



CLIENT NOTICE

Contract governing personal deposit and investment accounts

Effective January 22, 2018

Thank you for choosing National Bank of Canada and its subsidiaries for your banking products.

This contract sets out the conditions that apply to your deposit account and debit card as well as your investment account, if applicable. Our fee guide¹, made available to you when you open your account, is an integral part of this contract. Other contracts may also apply to services provided with your account.

Some of the terms used in this contract are defined in the glossary at the end.

Table of contents

A. Your personal deposit account	05
1. Features of your account	05
a. Flexible access.....	05
b. Use of your account.....	05
c. Service charges	05
d. Power of attorney in your account	06
e. Death.....	07
f. Joint account (two or more holders)	07
g. In trust account.....	09
h. Liability of legal representatives	09
i. Account currency.....	10
j. Interest on the account balance	10
k. Security on the balance of the account	10
2. Transactions in your account	10
a. Deposits	10
b. Withdrawals	12
c. Specific conditions for pre-authorized debits and cheques.....	14
d. Account overdrafts.....	16
3. Debit card	17
a. Ownership of the card.....	17
b. Security measures to safeguard your transactions	17
c. Loss or theft of your card or password.....	18
d. Verification and approval.....	18
e. Withdrawal limit	19
f. Accessible payment networks	19
g. Exchange rate for foreign currency transactions.....	19
h. Your liability	19
i. Amount of your liability	20
j. Participating merchants	21
k. Complaints regarding the use of a debit card not settled to your satisfaction by the customer service representative	21
l. Canadian Code of Practice for Consumer Debit Card Services	21

B. Your personal investment account.....	22
C. Conditions that apply to all accounts.....	23
4. Authentication when accessing your account	23
5. Additional instructions and use restrictions for the account and services.....	24
6. Prevention and detection of fraudulent activities ...	24
7. Verification of your statement.....	25
8. Transmission of documents.....	25
a. By mail	25
b. Electronic communications	26
9. Some of our rights.....	26
a. Withdrawal of funds from your account on our initiative (set-off).....	26
b. Fees for converting cheques to a foreign currency	27
c. Controlled access to your account	27
d. Limitation of our liability	27
10. Management of your personal information	28
a. Your consent.....	28
b. Purposes of the collection, use and disclosure of personal information.....	28
c. Persons involved in the sharing of your personal information.....	29
d. Promotional offers and your choices.....	30
e. Our privacy policy	30
f. Your obligations.....	30
11. General	31
a. Retention.....	31
b. Proof.....	31
c. Guarantees	32
d. Taxes	32
e. Transfer.....	32
f. Successors.....	32
g. Amendments.....	33
h. Termination of contract	33
i. Applicable legislation	33
12. Regulatory provisions.....	34
a. Dormant accounts and unclaimed balances.....	34
b. Deposit insurance	34
13. Our contact information	35
14. Glossary.....	36

A. Your personal deposit account

1. Features of your account

a. Flexible access

You can access your account and carry out transactions in various ways, including via:

- › our branches
- › automated banking machines using your debit card²
- › merchant terminals, via your debit card
- › our online banking services³
- › our call centres

However, the transactions or functions available may vary from one channel to another.

b. Use of your account

Your account must be used for personal purposes, in compliance with legislation and in a reasonable fashion, as must the technological devices used to access it.

c. Service charges

Service charges are described in our fee guide.

We periodically revise these charges and will disclose them to you as required by law, notably via a notice mailed to you or electronically if you have opted for electronic communications.

Every month, we debit these charges from your account. These charges are debited on the first business day after the day on which the billing cycle assigned to you ends. The charge debit date and the date charges appear on your statement or in your passbook do not always correspond. If the end of the billing cycle falls on a non-business day, fees are indicated on the previous business day even if they are debited later.

You must pay these charges as well as those set out in our fee guide to process information or document requests regarding you from third parties, for example, under the terms of a writ of seizure, notice of appearance, decree, a request from a government agency or any other request that we must legally process.

Signing up for one of our banking or financial packages can help you save on service charges. The fixed fees for your package, as applicable, are then debited from your account.

The fixed fees and conditions that apply to our packages are described in our fee guide and, in some cases, in specific brochures that will be given to you when you enrol.

You can decide to withdraw from a package at any time. If you do so or no longer meet the eligibility criteria for your package, fees will be billed for each individual transaction in your account.

Third parties may also charge additional fees, for example, enrolment fees for a technological device, connection fees for using our online services or fund transfer fees. You are responsible for paying these fees.

d. Power of attorney in your account

You may designate an agent to represent you via a power of attorney. The specific powers granted to the agent are indicated in the power of attorney.

We have a power of attorney form available for your use, but you are in no way required to use it. It may not necessarily meet all of your needs or could conflict with an existing power of attorney.

Any power of attorney that complies with the laws of the province or territory where you reside can be used. We recommend that you consult with an independent legal advisor in this area. We reserve the right to accept or refuse any power of attorney you present to us.

The agent you appoint must meet all the conditions of this contract; otherwise, we may take steps to protect our respective interests. You are responsible for transactions carried out by your agent, including those you do not agree with or consider contrary to your interests. We are not responsible for such transactions.

For further information, please refer to our brochure on powers of attorney and joint accounts, available at branches and on our website, nbc.ca.

e. Death

In case of death, the account is blocked until a legal representative is designated to settle the succession or estate. In the meantime, we may allow withdrawals to address urgent spending needs and funeral expenses.

f. Joint account (two or more holders)

i) Each holder is an agent for the others

Unless there is an agreement to the contrary, all joint holders have the same rights and obligations concerning account management. Each holder can:

- › carry out any transaction in the account without the agreement of the others. We may therefore deal with only one of you.
- › object to a transaction or stop payment. We are not required to obtain confirmation from the others.

We do not verify the number of signatures required for a pre-authorized debit. You are responsible for informing us if such a transaction is completed in an irregular fashion. We also do not verify the number of signatures required before accepting a deposit.

ii) You are jointly and severally or solidarily liable

Each holder is liable for all transactions in the account and for all amounts owing due to the use of the account, for example, for overdraft fees and unpaid service charges.

iii) Withdrawal of a holder

The withdrawal of an accountholder will result in the account being closed.

However, if further to the withdrawal of a holder, the account remains open with our authorization, you are responsible for making the necessary arrangements with third parties that carry out direct deposits or pre-authorized debits in the account. We will not follow up with any third parties on your behalf.

Once the withdrawal is completed, we no longer have any obligations to you with regard to the account. You can no longer obtain information on the account or transactions carried out in it.

iv) *Restricted access to the account*

Access to the account may be restricted in case of bankruptcy or the legal incapacity of an accountholder. In addition, any amounts deposited to the account may also be subject to creditors' rights or other claims that might exist against any of the accountholders.

v) *Account closing*

Unless alternate conditions have been specified, the account can be closed by a single accountholder who will then have access to any available funds in the account. At our discretion, we can also issue a bank draft payable to all accountholders.

If the account is closed at the request of a single accountholder or because of his withdrawal, we will presume that all accountholders are aware of the account closure. You are therefore responsible for making the necessary arrangements with third parties involved in direct deposits or pre-authorized debits in the account. We will not follow up with any third parties on your behalf.

vi) *Survivorship rights*

In a province or territory other than Quebec, survivorship rights apply to the account. In the event of death, the survivors maintain ownership of the funds in the account and continue to manage it. We will remove the name of the deceased individual as accountholder in our records and we will have no further obligation toward the succession or estate regarding the account. We are not responsible for losses, damages or fees, including legal fees resulting from litigation between the succession or estate and the survivors or other third parties, solely because we comply with the rules concerning survivorship rights.

vii) *Documentation related to the account*

Unless other arrangements have been made, the main holder of the account will receive documentation related to the account. We will send the documentation to the main holder's most recent address that appears in our files.

For further information on joint accounts, please refer to our brochure on powers of attorney and joint accounts, available at branches and on our website, nbc.ca.

g. *In trust account*

Having an in trust account indicates that you hold it for a specific purpose or for the benefit of a third party.

Funds in this account belong to you even if the account is opened for the benefit of another person. In the event of death, your legal representative — not the person for whom it was opened — can exercise rights over the account. Only you are authorized to give us instructions concerning the account.

You will have to perform any formality required by a competent body or authority. For example, in order to benefit from coverage under the applicable deposit insurance plans, you will have to provide us with any regulatory information about the beneficiary of the in trust account that we may request.

Funds held in trust cannot be used to cover an overdrawn account.

If the account is subject to a dispute, objection, seizure, request made by a regulatory body or legal proceedings, you will have to intervene and cover our legal costs, if applicable.

h. *Liability of legal representatives*

If you are the legal representative (trustee, guardian/tutor, succession or estate executor/liquidator), you manage the account for the benefit of the person whose assets must be protected. You are legally required to manage the assets of this person in his best interest. Funds in the account must be administered separately from your own funds, as they are not part of your assets. You cannot use these funds for your personal purposes. You are personally liable if you manage the account in a way that is harmful to this person.

i. Account currency

Unless you opted for a U.S. dollar account, the currency for your account is Canadian dollars. Any transactions carried out in your account must therefore be in that currency.

j. Interest on the account balance

Interest will be paid on the positive balance recorded in the account if so stipulated by the conditions of your account. We will indicate whether interest applies, as well as all relevant conditions, in the fee guide provided to you when you open the account. The applicable interest rate and related changes are posted in branches, on our website and can be obtained by contacting us as indicated at the end of this contract.

k. Security on the balance of the account

You cannot grant security on your deposits, particularly for a movable hypothec/chattel mortgage, without our express authorization. Funds in your account are encumbered by a security interest in our favour to secure repayment of any amounts that you owe us.

2. Transactions in your account

a. Deposits

i) Cheques or other items (“cheques”)

We generally accept and credit to your account all cheques that meet legal requirements. In particular, they must be:

- › payable to you
- › completed correctly
- › endorsed by all the payees

The following additional requirements apply to cheques deposited at an automated banking machine. They must be:

- › in Canadian dollars
- › drawn on a Canadian financial institution that is a member of *Payments Canada*

We do not accept for deposit a cheque payable to another person because we cannot verify the validity of the endorsement. However, if we accept it, you guarantee the endorsement.

We can refuse cheques deposited in your name by a third party. The amount of a cheque deposited after the cut-off time⁴ is credited to your account on the following business day, which marks the start of the cheque processing period.

We can limit the amount and number of items deposited at an automated banking machine.

You must cooperate with us in good faith and provide us with all relevant information in the context of an investigation into a deposit made by cheque.

At our discretion, we can try to obtain payment for an eligible cheque outside the Canadian clearing system. We will use the collection method of our choice. Your account will only be credited if we successfully collect the amount of the cheque. The time involved may vary, depending on whether collection takes place inside or outside Canada and based on the method used. You assume the risks related to collection on the cheque. We cannot guarantee that the cheque that you deposited will be paid and that your account will be credited.

ii) Access to funds at the time of deposit

If you deposit a cheque, a hold may be placed on a portion of the funds for a certain period of time⁵.

Even when the hold period has expired, there is no guarantee that the cheque deposited is valid. Your account will be debited if the cheque is not paid or if it is returned, in accordance with the applicable rules.

We may also impose a longer hold funds period in certain cases, for example:

- › in the event of system or equipment failure
- › further to a decision made by a regulatory body
- › in other exceptional circumstances, if it is necessary to protect our respective interests.

For more details, please refer to our access to funds policy, available in branches and on our website, **nbc.ca**.

iii) Direct deposit

To authorize the direct deposit of a recurring amount in your account (e.g., salary, annuity or pension), the payor must have access to some of your banking information. If the payor requires a cheque to verify the accuracy of that information, write “VOID” on the front of the cheque to prevent anyone from cashing it. You must inform the payor of any change to your banking information. We will not perform any follow-up on your behalf.

b. Withdrawals**i) Cheques**

We pay to and debit from your account any cheque issued, signed or authorized by you that is presented to us for payment and meets the legal requirements. In particular, they must be:

- › in the currency of your account
- › in a format that we have approved
- › in keeping with the standards of all clearing systems
- › not postdated
- › unaltered and unmodified

If we inadvertently make payment on a cheque that does not meet these requirements, you assume any resulting charges or inconveniences.

To facilitate and ensure the exchange of cheques, you must also take the following measures regarding cheques that you sign:

- › use a black or blue ink pen
- › write out the amount in letters, as it is used to confirm the amount in numbers in case of doubt
- › keep a record of your cheques so that you know which ones have been cashed and which ones are in circulation
- › keep your chequebooks in a safe place

You must not sign and give another person a cheque that has not been filled out.

You must repay us the amount of any cheque that we paid or credited to your account if we do not receive payment for it. You must exercise your rights with regard to the cheque directly with the signatory or financial institution on which it is drawn.

ii) Pre-authorized debits

With your consent, another person can make repeated debits from your account to pay for goods and services. We may also ask you to authorize us to do so. Pre-authorized debits can be used to pay, for example, a public utility service, an insurance premium or mortgage payments.

That person will ask you for the information that appears on your cheques (e.g., the name of your financial institution, its number and your account number). If you give that person a cheque, write “VOID” on the front to prevent anyone from cashing it.

You can cancel pre-authorized debits by informing that same person directly. We are not responsible for following up with that person on your behalf.

iii) Bill payments

A bill payment is irrevocable once it has been completed. You must contact the service provider directly to correct the situation if you make a mistake entering information concerning the payment, such as the payment amount or invoice number. We will not perform any follow-up on your behalf.

The invoice will not be paid the same day the payment amount is debited from your account. The payment must be made before the invoice is due to give us time to process your payment⁶. We are not responsible for interest or penalties charged by your service provider in the event of non-payment by the due date.

We exchange personal information about you with your service providers to make sure it is accurate. Your billing profile is adjusted if they inform us of a change. Please read your service providers' policies and contact them if necessary. We may refuse your payment if you do not comply with those policies.

iv) Transferring funds between accounts

You must provide accurate information when carrying out a funds transfer between your accounts. There must be sufficient funds in the account unless you have overdraft protection. The transfer of funds to a recipient who has an account with us cannot be cancelled once the funds have been sent, and the recipient cannot refuse the funds.

v) Electronic funds transfers (wire transfers)

To carry out an electronic funds transfer, certain information may be required, such as the name of the payee, his address, information about his financial institution (e.g., account number, name and address of the branch, transit code and number, SWIFT identification code, amount to be transferred). You must make sure the information is accurate when carrying out a funds transfer.

The fees payable for an electronic funds transfer are indicated in our fee guide. Electronic funds transfers cannot be cancelled.

We are not responsible for losses resulting from:

- › failure, negligence or delays on behalf of the receiving bank
- › delays or rejections owing to incomplete or inaccurate information

You must notify the person receiving the funds that they may have to pay fees, taxes or other expenses charged by the receiving bank. We are not responsible for any inconveniences this may cause you.

c. Specific conditions for pre-authorized debits and cheques

i) Cheque images

Cheque images are generated at the time of deposit. This image can be transferred to the medium of our choice and presented in the format of our choice. Cheque images are kept in accordance with the applicable rules, including those of *Payments Canada*.

Images replace cheques. Original cheques deposited will be destroyed and will no longer be accessible. You will therefore not receive your cancelled cheques.

We are not responsible for losses and inconveniences resulting from the generation of cheque images or for being unable to return your original cheques to you. If you deposit an ineligible cheque, we are under no obligation to return it to you. In such a case, you will have to make arrangements directly with the payor to obtain a replacement cheque.

ii) Waiver of right to dispute a cheque

You waive the right to dispute a cheque that you signed, endorsed or deposited, even if it is not presented for payment and even if you are not informed that it is unpaid or disputed.

iii) Stop payments

To prevent the payment of a cheque or pre-authorized debit, the following information must be sent to us within a reasonable amount of time before such payment:

- › the number (except for pre-authorized debits)
- › the date
- › the amount
- › the account number
- › the payee's name

If any of this information is inaccurate, the stop payment will not be carried out. We are not responsible for any inconvenience you may experience in such an event.

We cannot prevent payment of a cheque that has been certified or that has already been presented for payment.

Despite a stop payment order, a pre-authorized debit can be presented again for a future payment date. You are responsible for contacting the person to whom you gave authorization to cancel any future pre-authorized debits. We will not follow up with that person on your behalf.

d. Account overdrafts

i) *Unauthorized overdrafts*

Your account should never be overdrawn. If a line of credit is linked to your account, your authorized credit limit must not be exceeded. You must keep sufficient funds available to honour your withdrawal instructions.

If your account is overdrawn:

- › without informing you, we will refuse a withdrawal instruction, for example, payment of a cheque or a pre-authorized debit.
- › at our discretion, we may cover an overdraft by exercising our right to repay ourselves. This right to repay ourselves is called “set-off”⁷.

In the event of an overdraft:

- › you must repay it with interest at the annual rate of 21% and pay the applicable service charges.
- › further to a notice from us, your account will be closed if you fail to cover the overdraft in the time allotted.

ii) *Overdraft protection*

To avoid an overdraft, you may request one of the following types of protection:

Inter-account funds transfer

Funds recorded as a credit balance in one of your accounts are transferred to your overdrawn account. We will not complete a transfer if the funds are insufficient to cover the overdraft.

Use of available credit on your National Bank Mastercard® credit card

You can use the available credit on your Mastercard credit card to cover the overdraft in your account. The conditions of your credit card contract apply to this fund advance. We can refuse this protection, if the credit needed to cover the overdraft would cause you to exceed the authorized credit limit on your credit card or if your credit card account is not in good standing.

Use of available credit on a line of credit you have with us

You can use the available credit from your line of credit to cover the overdraft in your account. The conditions of your line of credit contract apply to this fund advance. We can refuse this protection, if the credit needed to cover the overdraft would cause you to exceed the authorized credit limit on your line of credit.

3. Debit card

A debit card allows you to carry out transactions in your account via automated banking machines and the payment networks in which we take part⁸.

a. Ownership of the card

Debit cards are our property and must be returned to us upon request. We may issue, renew, replace or revoke your card at our sole discretion. If we replace a debit card, this contract applies to the new debit card.

If a National Bank Mastercard credit card is used at an automated banking machine to withdraw funds from your deposit account, this contract applies, as well as your credit card contract.

b. Security measures to safeguard your transactions

To safeguard your transactions, you must:

- › follow the instructions displayed on the participating merchant terminal when completing a debit card transaction
- › protect the debit card and any password (particularly the PIN) and not allow anyone to use them
- › not write down your password or reveal it under any circumstances. You must memorize it and change it regularly.

- › take reasonable measures to prevent people from seeing you enter your PIN. Do not be afraid of looking overcautious. If you think that someone was able to detect your PIN during a transaction, you must change it immediately.
- › use a unique PIN that is difficult to guess and different from your other personal information (name, address, telephone number, social insurance number or birthdate), otherwise, it would be too easy to guess
- › immediately inform us of the loss or theft of the debit card or if a password is revealed (particularly the PIN)
- › change the initial PIN that was assigned to you when you first use one of our automated banking machines or online services

c. Loss or theft of your card or password

If you suspect that someone knows your password (particularly your PIN) or if your debit card is lost, stolen or used without your knowledge, you must inform us immediately, by contacting one of our branches or using the general contact information at the end of this contract.

d. Verification and approval

Transactions with your debit card are subject to our approval. However, we are in no way obligated to verify these transactions and we may refuse them at our discretion.

There is a processing delay between the time you carry out a transaction with your debit card and when it is recorded in your account.

Participating merchants can request a preapproval for a different amount than that of the transaction itself. If the amount is higher, it could influence the holdback amount or your maximum withdrawal limit and result in you not being able to complete the transaction using your debit card. This holdback and withdrawal limit are explained below.

e. Withdrawal limit

Debit cards are subject to daily and weekly withdrawal limits. The withdrawal limit varies depending whether the transaction is carried out:

- › at an automated banking machine
- › with a participating merchant
- › for fund transfers between accounts

You can select the applicable withdrawal limit, however we may refuse it at our discretion. We have the right to impose a withdrawal limit at any time, reduce it, remove it or even increase it.

Withdrawal limits also apply for transactions carried out at a participating merchant's contactless terminal⁹.

f. Accessible payment networks

Your debit card gives you access to services from various payment networks in Canada and abroad.

To learn how to complete a direct payment or withdraw cash from your account using your debit card in Canada and abroad, please visit our website at nbc.ca or contact us.

g. Exchange rate for foreign currency transactions

Foreign currency debit card transactions are converted into Canadian dollars at the rate and based on the conversion method determined by the network used. We apply a 2.5% charge to the conversion rate used by this network.

h. Your liability

You may be held liable for losses, for example, in the following situations:

- › you give your debit card to another person, disclose your password (namely, the PIN) or otherwise voluntarily participate in the unauthorized use of your debit card or your password (namely, the PIN)
- › your debit card or your password is used at an automated banking machine or at a terminal at a participating merchant without use of force, intimidation or theft

- › you enter inaccurate data or deposit a fraudulent item
- › you involuntarily participate in the unauthorized use of your debit card or your password (namely, the PIN) and you do not cooperate in good faith with our investigation.

You will be deemed to have voluntarily participated in the unauthorized use of your debit card if you:

- › voluntarily disclose a password (namely, the PIN) to a person or write it on or near your debit card
- › neglect to notify us within a reasonable period of time of the theft of your debit card or password (namely, the PIN) or of your suspicions if you suspect another person of knowing your password
- › choose a PIN that is easy to guess, such as your debit card number, a birth date, a telephone number or an address.

You will not be held liable for losses beyond your control, such as those resulting from:

- › the use of the debit card or a password (namely, the PIN) without your authorization if
 - you have immediately informed us of
 - the loss or theft of your debit card or
 - your suspicions that another person knows your password (namely, the PIN)
 - you have cooperated in good faith in our investigation
- › the cancellation of the debit card
- › our error or a failure of our systems.

If you are the agent of one of our clients and you use a debit card to access that person's account, you are personally liable for the transactions you carry out in the account.

i. Amount of your liability

If you are liable for a loss, the amount of your liability is limited to the balance of the account, up to the daily withdrawal limit in effect.

The loss may be greater than the balance of the account:

- › if the account has overdraft protection
- › if the funds credited to the account result from a fraudulent or worthless deposit at an automated banking machine.

j. Participating merchants

Any request, question, complaint or problem related to a product or service must be resolved between you and the participating merchant, for example, if there is a failure by the participating merchant to credit an amount to your account or if the merchant charges you late fees or a penalty.

At your request, although we are not bound to, we may require the participating merchant to provide proof confirming that the service or product was delivered to you. Your request must be sent to us no later than 30 days following the statement date or, if your account has a passbook, 30 days following the end of the month when the transaction was recorded.

k. Complaints regarding the use of a debit card not settled to your satisfaction by the customer service representative

If you file a complaint that is not settled to your satisfaction by a customer service representative, we will investigate your complaint as soon as possible, if we are able to do so. Any refund depends on the outcome of this investigation. You must cooperate and provide us with any affidavit, declaration, information, file or other document that we may require. We will disclose the result of our investigation and, if applicable, the reasons why the complaint could not be resolved to your satisfaction.

l. Canadian Code of Practice for Consumer Debit Card Services

We comply with the *Canadian Code of Practice for Consumer Debit Card Services* and its consumer protection requirements. You can consult the code on our website at nbc.ca or obtain it at a branch.

B. Your personal investment account

We offer a wide range of registered or non-registered investment products¹⁰. Your investment account is made up of one or more of these investments.

The investment features and conditions are given to you at enrolment and are reproduced in the documents you receive at that time.

As for deposit accounts, investment accounts can be held individually, jointly or in trust. The rules in the event of death and regarding survivorship rights also apply by adapting them to the investment account.

Our fee guide applies to investment accounts.

C. Conditions that apply to all accounts

4. Authentication when accessing your account

The password you use is your electronic signature and confirms any instructions you send us. It has the same legal effect as instructions written on paper and signed by you and will be accepted even if it is being used by another person acting without your authorization. You are responsible for advising us in such a case.

We will accept as authentic any electronic communication that comes or appears to come from you which we, in good faith, believe to be authentic. You accept the risks associated with the communication and exchange of instructions sent electronically. We are not responsible for losses resulting from such instructions being carried out, except in the case of a serious or intentional misconduct on our part.

We are not required to request additional personal information to authenticate you.

You are liable up to your maximum authorized withdrawal limit when a password is not required, for example, when you pay with a debit card at a contactless terminal.

5. Additional instructions and use restrictions for the account and services

Instructions on security and how to use our services, including our online services, may occasionally be issued.

If these instructions are not followed, you may not have access to our services or your account or you may have to pay fees. For example, at an automated banking machine:

- › We may block the deposit of a cheque or payment of an invoice if information entered is incorrect or if the allotted time limit is exceeded during a session.
- › Interest charges and penalties may be charged to you by a service provider, if you pay a bill without taking into account the payment processing time.

The services available with your account could also be restricted. For example:

- › A hold period may be applied to funds to obtain insurance that the deposited cheques will be honoured.
- › The account may be opened without the possibility of issuing cheques.
- › Access to our online services may be limited or transactions may need to be completed in branches only.

6. Prevention and detection of fraudulent activities

In order to protect yourself against fraudulent activities, you must:

- › keep your password confidential and safe and change it from time to time
- › take reasonable steps to prevent and detect fraud, theft of funds, instructions or cheques that are fraudulent or unauthorized or that have been falsified
- › keep your cheques, statements, passbooks, debit card and other bank documents in a safe place and notify us immediately if you suspect that another person is using them
- › prevent other people from accessing your cheques and signing them on your behalf.

7. Verification of your statement

You will periodically receive a statement detailing the transactions in your account, possibly in a consolidated format, if you have several accounts with us¹¹. If you have a passbook for your deposit account, you are required to update it at least once a month.

You are the best person to detect an irregular entry on your statement or in your passbook.

An irregular entry can be due to:

- › an instruction that you have not authorized
- › a cheque that has been forged, altered, reproduced without your knowledge or obtained illegally
- › fraud of which you are the victim.

If you detect an irregular entry, **you must report it to us within 30 days following the statement date or, if you have a passbook, within 30 days of its monthly update or when such update should have been carried out.**

Exceptionally, a payment resulting from an unauthorized endorsement of a cheque drawn on your account can be disputed after this 30-day period has expired.

You waive your right to dispute any entry (other than the entry described in the preceding paragraph) on your statement or in your passbook after this 30-day period has expired. Entries and balances will be deemed to be accurate and final. You will therefore not be able to claim any amount whatsoever that should not have been debited from your account or that should have been credited to it.

Each time you access your account via our online banking services, we deem that you have taken note of the entries in your account and that you have checked them. You must report to us any irregular entries even before you receive your statement in order to limit your losses.

8. Transmission of documents

a. By mail

Unless you agreed to have them sent to you electronically, documents (including statements) intended for you are sent by mail to your most recent address appearing in our records

(or the address of the holder designated to receive such documents in the case of a joint account).

You must inform us of any change of address. You must also inform us if you do not receive a document that you usually receive or that you are expecting. If you fail to do so, you may suffer substantial inconveniences or lose rights, such as the right to contest an entry on a statement within the allotted time period.

If a mailing is returned to sender (us), future documents will no longer be sent to you until you have updated your address.

Images of cheques drawn on your account during the period covered by a statement are not included with the statement.

b. Electronic communications

If you have consented to electronic communications, we will communicate with you via our online services or another information processing system of our choice. As soon as a document leaves our systems, you are deemed to have received it. If electronic communication fails, we will communicate with you by mail.

You will be informed when a document is available (including statements). If the document is of public or regulatory interest, it will also be available on our website at **nbc.ca**.

Images of cheques drawn on your account over the period covered by a statement are accessible and can be printed or downloaded.

9. Some of our rights

a. Withdrawal of funds from your account on our initiative (set-off)

We have the right to withdraw funds from your account to pay any amount that you owe us, for example, if a deposited cheque has not been paid (whether returned or not), that is likely not to be paid or if an amount credited to your account is the result of a fraudulent deposit. This operation is also called “set-off”.

If we exercise our right to set-off, we may, without further notice:

- › withdraw funds from your accounts, including foreign currencies accounts or joint accounts
- › create or increase the overdraft limit in any account at the applicable interest rate.

b. Fees for converting cheques to a foreign currency

We may refuse to pay a cheque or to accept it for deposit if it is not in the currency of the account.

If we decide to pay or accept a cheque in a foreign currency, you agree to have it converted at our exchange rate and to pay fees up to 3.00% of the amount converted.

Our exchange rate corresponds to the interbank rate at the time the cheque is converted. The interbank rate is determined based on a recognized source of financial information.

You assume exchange rate variations. For example, when a cheque is processed, the amount credited to your account could be different from the amount subsequently debited if the cheque is returned unpaid. We are not responsible for a loss related to exchange rate variations.

c. Controlled access to your account

If we deem it necessary or more prudent, we can limit or block access to an account or to any of our devices or services if, for example, we suspect illegal or fraudulent activity, including cybercrime, cyber threats or harm targeting our systems, financial exploitation or if you do not comply with the terms of this contract.

d. Limitation of our liability

Unless other provisions in this contract provide otherwise, you cannot hold us liable for a loss or claim concerning this contract and your account, except if caused by a serious or intentional fault on our part.

We are therefore not liable for a loss resulting from:

- › fraud or unauthorized activity committed by you or, if applicable, by another accountholder
- › your failure or, if applicable, that of another accountholder, to act in accordance with our instructions
- › a delay in our processing of an instruction
- › an inexact or incomplete instruction.

We are not liable for indirect, consecutive, special or punitive damages. We are moreover not liable for losses resulting from force majeure, an act of cybercrime or cyber threats, technical failure, the unavailability of our systems or any other event beyond our control.

In the event of the failure of our services, our responsibility is limited to taking all reasonable business measures to restore them to proper working order as quickly as possible.

10. Management of your personal information

a. Your consent

When you open a deposit or investment account with us, we ask you to consent to the collection, use and disclosure of your personal information for the purposes described in this section.

b. Purposes of the collection, use and disclosure of personal information

We collect personal information about you and use and disclose it to:

- › assess your eligibility for the requested products and services on an ongoing basis, as well as your creditworthiness when applicable
- › provide you with the requested financial services or products and carry out any related activities, for example, processing your instructions and transactions, preparing and sending account statements, printing cheques, etc.

- › honour our legal and regulatory requirements
- › meet normal needs of our internal operations (including for statistical, analytical, recordkeeping, internal audit, credit and business risk management, security, or products and services development or optimization, etc.)
- › identify you, verify your identity or distinguish you from other clients, particularly using your social insurance number
- › collect any amount that you may owe us, as well as to exercise or defend our rights
- › prevent, detect or control criminal or illegal activities and cooperate with investigations or activities by other authorities or organizations for the same purposes
- › cooperate to maintain the integrity of the credit origination process
- › any other purpose that by necessity implies holding an account or set out by legislation
- › promote our products and services.

c. Persons involved in the sharing of your personal information

The persons (including organizations) from whom we can collect your personal information and those to whom we can transfer or disclose such information to be used for the purposes described above are:

- › persons acting on your behalf, your service providers, intermediaries, correspondent banks and agents, payment systems, payment card networks, clearing or settlement systems
- › persons you designate as a reference
- › other financial institutions and credit information and assessment agencies (sometimes to obtain information on your credit, sometimes to provide them with such information)
- › our insurers, subcontractors, agents or service providers
- › regulatory or government authorities
- › credit product insurers, partners through whom we offer optional products and services and loyalty program service providers

- › other entities in the National Bank group (for legal and regulatory compliance purposes, statistics, to manage credit and other business risks, to make sure that your information is accurate and up-to-date, to administer your account and your choices and, if applicable, for promotional and marketing purposes).

d. Promotional offers and your choices

We may also collect and use your personal information to offer you our other products and services and those of our affiliates by mail, telephone and electronically at the addresses and number that you provide us.

We may also disclose your personal information to our affiliates, as permitted by law, so they can also offer you their own products and services in the same way.

You may refuse to provide your consent to the activities set out in the two previous paragraphs or withdraw your consent at any time by contacting one of our branches or using the general contact information at the end of this contract.

Your refusal or withdrawal will have no impact on your eligibility for our services.

e. Our privacy policy

Our privacy (or protection of personal information) policy as well as our supplemental statement on online services contain additional information on our practices regarding personal information and your rights in this regard, particularly concerning access to your personal information. An up-to-date version of these documents is available at all times at our branches or on our website at nbc.ca.

f. Your obligations

i) *Personal information on other individuals*

In the course of your business relationship with us, if you provide us with personal information about another person, you undertake, before doing so, to:

- › inform that person that you are forwarding such information to us
- › make sure that person consents to us collecting, using and disclosing his personal information in accordance with the provisions set out in this contract.

ii) *Updating your personal information (including your citizenship or residency for tax purposes)*

You agree to inform us of any change regarding your personal information, particularly a change of address. You also agree to inform us of a change to your citizenship or residency for income tax purposes no later than 30 days after the change.

11. General

a. Retention

We retain all documents and information concerning you on the medium of our choice.

b. Proof

Our records on the transactions that you carry out using our services are enforceable against you and are binding on you. The following specific conditions apply:

- › Any document (including cheques) transferred and stored on a technological medium can be used as proof in legal or administrative proceedings before any body to the extent and subject to the conditions set out by law.
- › Once a transfer is completed, we destroy the document and it can no longer be accessed from its original medium. For example, we keep cheques as digital images and destroy the original paper document.
- › The content of this document is established conclusively regardless of the support we use to store it; you waive your right to dispute it.
- › Such stored documents have the same legal value as the original documents before their transfer.
- › The record of a transaction in your account and any document produced during a transaction constitute conclusive evidence of an advance of funds or that the service or product purchased from a participating merchant was delivered and paid.

c. Guarantees

You benefit from our Peace of Mind Guarantee regarding our online banking services. Details about this guarantee can be found on our website, nbc.ca.

We offer no other explicit or implicit guarantee concerning:

- › our services (including their availability)
- › Internet and payment card networks
- › networks that connect your technological device to another device
- › the protection of information exchanged via electronic communication channels
- › the actions of third parties or participating merchants
- › software or applications
- › merchants' terminals and devices, with or without PIN
- › the technological devices you use

Moreover, we do not offer any warranty of merchantability, fitness for a particular use or immunity against cybercrime, cyber threats or any other harm targeting our site, systems and devices for accessing our services.

d. Taxes

Interest income received or earned regarding your deposit account or your non-registered investment account is taxable in the year in which it is received or earned.

We will send you any required tax slips, as applicable.

e. Transfer

We have the right to transfer this contract to anyone without your consent. We may transfer any amount due or security with or without the benefit of the rights provided for under the contract.

You may not transfer the rights related to this contract without our prior written consent.

f. Successors

This contract binds our successors and assigns, as well as your heirs and legal representatives.

g. Amendments

We may amend this contract. You will be informed of amendments in writing, at least 30 days prior to their effective date by mail or electronically if you have opted for this method of communication.

This written notice will contain all new and amended clauses, as well as their previous versions and the effective date of the amendments. A change to the contract does not create a new contract, and the unchanged terms and conditions remain in full force and effect.

If you use one of our services after an amendment takes effect, we may consider that you are aware of it and have agreed to it. You can refuse an amendment anytime by terminating this contract in compliance with the following section.

h. Termination of contract

You can terminate this contract anytime with a simple notice. However, for investment accounts, you must comply with the rules set out in your opening/issue agreement.

We may terminate this contract via written notice of at least 30 days if:

- › you no longer have an account with us
- › you fail to pay service charges
- › you do not comply with any of the conditions of this contract.

We can terminate this contract anytime and without notice if you use an account or our services in an unusual, illegal or abusive manner.

i. Applicable legislation

This contract is governed and interpreted by the laws in force in the province or territory where you reside. Only the courts of that province or territory have jurisdiction over this contract. If you reside outside Canada, the laws in force and the courts of competent jurisdiction are those of the province of Quebec.

12. Regulatory provisions

a. Dormant accounts and unclaimed balances

If you do not carry out transactions in an account or cease to do so, it becomes dormant and fees are charged. We are legally required to send you dormant account notices. We will do so by mail or electronically if you have opted for this method of communication.

If an account is dormant for 10 years, we will close it and if there is a balance, transfer it to the Bank of Canada.

For additional information on how to collect an unclaimed balance, please contact the Bank of Canada directly:

Bank of Canada – Unclaimed Balances Department

234 Laurier West

Ottawa, Ontario K1A 0G9

Telephone: 1-800-303-1282

Website: <http://www.bankofcanada.ca/unclaimed-balances/>

Email: info@bankofcanada.ca

b. Deposit insurance

National Bank of Canada is a member of the Canada Deposit Insurance Corporation. Your deposits will be protected under the *Canada Deposit Insurance Corporation Act* if they meet certain requirements. For more information, contact us or:

Canada Deposit Insurance Corporation

50 O'Connor, 17th Floor

Ottawa, Ontario K1P 6L2

Telephone: 1-800-461-7232

Website: www.cdic.ca

Email: info@cdic.ca

Natcan Trust Company and National Bank Trust Inc.¹² are authorized to receive deposits under the *Deposit Insurance Act* (Quebec). Your deposits will be protected under this law if they meet certain requirements. For more information, contact us or:

Autorité des marchés financiers

8800 Square-Victoria, 22nd Floor

P.O. Box 246, tour de la Bourse

Montreal, Quebec H4Z 1G3

Telephone: 1-877-525-0337

Website: lautorite.qc.ca

13. Our contact information

You can reach us:

› by telephone at the following numbers:

– Montreal: 514-394-5555

– Outside Montreal: 1-888-835-6281

› by email at the following address: telnat@bnc.ca

Various mechanisms exist to settle issues or problem situations that you may encounter in your business dealings with us. For more information, please read our complaint settlement brochure, available in branches and on our website, **nbc.ca**.

14. Glossary

Debit card: A debit card (Client Card), National Bank Mastercard credit card when it is used at an automated banking machine to carry out a withdrawal and any other payment card that we have issued.

Electronic communication: Communication that uses information technology, such as a technological device with online services and any other communication exchanged through electronic channels including the Internet, an email, a text message, e.g., SMS or Messenger.

Instruction: Any verbal or written payment order or instruction, recorded on paper or technological medium (including an image or reproduction thereof), such as a cheque, bank draft, promissory note, any other clearing item, as well as any electronic instruction made via automated or online services, including any automated payment, pre-authorized debit, funds transfer, direct deposit, mobile payment, digital deposit or bill payment.

Irregular entry: An irregularity, error or fraudulent transaction concerning an unauthorized debit or credit that should have been recorded on the statement or in the passbook concerning an account, including those resulting from negotiation of a cheque that is altered or signed without authorization or from an instruction carried out electronically further to the loss of the secrecy of authentication information.

Online banking services or online services: Banking services accessible via a technological device.

Password: The PIN (personal identification number or confidential code made up of a series of characters used to identify you), the initial temporary authenticator code that allows you to choose a PIN, the digital fingerprint activated by Touch ID™, any secret code and any other biometric data if applicable.

Peace of Mind Guarantee: This guarantee provides for full reimbursement of the loss in the account if the security tips are followed. These tips are available on our website, nbc.ca, under the ABCs of Security. This guarantee only covers the loss in the account and applies if, after verification, you are found to be the victim of fraud, you did not authorize a transaction, you notified us immediately and you cooperated in any investigation.

Personal information: Any information legally defined as such (including your name, contact information, information on your identity document, information about your banking transactions and personal information that we have about you as an authorized representative, director, shareholder or guarantor of a business).

Subsidiaries: Financial institutions under the control of National Bank of Canada offering deposit, loan, credit, debit or payment card services, trust, safekeeping, brokerage and insurance services or other personal financial services, including National Bank Trust Inc., National Bank Investments Inc. and Natcan Trust Company. Some subsidiaries may be subject to specific legislation. A list of our main Canadian subsidiaries can be obtained at any National Bank branch or our website at nbc.ca.

Technological device: A photocopier, personal computer, digital device, mobile device, telephone, smartphone, tablet, personal digital assistant, mobile application or any other digital or electronic device, wireless or not, that uses information technology.

- 1 This includes the *Fee Guide (Personal Banking Solutions)* or any other guide that could replace it in future. This guide is available in branches or online at nbc.ca. It can also be requested by telephone at 514-394-5555 (Montreal) or 1-888-835-6281 (elsewhere).
 - 2 National Bank debit cards and Mastercard credit cards are accepted in the card networks with which we are affiliated. For a list of these networks, see note 8 below.
 - 3 A separate contract, available online, applies to services offered on the Internet, mobile devices or by telephone.
 - 4 As at the date of this contract, the cut-off time is 3:00 p.m., but could be modified in due course.
 - 5 As at the date of this contract, the portion of the funds not subject to a hold upon deposit is \$100. For up-to-date information, please consult our access to funds policy.
 - 6 As at the date of this contract, a period of at least three business days is necessary for payment processing, but this delay is subject to change.
 - 7 We discuss set-off in section 9a), on page 26.
 - 8 As at the date of this contract, the networks with which we are affiliated are *Interac*®, *THE EXCHANGE*®, *ACCEL*®, *Cirrus*®, *Maestro*® and *NYCE*®. Other networks may be added to the existing ones or replace them. Please visit our website for up-to-date information on this subject. Debit cards are equipped with chip technology, recognized by all automated banking machines and participating merchant terminals in Canada.
 - 9 As at the date of this contract, a withdrawal limit of \$100 per transaction and \$200 per day is in place to limit damages in case of loss or theft of a debit card. Beyond these limits, your PIN must be entered.
 - 10 As at the date of this contract, these investments are offered by National Bank, National Bank Trust or Natcan Trust Company.
 - 11 The consolidated statement combines the accounts that you hold with National Bank and certain subsidiaries.
 - 12 At as the date of this contract, Natcan Trust Company and National Bank Trust Inc. are also members of Canada Deposit Insurance Corporation.
- ™ TOUCH ID is a trademark of Apple Inc.
- ® *INTERAC* is a registered trademark of *Interac* Inc. Used under licence.
- ® *MASTERCARD*, *CIRRUS* and *MAESTRO* are registered trademarks of Mastercard International Inc. National Bank of Canada is an authorized user.
- ® *THE EXCHANGE* and *ACCEL* are registered trademarks of Fiserv Inc.
- ® *NYCE* is a registered trademark of NYCE Payments Network, LLC.



BANKING

Simplifying your day-to-day banking transactions.



FINANCING

Helping you carry out the projects that are important to you.



INVESTING

Customizing solutions and advice for your short-term projects and retirement plans.



PROTECTING

Insuring you and your assets for your peace of mind.



TRANSFERRING

Making sure your estate is transferred to your loved ones.



DOING BUSINESS

Helping decision-makers grow their business.

❖ Should you have any questions, do not hesitate to contact us.

514-394-5555
1-888-835-6281

nbc.ca



13018-002 (2018/01)

© 2018 National Bank of Canada. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank of Canada.