

**NOTICE TO ANNUITANTS OF THE MUTUAL FUNDS RETIREMENT SAVINGS PLAN  
OFFERED BY NATIONAL BANK SECURITIES INC. (THE "PLAN")**

Hi,

National Bank Securities Inc., in its capacity as manager of National Bank Funds, and Natcan Trust Company, in its capacity as trustee of the Plan, hereby wish to inform you of their intention to replace the Deferred Annuity Contract currently governing the plan (the "Initial Declaration of Trust"), which is applicable to your Registered Retirement Savings Plan (RRSP), Locked-in Retirement Accounts (LIRA) and/or Locked-in Registered Retirement Savings Plan (Locked-in RRSP) accounts held with National Bank Securities Inc.

For this reason, effective October 15, 2007, the Plan will cease to be governed by the provisions of the Initial Declaration of Trust and will be governed by the provisions of a new declaration of trust (the "Replacement Declaration of Trust").

This replacement will not have the effect of altering the intrinsic features of the Plan and is part of an in-depth reform of the various registered plans offered by National Bank Securities Inc. This reform, among other purposes, is intended to integrate the various legislative amendments having occurred since the establishment of the Initial Declaration of Trust. It was also motivated by the expansion of the business of National Bank Securities across Canada. The following paragraphs are meant to inform you of the principal amendments that will be made within the context of the replacement of the Initial Declaration of Trust by the Replacement Declaration of Trust.

First, note that provisions of the Replacement Declaration of Trust will take into account the latest budget measures and amendments to the *Income Tax Act* (Canada), namely in respect of the **age of compulsory conversion** of Retirement Savings Plans into Retirement Income Funds or Retirement Annuities. In accordance with such amendments, the compulsory conversion of the Plan into a retirement income fund or retirement annuities is postponed until the year in which the annuitant attains 71 years of age (instead of 69 as was set forth in the Initial Declaration of Trust). **Therefore, you may now continue to make contributions to the Plan until the end of the year in which you become 71 years of age.**

Regarding **investments**, specific provisions have been added to specify your rights and responsibilities regarding selection of the investments held in the Plan and the exercise of the voting rights attached to certain securities.

The Replacement Declaration of Trust will state the rules applicable to any total or partial **withdrawal** made before the Plan matures. Specifications will also be added regarding the annuitant's liability regarding the selection of the assets of which the trustee may dispose for withdrawal purposes, deduction of the applicable disposition costs, duties and taxes, interest and penalties which are or which may become payable by the trustee or the Plan itself and the amounts to be withheld from the amount as taxes which the annuitant must pay on the basis of a withdrawal of funds from the Plan.

The provisions applicable to any future **amendment** of the Plan will be amended so as to allow the trustee to amend the terms and conditions of the Plan without notice to comply with the requirements of the applicable legislation. In other cases, the annuitant shall be given thirty (30) days written notice without it being necessary to remind him of the possibility of exercising his right of transfer.

Finally, the **locking-in conditions** applicable to the locked-in retirement plans which appeared in the Initial Declaration of Trust henceforth will be the object of separate complementary agreements



established in accordance with the legislation applicable to your Plan. These locking-in conditions have been updated, when necessary, based on the legislative changes.

**ATTENTION: The foregoing is only a summary of the principal changes resulting from the replacement of the Initial Declaration of Trust by the Replacement Declaration of Trust prepared for your convenience. We invite you to review the complete text of the Replacement Declaration of Trust and the Supplementary Agreement (for Locked-in Plans) applicable to your Plan by consulting our Web site at [www.nbc.ca](http://www.nbc.ca) or by calling a National Bank Securities Advisory Service agent toll-free at 514-871-2082 or 1 888 270-3941.**

The Replacement Declaration of Trust will come into force on October 15, 2007. We remind you that you may request a transfer to other plans at any time by sending a written request to this effect to National Bank Securities Inc., 9<sup>th</sup> floor, Transit 4619-1, 1100 University Street, Montréal (Quebec) H3B 2G7.

Thank you for your confidence in National Bank Securities and Natcan Trust Company.

Made in Montréal this June 27, 2007.

A handwritten signature in black ink, appearing to read 'Charles Guay'.

**Charles Guay**  
President and Chief Executive Officer  
National Bank Securities Inc.

A handwritten signature in black ink, appearing to read 'Éric Laflamme'.

**Éric Laflamme**  
President and Chief Executive Officer  
Natcan Trust Company