

CLIENT RELATIONSHIP DISCLOSURE

As a client of National Bank Trust Inc. or Natcan Trust Company (hereinafter NBT), it is important that you clearly understand how your account works. We are therefore sending you all the key information you need to clearly understand the role and responsibilities of NBT, and your relationship with us. This document includes the following information:

- The statement of policies respecting conflicts of interest, and details about the head office and agents of NBT;
- The detailed information that we must collect about you, and information about our suitability and disclosure duties with regard to you;
- The relevant details of the fees you must pay, directly or indirectly, for the use of your account and the compensation paid to NBT;
- A description of the types of risk that you must consider as an investor;
- Information on the availability of independent dispute resolution or mediation services to handle any dispute that could arise; and
- A description of the products and services offered by NBT.

STATEMENT OF POLICIES REGARDING CONFLICTS OF INTERESTS

It is important that you be informed about the way that NBT identifies and responds to conflicts of interest to minimize their impact. We consider that there is a conflict of interest when the interests of different individuals, specifically those of a client and those of NBT, are inconsistent or divergent.

We take reasonable measures to identify any existing serious conflict of interest or any that we can reasonably anticipate arising. We then assess the level of risk associated with each conflict. We avoid any circumstances that would create a serious conflict of interest or represent too high a risk for clients or the integrity of financial markets. In any other conflict of interest situation, we ensure that appropriate measures are in place to effectively control the conflict.

The purpose of this section is to inform you as to the nature and scope of conflicts of interest that could have an impact on the services provided to you by NBT.

Below are descriptions of situations where NBT may be in a conflict of interest and how NBT deals with said conflict.

RELATED OR CONNECTED PARTY DISCLOSURE

For NBT, a "related issuer" is an issuer of securities on which NBT exercises a controlling influence (for example, due to the control or influence exercised by NBT on this issuer's securities with voting rights), or an issuer of securities that exercises a controlling influence on NBT. In this context, the term "influence" means to have the direct or indirect authority to exercise a controlling influence on the management and policies of the company, either alone or with one or several individuals or companies. In certain jurisdictions, certain connected issuers can be considered related issuers.

For NBT, a "connected issuer" is an issuer or any other issuer related to it who has a debt toward or another type of relationship with (i) NBT; (ii) a related issuer of NBT; (iii) a director, officer or associate of NBT; or (iv) a director, officer or associate of NBT, who, as part of the investment of securities of the issuer, is decisive for a potential buyer of securities. Consequently, an issuer

is "connected" to NBT if, due to a debt or other type of relationship, a potential buyer of securities could challenge the fact that NBT is independent from the issuer.

As at March 31, 2020, the list of related issuers of NBT who are reporting issuers under Canadian securities legislation is as described below. A brief description of the type of the relationship that exists between NBT and each of its related issuers is also provided:

National Bank of Canada: National Bank of Canada is a bank incorporated under the *Bank Act* (Canada), and a reporting issuer that indirectly holds 100% of the voting and equity shares of the Company.

Canadian Credit Card Trust II: This trust is administered by National Bank of Canada and its securities are publicly traded. Consequently, Canadian Credit Card Trust is deemed to be a related issuer.

NBC Asset Trust: This trust is a closed-end trust whose voting units are held by National Bank of Canada. Consequently, NBC Asset Trust is deemed to be a related issuer.

NBI ETFs: National Bank Investments Inc. (NBI), a wholly owned subsidiary of National Bank of Canada, is the portfolio manager of the NBI ETFs. National Bank Trust is the portfolio manager of the NBI ETFs. National Bank Financial Inc. serves as designated broker and broker for all NBI ETFs.

NBI Funds: National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada, is the manager of all NBI Funds (including the NBI Jarislowsky Fraser Funds, NBI Westwood Fund, NBI Portfolios, NBI Private Portfolios, NBI SmartData Funds and NBI SmartBeta Funds). Fiera Capital Corporation is the portfolio manager of most NBI Funds.

Investment Grade Managed Duration Income Fund: National Bank Financial Inc., one of the agents and the promoter, is an affiliate of a Canadian chartered bank that has been requested to provide the Fund with a loan facility or prime brokerage facility, the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the portfolio, effecting market purchases of units, maintaining liquidity and funding redemptions. Consequently, the Fund may be considered a "connected issuer" of National Bank Financial Inc. under applicable securities legislation.

Meritage Portfolios: National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada, is the manager of the Meritage Portfolios. National Bank Trust Inc., a wholly owned subsidiary of National Bank of Canada, is the portfolio manager of all Meritage Portfolios. Certain Meritage Portfolios are classes of shares of National Bank Funds Corporation.

U.S. Banks Income & Growth Fund: National Bank Financial Inc., one of the agents and the promoter, is an affiliate of a Canadian chartered bank that has been requested to provide the Fund with a loan facility or prime brokerage facility, the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the portfolio, effecting market purchases of units, maintaining liquidity and funding redemptions. Consequently, the Fund may be considered a "connected issuer" of National Bank Financial Inc. under applicable securities legislation.

For clients who are residents of Alberta

NBT has the above relationship with the related issuers listed in this statement of policies and with National Bank of Canada. NBT or its directors, officers or employees may, from time to time, recommend that you carry out a transaction or provide you with advice regarding securities issued by connected or related issuers. Should you require further information

about the relationship between NBT and said connected or related issuers, please contact your NBT representative.

In performing its duties as portfolio manager, NBT can:

- a) with the client's prior written consent, exercise its discretionary power to buy or sell securities of National Bank of Canada or other related or connected issuers;
- b) formulate recommendations concerning securities of National Bank of Canada or other related or connected issuers; and
- c) sell securities issued by private mutual funds managed by NBT or corporations from the same group.

In addition, National Bank of Canada or any other related entity can:

- a) act as principal or agent for the securities bought or sold by or to NBT clients;
- b) act as underwriter or agent for securities sold to NBT clients; and
- c) be a secured creditor for securities held in the accounts of NBT clients, including units of private mutual funds managed by NBT.

NBT's policy is to comply in all areas with applicable securities legislation and provide all required disclosures. In addition, it ensures that any securities transaction of its related or connected issuers takes the client's situation into account.

NBT is duly registered as portfolio manager. In addition, National Bank of Canada, the primary shareholder of NBT, is also the primary shareholder of the following brokers and advisors:

Related brokers and advisors¹

- National Bank Investments Inc.
- National Bank Financial Inc.
- National Bank of Canada Financial Inc.
- NBC Financial Markets Asia Limited - in Hong Kong only
- NBC Global Finance Limited - in Ireland
- Nest Wealth Asset Management Inc.

Consequently, NBT is related to the above brokers and advisors. Although there may be overlap among the directors and officers of these companies, they all operate as separate legal entities.

From time to time, these entities may work together to offer products and services in the interest of our clients. However, it is understood that under no circumstances can client information be shared without obtaining prior written and express consent from the client.

In accordance with the Act respecting trust companies and savings companies and NBT's internal regulations, depending on the circumstances, an agreement entered into between NBT and an interested individual is likely to be submitted for approval to its ethics committee and its board of directors.

INVESTMENT DECISIONS

NBT has implemented policies and procedures to avoid potential conflicts of interest, even the perception of conflicts of interest, and ensure that investment decisions are made and executed in the best interest of clients.

¹ Direct or indirect ownership of more than 10% of any voting securities category or series of these entities.

Investment decisions to buy and sell securities in the portfolios of clients are made in the normal course of business without the involvement or influence of National Bank of Canada or any other entity related or connected to NBT. NBT maintains an independent decision-making process in managing its clients' assets and in selecting securities.

Investment decisions are made independently, with solid judgement and financial analysis knowledge, without any influence other than that of the clients' best interest.

ETHICS

Fair treatment of investors implies the application of the strictest standards of integrity and professional conduct. This can only be obtained by ensuring NBT employees, executives and directors always comply with the strictest rules of conduct in performing their duties as well as in their dealings with clients, colleagues, competitors and the public in general. NBT employees must recognize, through their conduct and personal transactions, that the interests of NBT clients must always take priority over employees' own interests.

NBT portfolio managers must act honestly and in good faith and in the interest of NBT clients, as well as using the degree of care, diligence and skill that a reasonably prudent manager would use under the circumstances. This also means that the portfolio manager has a duty to select the best investment for a given client, even if it is an investment that directly competes with our offerings. No portfolio manager is authorized to make recommendations solely for the purpose of generating revenue or promoting in-house investments if there is no benefit to the client.

NBT takes the required measures to ensure that it and the portfolio sub-managers whose services it has retained comply with applicable regulations in performing their duties.

NBT employees, executives and directors are bound to comply with the provisions of the Code of Conduct and Ethics of the Bank (hereafter the "Code") and, as applicable, the regulations of the professional associations that govern the professional activities of NBT, such as those of the Chartered Financial Analyst Institute and the Certificate in Investment Performance Measurement, the regulations of applicable securities and the management limits imposed by NBT. NBT also has a Compliance Manual that deals with situations specific to the activities of its employees. It reiterates that employees must never favour their own interests to the detriment of their responsibilities towards clients and NBT.

PERSONAL TRANSACTIONS

NBT employees have a fiduciary duty toward the clients of the corporation, an obligation that requires that every employee act exclusively in the interest of NBT clients, and complies with the related provisions of the Code. The clients' interests always take priority over the personal transactions of portfolio managers and other individuals who have access to non-public information about their portfolio assets, market activities and their current investment programs.

NBT encourages all employees to avoid potential risks of conflict by ensuring that their personal transactions are managed separately and that they are limited to securities or transactions exempt from the application of the Code. The Code is made up of a set of rules that notably includes but is not limited to forbidden transactions and activities, restricted securities and retention periods.

Confidential Information

Employees are prohibited from using confidential information gained in the course of their duties for their personal benefit or for the benefit of a third party. This includes information related to clients, transactions or client accounts. Employees may not exploit any situation for the purpose of obtaining an advantage of any kind.

GIFTS, ENTERTAINMENT AND PAYMENTS

Employees are prohibited from accepting gifts, entertainment, payments or any form of compensation that could influence the decisions they make in performing their duties. Unless they have the prior approval of NBT, employees cannot receive any form of compensation other than that paid by NBT. NBT ensures that employee compensation practices do not conflict with employees' duties toward clients.

NBT takes reasonable measures to ensure that it and any person acting on its behalf does not pay or accept any fee or commission, or provide or receive any non-monetary benefit if it is likely to conflict to a material extent with any duty that NBT has toward its clients or any obligation that the recipient firm has toward its clients.

OTHER BUSINESS ACTIVITIES

Employees are prohibited from engaging in activities that could interfere or conflict with their duties. NBT does not permit any employee to engage in business activities outside the scope of their duties without first ensuring that these activities do not compromise clients' interests or harm the reputation of NBT or that of the industry. If NBT cannot properly control a potential conflict of interest, it will not permit the outside activity.

NBT controls this type of potential conflict by requiring that its representatives seek permission before accepting any external activity that could raise any conflict, and by integrating strict provisions with regards to external activities in its Code. NBT would also consider an employee to be in a potential conflict of interest if they were designated as a beneficiary of a client's estate or otherwise inherited a portion of a client's estate.

APPOINTMENT TO A BOARD OF DIRECTORS

NBT employees, officers or directors may not serve as directors of publicly traded companies (or companies that may become publicly traded companies). In rare circumstances and if it is determined that the directorship would be consistent with the interests of NBT and not contrary to the interests of NBT clients and the portfolio management decision-making process at NBT, the directorship may be permitted.

NBT employees may not serve as directors of non-profit entities without prior approval.

When serving on the board of directors of a company, an employee is to refrain from voting on any matter concerning National Bank of Canada, NBT and their affiliates, either directly or indirectly.

Client referrals

Third parties may, from time to time, refer clients to NBT for our products and services. We and the portfolio managers may also refer clients to third parties. When such referrals entail a commission, this commission must comply with the regulations in effect and be subject to the required disclosures with the referred clients. This allows the client to make an informed decision about the referral and to consider any potential conflict of interest.

FAIR ALLOCATION OF INVESTMENT OPPORTUNITIES

Fair treatment of investors is a fundamental policy of NBT. NBT recognizes its fiduciary duty towards its clients and ensures fair treatment with regard to the allocation of investment opportunities. To do so, NBT ensures that when investment opportunities correspond to the investment goals and constraints of more than one client, and that they arise at the same time or around the same time, these opportunities are fairly distributed among these clients.

NBT's policy is to ensure fair treatment of all clients in situations where two or more client accounts simultaneously participate in a buy or sell program involving the same security or in an IPO. This is achieved by doing a pro rata allocation between the different accounts involved in the transaction when the order is received, at the average execution price. When an order is partly executed, it is distributed among all the affected accounts in accordance with the original pro rata allocation standards. The method used to allocate commissions is the same as described above.

NBT recognizes that a single inflexible rule does not always result in a fair and reasonable outcome and it may therefore be desirable in certain situations to consider alternatives. However, the basic principle remains applicable—be fair and reasonable to all clients based on their goals and policies, and avoid favouritism or discrimination with clients.

BEST EXECUTION

One element of NBT's fiduciary duty is the obligation to obtain the best execution for clients' securities transactions. NBT takes all reasonable steps to achieve the best execution and obtain, on a consistent basis, the best possible result in this execution. This does not always mean the lowest price for a purchase or the highest price for a sale, but rather takes into consideration a range of different factors.

NBT's policy on the best execution is to apply the same standards, and use the same processes in all markets and with all financial instruments which we trade. However, the diversity in these markets and instruments means that different factors must be considered when NBT assesses the nature of the best execution policy in the context of different financial instruments and markets.

PROXY VOTING

NBT has a fiduciary duty to act in the best interests of its clients. NBT's proxy voting policy aims to ensure that all votes concerning securities held by clients are carried out in accordance with the best interests of its clients. NBT is required to follow the guidelines set forth in the proxy voting policy.

Conflicts may arise when NBT (i) is related to the issuer of securities; or (ii) has a material business relationship with the issuer of securities (including, without limitation, other mandates that are related to the issuer of securities). Some portfolios may hold common shares of National Bank of Canada (a related issuer). There is the potential for a conflict between the interests of clients and the interests of NBT or its employees in connection with the exercise of voting rights of National Bank shares. There is also the potential for a conflict of interests in connection with the exercise of voting rights attached to the shares of another issuer, where the outcome of the vote may directly impact the price of National Bank shares.

In order to balance the interests of clients in exercising proxies with the desire to avoid conflicts of interests or the perception of conflicts of interests, the standards outlined in the proxy voting policy allow NBT to respect its fiduciary duty as well as set guidelines for the voting of proxies in accordance with NBT's business judgment, uninfluenced by considerations other than the best interests of shareholders, free from any influence by National Bank of Canada and without taking

into account any consideration relevant to National Bank of Canada or any of its associates or affiliates.

COMPENSATION

We are compensated for the work we do for our clients. The level of compensation varies depending on the product and the type of compensation agreed upon with clients or third parties. The following are some examples of how compensation could lead to a conflict of interest, and how we avoid such conflicts:

Fee-based accounts: Portfolio managers receive compensation based on the portfolio management services provided to the client. We prohibit portfolio managers from making recommendations for the sole purpose of generating revenue without any benefit to the client.

Compensation from issuers: Issuers of securities or other related parties may compensate us based on the sale of their securities to our clients. An example is trailing commissions we receive for selling mutual funds. Securities regulations require issuers include details in their investment documents about such arrangements and the compensation involved.

REFERRING CLIENTS AMONG MEMBERS OF THE NATIONAL BANK GROUP OF COMPANIES

NBT and other members of the National Bank group of companies refer clients to each other according to the needs of the client provided the client has given us their consent. If one member of the National Bank group of companies does not offer the services that a client needs, that member will refer the client to another member of the group that does.

Some business units in the National Bank group of companies, including NBT, are registered under securities legislation. If you are referred to a business unit for a product or service that requires securities registration, that business unit is responsible to you for the activities that require registration.

The client referral agreements that NBT reaches from time to time with other members of the group, under which NBT refers its clients to other members of the group or has clients referred by other members of the group, set out how commissions are to be shared. It is important to note that these client referral agreements do not increase costs or fees related to services provided to clients. Clients therefore do not pay higher fees because a client referral agreement was signed between NBT and another member of the group. However, the commissions that NBT and the other members of the group share encourage each of them to refer clients to the other. The amount of the commission varies depending on the member of the group taking part in the agreement and on whether the client is referred to NBT or by NBT. All clients will be specifically informed of the referral agreements that may affect them.

NBT and the members of the group have adopted policies and procedures to help them identify and address any material conflicts of interest that could arise from client referral agreements. NBT will not be a stakeholder in or apprised of your particular transactions with the other member of the group apart from with regard to any client referral commission generated or any specific authorization you may give to the group member in your account opening form allowing it to continue to provide you with its services.

MATERIAL ERROR

Material errors should be corrected in a manner deemed appropriate by NBT depending on the specific facts and circumstances of the error and in accordance with their respective fiduciary duties to act in the best interest of clients. A policy and procedures have been established to manage these errors.

OTHER CONFLICTS OF INTEREST

From time to time, other situations of potential or actual conflicts of interest may arise. NBT undertakes to do what is needed to identify and handle these situations in a fair and reasonable way, given the due diligence standard with which we must comply in our dealings with clients.

NBT HEAD OFFICE

Under existing regulations, NBT must notify you of the following information:

- a) Its head office is located in the province of Quebec.
- b) It is a non-resident corporation in the other Canadian provinces and territories.

Below are the names and addresses of NBT agents in the provinces outside Quebec where it carries out its activities:

Alberta

BENNETT JONES
C/O: KAHLAN K.MILLS
4500 Bankers Hall East
855 2nd Street S.W.
Calgary, Alberta T2P 4K7

British Columbia

LAWSON LUNDELL LLP
C/O: MARNIE J.RUSSELL
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia V6C 3L2

Prince Edward Island

MCINNES COOPER
C/O: KATHY FURNESS
141 Kent Street, Suite 300
Charlottetown, PEI C1A 1N3

Manitoba

THOMPSON DORFMAN SWEATMAN
C/O: ELMER J. GOMES
2200 Canwest Global Place
201 Portage Avenue
Winnipeg, Manitoba R3B 3L3

New Brunswick

MCINNES COOPER
C/O: STEVEN D. CHRISTIE
Suite 600 Barker House
570 Queen Street
Fredericton, NB E3B 6Z6

Nova Scotia

MCINNES COOPER
C/O: SARAH M. CAMPBELL
Suite 1300
1969 Upper Water Street
Halifax, Nova Scotia B3J 3R7

Saskatchewan
MCDOUGALL GAULEY
C/O: ROBERT N. MILLAR
1881 Scarth Street, Suite 1500
Regina, Saskatchewan S4P 4K9

Newfoundland and Labrador
MCINNES COOPER
C/O: CAROLINE WATTON
Baine Johnston Centre
10 Fort William Place, 5th Floor
St. John's, NL A1C 5X4

OTHER DETAILS

INFORMATION WE MUST COLLECT

In managing a client's portfolio, we must obtain financial or personal details from the client, including their name, address, phone number, email address and if applicable, information about their job and financial situation. This information is used specifically for identification purposes and, if applicable, to determine your investor profile.

SUITABILITY REQUIREMENT

Prior to making a recommendation or buying or selling securities for your managed account, NBT is required to ensure that the transaction corresponds to the investment policy based on your investor profile.

DISCLOSURE REQUIREMENT

In accordance with regulations, NBT issues a statement of account at least quarterly. The report includes data on the statement of all positions and a statement of all transactions carried out during the period in question. It also includes information about the securities held in the account such as the quantity and cost, price and value of each of the securities held. With regard to the transactions carried out during the period in question, the statement indicates the nature of the transactions, the dates on which they took place as well as the name and number of the securities held. The reports are sent to the clients by mail.

All clients also receive information quarterly on the main financial markets and the portfolio manager's current outlook. Semi-annual and annual financial reports providing information on all investment portfolios are also sent to clients who have NBI Funds.

ACCOUNT USAGE FEES

In exchange for the portfolio management services rendered to you by NBT, you must pay fees calculated based on the grid set out in the discretionary management agreement. NBT's portfolio management fees are generally set based on a declining scale according to the portfolio's value. These fees are calculated and billed on a basis agreed upon with you.

Certain fees and charges indicated below are subject to applicable federal and provincial taxes.

TYPES OF RISKS THAT YOU SHOULD CONSIDER

Investing in financial instruments, regardless of their nature, involves significant potential risks. You should therefore not agree to invest in financial instruments if you do not know the nature or scope of the risks to which they will expose you. This is also true when giving a discretionary portfolio management mandate because by doing so, you mandate a manager to choose financial instruments on your behalf. We have therefore prepared the following information to help you better understand the risks involved in discretionary management and investing in general. Please read this information carefully and feel free to contact your account representative if you have any questions. It is important to know that this list is not exhaustive and does not cover all risks resulting from the use of the financial instruments available as part of the services NBT provides.

We will begin by explaining the most important basic correlation in investing: the risk-return ratio. We will then cover the main types of risks inherent to investment management: market risk and investment management risk.

RISK-RETURN RATIO

Risk and returns are closely related. To increase your potential rate of return, you need to opt for an investment that carries more risk—defined in this context as the degree to which the investment's market value and the rate of return can vary. The day-to-day values of "risky" investments tend to fluctuate more often than those of "safe" investments, so the riskier the investment, the greater you can expect these fluctuations to be. Since these fluctuations can result in an increase or decrease in the investment's value, they translate into gains over certain periods and losses over others.

Risky investments generally offer higher potential long-term returns than safer investments. However, since the magnitude of price variations for risky investments tends to be greater, such investments can also produce bigger losses than safer investments.

Every management mandate is governed by an investment policy established by the client and their portfolio manager (usually called an investment policy) and this investment policy defines the client's position on the risk/return scale. Certain regulatory measures complete it based on the circumstances. NBT is required to manage each mandate within applicable management constraints.

Before investing, you must carefully establish your investment policy or your investor profile, as applicable, and be comfortable with the corresponding level of risk.

MARKET RISK

Market risk is a type of risk directly or indirectly inherent to any investment in financial markets, whether in debt securities, equities or derivatives. It concerns the unpredictability of returns in the short term delivered by such investments which are very volatile in some cases. These returns are impacted by the prevailing economic outlook, political events and investor psychology as well as fluctuations in interest rates and currency exchange rates.

Because NBT uses different forms of investment in financial markets such as equities, debt securities and derivatives, it is important that you be aware that all funds entrusted to NBT are exposed to market risk; your original investment (capital) is therefore not guaranteed. However, we make sure that the allocation of your investments in your portfolio strictly complies with your investment policy.

INVESTMENT MANAGEMENT RISK

Investment management risk relates to the strategies that portfolio managers choose to adopt and the individual securities transactions executed to implement them. A decision to over- or underweight a specific security, asset class, economic sector or geographic region can result in either positive or negative relative performance compared to benchmark market indexes.

Our active risk management approach is focused on diversifying securities and sectors. Our managers firmly believe that preserving capital and a low absolute volatility are the cornerstone of sound risk management. In this way, our management philosophy favours value-based sectors and securities as well as solid financial structures to overvalued or momentum-type investments.

MEDIATION SERVICES

Independent dispute resolution or mediation services are available to resolve any dispute that could arise from the discretionary management services offered by NBT.

As an NBT client, you have the right to file a complaint directly with NBT in accordance with our internal complaint and dispute resolution procedure. In the event that the internal resolution process does not provide a satisfactory solution, you then have access to the services of the National Bank of Canada Office of the Client Ombudsman as well as those of the Ombudsman for Banking Services and Investments of Canada.

If you are a Quebec client, the Autorité des marchés financiers also offers you mediation services if the complaint and dispute resolution mechanisms that we offer do not result in a satisfactory outcome. In this context, you can request to have your written complaint forwarded directly to the Autorité des marchés financiers so that it may analyze your file and recommend mediation, as needed.

LIST OF PRODUCTS AND SERVICES OFFERED BY NBT

NBT is a trust company that provides fiscal trustee, trustee and testamentary services, discretionary portfolio management services, securities custodial or depository services, specialized services for institutional clients and estate planning services.

UPDATES TO CLIENT RELATIONSHIP DISCLOSURE

This NBT statement of policies respecting conflicts of interest is updated if a material change occurs. Any updates are available on our website at <https://www.nbc.ca/wealth-management/institutional-services.html>. It is important that clients consult our website regularly to find out about any updates to this document.