

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name The North West Company Inc.		2 Issuer's employer identification number (EIN) 98-0179280	
3 Name of contact for additional information John King		4 Telephone No. of contact 204-943-0881	5 Email address of contact jking@northwest.ca
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 77 Main Street		7 City, town, or post office, state, and Zip code of contact Winnipeg, Manitoba, Canada R3C 2R1	
8 Date of action January 1, 2011		9 Classification and description Common Stock	
10 CUSIP number 663278109	11 Serial number(s)	12 Ticker symbol TSX - NWC	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Trust units of The North West Company Fund (a publicly traded trust) were exchanged for common shares of the reporting entity on January 1, 2011 under Section 368(a)(1)(F) of the U.S. Internal Revenue Code.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ No quantitative adjustment.

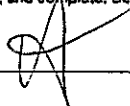
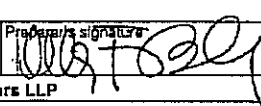
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ None

Part I Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Section 368(a)(1)(F) and Section 368 of the U.S. Internal Revenue Code.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ 	PAULINA HIEBERT Vice President, Legal & Corporate Secretary	Date ▶ <u>Jan 17, 2012</u>	
Paid Preparer Use Only	Print your name ▶	Preparer's signature ▶ 	Date ▶ <u>1/17/12</u>	Check <input checked="" type="checkbox"/> if self-employed
	Print/Type preparer's name			PTIN <u>P00016195</u>
	Firm's name ▶	<u>Pricewaterhousecoopers LLP</u>		Firm's EIN ▶ <u>98-0189320</u>
	Firm's address ▶	<u>PWC Tower, 18 York Street, Toronto ON Canada M5K 1G8</u>		Phone no. <u>416-863-1133</u>

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054