product type allows for partial redemptions; and (b) the principal amount invested remains greater than or equal to the minimum investment amount. Partial redemptions will also be subject to conditions (i) through (iii) above.

Law that applies

These terms and conditions are governed by the laws of the Province of Alberta and the laws of Canada that apply in Alberta, and you agree to submit to the jurisdiction of the courts of the Province of Alberta.

Severability

If a Court determines that any section or sections of these terms and conditions are not enforceable, we will treat that section or sections as if they weren't in the terms and conditions, and the rest of the terms and conditions will remain in effect and unaffected by the removal of the unenforceable sections. (Yeah, we had to read that twice, too.)

Information

The statements you provide on the Application, including but not limited to, the birth date(s) and social insurance number(s), shall constitute a certification by you upon which we may act and rely and an undertaking to furnish such further evidence of proof of age and other factual information as may be required by the Act.

Indemnity

At the risk of sounding like a broken record, we need to say this one last time: ATB is not liable for any taxes, interest, penalties or charges imposed on us in respect to your FHSA. We may pay any such taxes, interest, penalties or charges out of the assets of the FHSA, or we may pay them for you and then reimburse ourselves out of the assets of the FHSA. If we can't do either of those things, then as long as we abide by these terms and conditions and the Tax Legislation, you agree to pay us for any such amounts.

Congrats! You made it all the way to the end. We hope it was as fun to read as it was to write.

As always, if you have any questions about this document, your accounts or anything else, please stop by any ATB branch or give us a call at **1-800-332-8383**.

