



CLIENT NOTICE

General Information and Agreement

Investment, Transaction
and Margin Accounts of
National Bank of Canada,
Natcan Trust Company and
National Bank Trust Inc.

Effective June 1, 2016

Thank you for the trust you have shown by choosing us. We will do our utmost to provide you with the quality service you have every right to expect.

To make this possible, it is essential that you understand the terms and conditions governing the management of your new account. In addition, this document, the signature card you completed upon opening your account, Your Guide to Personal Banking Solutions and, if applicable, any specific margin account agreements and the All-In-One Banking Guide represent all the terms and conditions governing the management of your accounts held at National Bank of Canada, Natcan Trust Company and National Bank Trust Inc. and replace any previous agreement in this respect. We therefore recommend that you read these documents and keep them for future reference.

National Bank of Canada branches have a variety of documents available containing valuable information on the following: our products and services, our basic banking services, your investor profile, the investment solution best suited to your needs, the features of National Bank All-In-One Banking™, our hold funds policy on deposited cheques, the policy regarding the protection, collection and use of your personal information in effect at National Bank of Canada and at our subsidiaries, and the steps you can take if you are not completely satisfied with a particular service.

Your National Bank of Canada accounts are maintained at the branch indicated on the documents that we give you from time to time, such as your statement of account, your passbook, a deposit slip or an investment form. Your Natcan Trust Company and National Bank Trust Inc. accounts are accessible via the same National Bank of Canada contact branch.

Should you have any questions about our products and services or simply wish to discuss your financial needs, please schedule a meeting with a branch advisor, contact our TelNat Customer Service at 1-888-483-5628 (toll-free) or 514-394-5555 (Montreal area), or visit our website at **nbc.ca**.

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General Information

1 Confirmation of your Identity

As part of the account opening process, we need to confirm your identity to protect your interests, to prevent identity theft by a third person and to comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. As a result, we require two pieces of identification, one of which must be a recognized form of identification under applicable legislation. For instance, you may use your driver's licence, passport, birth certificate or health insurance card (where permitted by law) for identification purposes.

2 Your Personal Information

We are required to gather specific personal information to open your file, to identify you, to determine your needs and, occasionally, to offer you our products and services. For example, when you open an account, we require your consent before we can verify the information you provide to us. Should your information prove inaccurate, we may refuse to open the account or, if your account is already open, we may close it. Similarly, if you previously authorized us to obtain a credit report on you, we may update it. We may share your personal information with our subsidiaries and with personal information or credit reporting agencies. We may also notify credit reporting agencies of any irregularities related to your account.

If you hold interest-bearing accounts, we will need to obtain your Social Insurance Number (SIN) in order to comply with applicable tax legislation. Otherwise, you do not have to disclose your SIN to us. If you choose to disclose it to us in the context of our business relationship, we may use it to verify your identity and differentiate you from our other clients.

Please refer to our brochure detailing the policy of *National Bank of Canada* and its subsidiaries regarding the protection, collection, use and disclosure of your personal information.

3 Our Main Account Categories

Our main account categories are designed to meet your financial needs.

3.1 Investment Accounts

Investment accounts are primarily used to manage your guaranteed investment certificates (GIC). Each GIC has terms tailored to your needs to plan and manage your savings. These terms are set out on the form you receive when making a deposit.

3.2 Transaction Accounts

Transaction accounts are generally used for day-to-day banking. Our accounts help you save and are accessible at all times thanks to our *Automated Services* and *Internet Banking Solutions*. Certain accounts also include chequing privileges. Transaction accounts help you save, pay for goods and services and make transfers. In short, they enable you to manage your day-to-day personal finances. Although transaction accounts should not be overdrawn, we may occasionally authorize overdrafts. We also offer overdraft protection to help you manage your accounts.

3.3 Margin Accounts

Our margin accounts have an authorized credit limit allowing you to borrow funds periodically to meet your cash and financing needs. Their specific terms and conditions are set out in separate credit agreements. You may also use a margin account to carry out day-to-day banking transactions, as with transaction accounts. Certain margin accounts may require you to provide collateral.

4 How Accounts May Be Held

Normally, your account is held in your name or may sometimes be held jointly with another person. Under certain circumstances, it may be advisable to hold an investment or transaction account in trust, as in the case of a guardianship, a curatorship or an estate. The following examples illustrate the most common situations:

4.1 Individually

You are the sole accountholder and no transactions may be executed in your account without your authorization. However, you may give someone power of attorney to manage your account according to your instructions.

4.2 Jointly

You and one or more other people hold an account and are therefore jointly and severally liable for any outstanding amounts resulting from its use. You are authorized to independently manage the account, even though you hold it jointly. You may act independently to make withdrawals, sign or endorse cheques and close the account. Therefore, any one of you may deposit and negotiate any cheque payable jointly to you and the other joint accountholders, even if the cheque is not endorsed by all the joint accountholders. We may deal with any joint accountholder for the cheque or any other item, payment instruction, transaction or inquiry relating to the account. Any joint accountholder is specifically authorized to act on behalf of all the joint accountholders. Lastly, any joint accountholder may object to any payment instruction without our being required to obtain the authorization of each joint accountholder.

If you are a resident of Canada (except Quebec), you acknowledge that you are a co-holder of the account with right of survivorship. Therefore, the death of one of the co-holders will not prevent the other surviving co-holders from withdrawing amounts from the account, which will belong in full ownership to the surviving co-holders.

We will send the statements, notices, items and any other documents regarding a transaction or investment account to the main accountholder at the last address we have on file, as he is the person designated to receive them. If you hold a margin account jointly with one or more people, all regulatory information regarding this account, including any statement or notice, will be sent to the main accountholder at the last address we have on file, except if you have chosen the “separate disclosure” option, in which case each person will receive the regulatory information.

4.3 In Trust

In trust accounts are opened for a specific purpose or for the benefit of another person. You are the only authorized manager of the account and any interest paid on it belongs to you.

4.4 Under Guardianship

Guardianship accounts are opened for the benefit of another person whose assets must be protected, particularly minors. Parents automatically act as guardians for their minor children.

A legally appointed guardian may also act on behalf of a minor or a person of legal age who is incapable of managing his or her assets. The guardian manages the account to the exclusion of the person under guardianship. Any interest paid on the account belongs to the person under guardianship.

4.5 Under Curatorship

Curatorship accounts are opened for the benefit of a person of legal age who has become incapacitated and for whom protective supervision is provided subsequent to the judgment of a competent court. The curator manages the account on behalf of the person under curatorship. Any interest paid on the account belongs to the person under curatorship.

4.6 On Behalf of an Estate

If you have been appointed executor (liquidator) of an estate, you can open an account to transfer the balance of the estate’s assets and, eventually, distribute the balance among the heirs. Certain documents are required when opening an estate account, such as the death certificate, the will and the declaration of transmission by death.

5 Accessing your Accounts

You can access your transaction and margin accounts by issuing cheques. These cheques are encoded to indicate your account number and the branch where the account is maintained, and can only be used with the account in question. We can refuse to honour your cheques if they are drawn on another account.

You can also make arrangements with a third party to have payments debited directly from your accounts on a regular basis (preauthorized debits).

You must promptly inform us if such debits are made without authorization or in an irregular manner. Otherwise, we may not be able to use the interbank clearing system to your advantage within the required time.

Lastly, you can access your accounts and carry out transactions using one of our services described below, subject to the agreements governing their use.

5.1 Our Branch Services

The *Branch Services* provided in *National Bank of Canada* branches during normal business hours enable you to make deposits, withdrawals and transfers, pay bills, exchange foreign currencies, obtain bank drafts, access a safety deposit box, and generally, carry out any type of banking transaction. Please note that if you use our *Inter-Access* service in a branch other than your own, you will need to provide proper identification.

5.2 Our Automated Services

Our *Automated Services* enable you to perform a number of banking transactions without the assistance of one of our representatives. By using your *National Bank of Canada* Client Card, you can access your accounts via automated banking machines, point-of-sale terminals, and other equipment and technologies made available to National Bank of Canada clients. Your *National Bank of Canada* Client Card and *MasterCard* credit card can also be used with affiliated networks such as *Interac*^{®1}, *Cirrus*^{®2}, THE EXCHANGE^{®3}, NYCE^{®4} and *Maestro*^{®5}.

5.3 Our Electronic Banking Solutions

You can carry out most of your day-to-day account transactions whenever and wherever you like thanks to our *Internet Banking Solutions* and our *Mobile Banking Solutions*, and from 6 a.m. to midnight (ET) with our *TelNat Telephone Banking Solutions*, including the following: checking the balances of your *National Bank of Canada* investment, transaction and margin accounts and *MasterCard* credit cards, viewing your deposit and withdrawal transactions, making transfers between your own accounts or to an account held by another person, accessing and paying your bills and ordering cheques. Certain features are not available with *Mobile Banking Solutions*.

6 Power of Attorney

You can appoint an individual with various powers of attorney, such as managing your account. However, you remain the accountholder and may revoke the power of attorney at any time. If you intend to designate a person with power of attorney to administer your account, please speak with a staff member at your branch, who will provide you with a power of attorney form.

7 Overdraft Protection for your Transaction Accounts

To avoid fees for account overdrafts or NSF cheques, you can apply for overdraft protection. You may choose one or both of the following overdraft protection methods:

- **Via fund transfers:** the amount needed to cover the overdraft is debited from one of your other transaction or margin accounts or from the account of another individual holding a National Bank of Canada account who has given specific authorization to do so.
- **Via a *National Bank of Canada MasterCard* credit card:** the amount needed to cover the overdraft is charged to your credit card.

8 Stop Payments

You may stop payment on a cheque you wrote or stop a payment instruction using our *Branch Services* or *Electronic Banking Solutions* at least one day in advance. However, you must provide us with specific information. In the case of a cheque, you must specify the cheque number and date, the amount, the account number and the payee's name since the stop payment is based on this information. In the case of payment instructions, such as preauthorized debits, you must specify the payment amount and date, the account number and the payee's name. If this information is inaccurate, we will be unable to process your request.

9 Hold Funds

When you deposit a cheque into an account, we may hold the funds to ensure that the cheque will be paid by the issuer. While the funds are being held, you cannot access them. The hold funds period may vary according to the circumstances. For instance, if you open an account with us for the first time and you deposit a cheque drawn on a foreign financial institution or that violates interbank clearing standards, this period may be longer.

Even if the hold funds period expires, your account may be debited if the cheque is returned by an interbank clearing system for valid and recognized reasons. We therefore recommend that you exercise caution when you accept a cheque, especially if it is for a large amount and issued by someone you do not know or do not know very well. You remain responsible at all times for any cheque or other item that you deposit to your account, even after the hold funds period has expired.

Please refer to the leaflet detailing our hold funds policy on cheques, which is available at your branch.

10 Care and Control of your Cheques, Statements, Passbooks and Other Documents

You are responsible for the care and control of your cheques, passbooks, statements and other documents we give you from time to time that contain information about your banking transactions. You must keep them in a safe place at all times and notify us if they are lost or stolen immediately upon becoming aware of the fact. For example, you are the person in the best position to discover if a cheque debited to your account is forged, altered or unauthorized. You are the only person authorized to use your cheques, and any transaction carried out with your cheques will be reflected in your account. If another person uses your cheques without your knowledge, we will indemnify you if you notify us within the prescribed time, you prove that you took adequate precautions to protect access to your cheques and you exercised adequate care in examining your statements and passbook and updated them regularly. You must also protect access to any other document containing personal banking information that we send you from time to time.

11 Checking your Account Entries

You are responsible for checking your account entries. If you have a passbook, we request that you update it regularly, i.e., at least once a month. This will give you the opportunity to check your account deposits and withdrawals within the prescribed timeframe. Monthly statements should also be checked. If you use our *Internet Banking Solutions*, you can access a detailed list of your most recent transactions at any time. We therefore encourage you to monitor your account closely. This way, you can advise us immediately if you detect account errors or irregularities. Should you fail to advise us in writing within the prescribed timeframe, we may refuse to indemnify you for any losses incurred.

12 One of your Accounts Becomes Dormant

If there is no activity in your account over a 12-month period, written notices will be sent to you periodically at the last address we have on file. In the event of prolonged inactivity, your account will be closed and management fees will be charged. After your account has been dormant for 10 years, your balance will be transferred to the *Bank of Canada*, in accordance with applicable regulatory requirements. Guaranteed investment certificates (GICs) kept in an investment account may be renewed automatically according to the original conditions.

13 Unusual, Improper or Abusive Account Use

We reserve the right to limit your use of your account, and even close it without warning or delay, if you use it in an unusual, improper or abusive manner. For example, repeatedly writing NSF cheques, repeatedly depositing postdated cheques, depositing empty envelopes at an automated banking machine or depositing cheques for which you are not the sole payee may prompt us to close your account.

Your account must be used for personal purposes only, and not to carry on a business, unless we authorize it.

14 In the Event of Death

Upon the death of the holder or one of the co-holders of an account, the funds will be temporarily frozen until the estate has been settled. For additional information, please consult a specialist in estate law or ask the staff at your branch about our procedures in such an event.

If you are a resident of Canada (except Quebec) and you hold an account with one or more other people, you may benefit from a right of survivorship which means you are entitled to the account balance in the event of your co-holder's death. In such a case, the account should not be temporarily frozen.

15 Our Service Charges

We usually review our service charges once a year. This review covers all investment, transaction and margin accounts, as well as the services provided by *National Bank of Canada*, *Natcan Trust Company* and *National Bank Trust Inc.* If you receive a monthly statement, a notice about the updated service charges will be enclosed with the statement 30 days prior to the effective date. If you do not receive a monthly statement, you may consult the notice available at your branch or, if you prefer, refer to the notice displayed at our branches, points of service, automated banking machines and on our website at nbc.ca, 60 days before the date the new service charges take effect. Our service charges are debited on the first business day following the business day on which your billing cycle ends. If the cycle ends on a non-business day, our service charges are indicated on your monthly statement or passbook dated the last business day before the cycle ends. You can therefore immediately know what the applicable service charges are for the cycle, even if they are debited at a later date.

16 Our Interest Rates

We reserve the right to modify the interest rates applicable to our various deposit products from time to time. If modified, the new rates are posted in all branches of *National Bank of Canada*. You may also obtain information on our interest rates by calling *TelNat Customer Service* at **1-888-483-5628** (toll-free) or **514-394-5555** (Montreal area) or by visiting our website at **nbc.ca**.

17 Your Comments

If you have any comments or are dissatisfied with a service we have provided, please contact one of our representatives. Our complaint settlement brochure outlines how to resolve any difficulties you may have encountered.

Agreement Governing Investment, Transaction and Margin Accounts

The *General Information* section is an integral part of the *Agreement Governing Investment, Transaction and Margin Accounts* (“Agreement”). The Agreement applies to every account opened with *National Bank of Canada* (“Bank”), *Natcan Trust Company* (“Natcan”) or *National Bank Trust Inc.* (“Trust”). The term “you” means each of these financial institutions. The term “I” designates individually and collectively each of the persons holding an investment, transaction or margin account. If an account is held with another person, each accountholder shall be jointly and severally liable for all of the obligations set out in the Agreement.

Part I

Investment Accounts

1 General

The main terms and conditions governing an investment account deposit I make in the form of a guaranteed investment certificate (“GIC”) are set out in the form that you issue when I make the deposit. This form includes, among other things, my name, the issue and maturity dates of the GIC, the applicable interest rate, the deposit amount, the specific terms and conditions of the GIC and my instructions at maturity.

2 Specific Terms and Conditions

Certain GICs may include specific terms and conditions according to the type of deposit made. For instance, these terms and conditions may include: the conditions enabling or preventing me from transferring my deposit rights, the stipulations required by the *Canada Deposit Insurance Corporation* and the *Autorité des marchés financiers*, the requirement of prior notice if I opt for early redemption, the terms and conditions governing early redemption, including the penalties I may be required to assume, as applicable, the interest calculation and payment method, and the fact that the return may be based on certain conditions. I must read these terms and conditions upon making a GIC deposit and must advise you immediately if they do not comply with my instructions. My statement also sets out the main features of my GIC and will occasionally include notices about it.

3 Automatic Renewal at Maturity

Any subsequent renewal of my GIC will be made at the initial amount plus, as the case may be, any accrued and unpaid interest, at the prevailing interest rate at the time of renewal and over the term I selected when my GIC was issued. I may opt not to automatically renew my GIC at maturity by providing you with specific instructions in this respect.

4 Registered Plans

As a Canadian taxpayer under age 71 as at December 31 of the current calendar year, I may make certain deposits in connection with a registered retirement savings plan (RRSP). However, I must complete the documentation required under tax legislation for the purpose of registering my RRSP deposit. When I turn 71, I will have to complete the required registered retirement income fund (RRIF) documentation.

5 Tax-Free Savings Account (TFSA)

As a Canadian citizen aged 18 or over with a valid social insurance number (other than a trust), I may open a TFSA with you and deposit up to \$5,000 per year (amount may be indexed each year) regardless of my income. I should refer to my notice of assessment in order to not exceed my authorized contribution limit. I may deposit various eligible investments into my TFSA, and the interest income, dividends or capital gains will not be subject to income tax. I may also make withdrawals from my TFSA at any time with no tax impact by respecting the terms and conditions of the various investments in my TFSA. Any amounts withdrawn from my TFSA may be redeposited at a later date subject to applicable tax requirements. To open a TFSA, I must complete the documents required by tax legislation and the documents related to the various eligible investment products to be deposited into my TFSA.

6 Closing my Account

You may close my investment account if I no longer hold any GICs, in accordance with your applicable file handling standards.

Part II

Transaction Accounts

1 Payment Authorization

I authorize you to pay, accept and debit any cheque, note, bill of exchange or payment instruction (hereinafter collectively referred to as “Item”) that I issued, signed or endorsed and that is processed by you or presented to you for payment.

2 Repayment of Dishonoured Items

I will repay you for any Item or debt security paid and credited to my account and for which you did not subsequently receive payment for any reason whatsoever, unless its loss was due to your negligence.

3 Debits

I authorize you to debit my account for any amount I owe you, including any applicable service charges. Furthermore, even if the hold funds period has expired, I authorize you to debit my account if an Item previously credited to my account is returned for any reason whatsoever. If I owe you an amount in a currency other than my account currency, you may convert it into my account currency at the Bank’s exchange rate on the debit date. I also authorize you to debit from my account the fees set out in Your Guide to Personal Banking Solutions if a third party requests information or documents pertaining to me by way of judicial proceedings instituted under applicable legislation, in particular writs of seizure, subpoenas, applications by a trustee in bankruptcy or requirements for payment, information or production of documents.

4 Preauthorized Debits

You may process any third-party debits to my account provided they were preauthorized by me. I undertake to verify each preauthorized debit recorded on my monthly statement or in my passbook and to advise you immediately of any irregularities. If I fail to do so, I will take the steps I deem appropriate directly with the third party that debited my account.

5 Deposits

I may deposit funds into my account in person or through your *Automated Services*, your *Electronic Banking Solutions*, the mail or any other method that you deem acceptable. I authorize you to credit my account for the deposits made on my behalf by any person. All the cheques that I deposit must be made out to me and endorsed. If I have not endorsed a cheque, you can only accept it for deposit to my account and I will compensate you for any losses that you may incur as a result of such deposit. I acknowledge that you do not accept cheques made out to third parties and endorsed by said parties because you cannot verify that the endorsing signature is valid. If such a cheque is deposited to my account, I am responsible for the validity of the endorsement by such third party and I will compensate you for any loss incurred as a result of such deposit.

6 Direct Deposits

I am responsible for advising any person who performs, at my request, a direct deposit into my account of any change that could affect payment, in particular, a change in my account number or branch.

7 Interest on Credit Balances

I am aware that a credit balance on my account will not bear interest, except in accordance with the terms and conditions and interest rate to which you may agree from time to time in writing.

8 Joint Accounts

If I hold an account with one or more other persons, I am jointly and severally liable for the obligations contracted under the Agreement with the other person(s). I must, among other things, repay the overdraft charges (if any) and any other outstanding service charges. I authorize you to accept any funds or to credit the amount of any Item deposited from time to time to this joint account by me or the co-holder(s), each of us acting as each other's agent to make such deposit or endorse such Item. Consequently, if an Item is payable to us jointly or to me alone, I authorize you to accept it for deposit to this joint account even if it is not endorsed by all my co-holders and I will compensate you for any loss that you may incur as a result of such deposit. Each accountholder may act independently to, among other things, make withdrawals, sign Items and even close such joint account. You are authorized to debit our account if the Items are signed by us in accordance with the number of signatures that we have indicated (on the signature card or elsewhere). You do not have to verify the number of required signatures for any preauthorized debits. I am responsible for notifying you of any irregularities with respect to such debits are made.

9 Overdrafts

My account must not be overdrawn and, consequently, I must maintain at all times sufficient available funds to enable you to pay all Items debited from my account.

If I fail to fulfill this obligation, (i) you may apply the credit balance of an account that I hold with your institution to the debit balance on my overdrawn account and (ii) you may refuse to pay all or part of the Item debited from my account. You may do this without notifying me beforehand, whether my accounts are held individually or jointly.

Without limiting the scope of the foregoing, if you authorize an overdraft on my account, I will repay you the overdrawn amount, with interest at the Bank's annual rate in effect. I may obtain the applicable interest rate by visiting a *National Bank of Canada* branch, by using your *Electronic Banking Solutions* or by consulting your website at **nbcc.ca**.

I will pay you the service charges resulting from my failure to maintain sufficient available funds in my account.

10 Overdraft Protection

I may cover any account overdraft by selecting one of the options presented hereinafter. If I select several options, the *Funds Transfer* option will be applied first, the *National Bank MasterCard* option second and the *Margin Account* option last. I may revoke any of these options by contacting my branch of account or by using one of your *Electronic Banking Solutions*. You may refuse to use the options I select by advising me thereof. I will pay you the applicable service charges in order to benefit from overdraft protection.

10.1 Funds Transfer Option

By selecting this option, I authorize you to cover any overdraft on my account by debiting another transaction account I hold at your institution or, if another person has provided their prior consent, to debit an account held by that person at your institution to cover the overdraft. You are not required to transfer funds if the amount available in the other account is insufficient to cover the overdraft.

10.2 *National Bank MasterCard Option*

By selecting this option, I authorize you to cover any overdraft on my account by using the available credit on my *National Bank of Canada MasterCard* credit card. I understand that any amount credited in this way will be considered a direct cash advance from you, in accordance with the agreement governing the use of my *MasterCard* credit card. You are not required to use the available credit on my *MasterCard* credit card if doing so would exceed my authorized credit limit or if I fail to comply with the agreement governing the use of my *MasterCard* credit card.

10.3 *Margin Account Option*

By selecting this option, I authorize you to cover any overdraft on my account by using the available credit on the margin account I hold at your institution.

I am aware that any amount credited in this way will be considered an advance from you, in accordance with the credit agreement and the cost of borrowing disclosure statement I signed. You are not required to use the available credit on my margin account if doing so would exceed my authorized credit limit or if I fail to comply with the credit agreement.

11 Waiver

I will honour any Item that I have signed, endorsed or deposited, even if you do not present it for acceptance or payment to the issuer. Accordingly, I will not dispute any Item that I have signed, endorsed or deposited, and you are not required to advise me if any Item I endorsed is dishonoured.

12 Recourse for Dishonoured Items

You may exercise any recourse in respect of an Item debited from my account pursuant to the Agreement, although you are not required to do so. You can retain and hold said Item as a guarantee for payment of any amount I owe you.

13 Withdrawal Notices and Hold Funds Periods

You may require notice from me regarding any withdrawal I wish to make from my account. You may also hold any funds credited to my account subsequent to the deposit of an Item, in accordance with your hold funds policy on cheques. I acknowledge that any Item of which the amount is credited to my account may subsequently be debited if such Item is not paid when presented and is returned to you through an interbank clearing system. I acknowledge that this debit may even be made after the hold funds period has expired. Consequently, I remain responsible at all times for this Item. Furthermore, I acknowledge that the end of the hold funds period is not a guarantee or a representation by you that an Item will not be returned to you and potentially debited from my account.

14 Items Subject to Special Collection Procedures

If, in your opinion, the circumstances so warrant, you may present, on my behalf, an Item for payment using the presentment and collection method you deem most appropriate; I designate you as my agent for that purpose. At your request, I undertake to complete and return to you any document setting out my specific instructions in this respect. I acknowledge that the amount of the Item will be credited to my account only if it is duly paid by the issuer.

15 Currency and Format of Items

You may decline to pay an Item drawn on my account or to accept the deposit of an Item to my account if such Item is not in the currency of my account, or if it is drafted in a format or medium that you have not approved or if it does not meet the standards applicable to all interbanking payment systems, or if such Item or its medium has been altered. At your discretion, you may decide to pay such an Item or to accept it for deposit and to then levy service charges for its processing. Similarly, if the Item is not in the currency of my account, it will be converted at an exchange rate corresponding to an interbank rate plus not more than 3.00%; the interbank rate will be determined by you using a reliable information source.

Specifically, you may refuse to honour a postdated Item or an Item that is not payable solely to me and to levy service charges for its processing. You may refuse to process any Item that does not comply with applicable regulations and standards, particularly those of the *Canadian Payments Association*.

16 Closing my Account

Whether or not I hold another account or product with your institution, if I do not maintain a credit balance in my account or if my account is overdrawn, you may close the account without having to notify me.

Part III

Margin Accounts

1 General

The main terms and conditions governing margin accounts are set out in the credit agreement and the cost of borrowing disclosure statement I signed. The credit agreement also sets out my name, my authorized credit limit, the applicable interest rate on debit balances and if my authorized credit limit is exceeded, the repayment conditions, as well as the features of my margin account.

2 Specific Terms and Conditions

Certain margin accounts have specific terms and conditions that vary according to the nature of the credit you granted. For example, these terms and conditions may include the following: the specific conditions governing the use of margin accounts, requirements pertaining to the collateral I must maintain, the obligation to maintain my borrowing capacity, terms and conditions governing the repayment of any debit balances, and the interest calculation method. I must read all such terms and conditions upon signing the credit agreement and the cost of borrowing disclosure statement.

3 Transactions

If you authorize me to use my margin account to carry out transactions, I acknowledge that the terms and conditions set out in *Part II* of the Agreement concerning transaction accounts apply to my margin account, except those pertaining to overdrafts and overdraft protection.

4 Collateral

You may require me to provide collateral to secure the repayment of debit balances on my margin account or to ensure compliance with the terms and conditions of the credit agreement and the cost of borrowing disclosure statement. Accordingly, I undertake to maintain such collateral in good condition and to prevent its depreciation.

5 My Borrowing Capacity

You allow me to use a margin account based on my creditworthiness and borrowing capacity. Accordingly, I undertake to not to reduce them to such an extent that I would be unable to meet my obligations.

6 Closing my Account

Should I fail to comply with the terms of the credit agreement and the cost of borrowing disclosure statement, e.g., by significantly reducing my creditworthiness and borrowing capacity or the value of the assets pledged as collateral, you may close my margin account after sending a notice to me at the address you have on file. If need be, you may apply the credit balance of an account I hold at your institution to a debit balance on my margin account, regardless of whether the account with the credit balance is held individually or jointly.

Part IV

Other Provisions

1 Service Charges

Based on the fee schedule in Your Guide to Personal Banking Solutions, I must pay you service charges related to the management of my investment, transaction and margin accounts and the services you provide me no later than the first business day following the business day on which my billing cycle ends. If the cycle ends on a non-business day, the service charges will be indicated on my monthly statement or passbook dated the last business day before the cycle ends. I can therefore immediately know what the service charges are for the cycle, even if they are debited at a later date.

2 Checking my Account Entries

I will carefully check the statements you send me. If my account has a passbook, I will update it at least once a month and check each entry. I will advise you within 30 days following the statement mailing date of any errors or irregularities concerning the entries, debits or credits recorded. If my account has a passbook, I will advise you within 30 days of the end of each month of any errors or irregularities in my passbook entries from the previous month.

Upon expiry of this 30-day period, I will no longer be able to dispute the balance recorded in my statement or, if my account has a passbook, the balance recorded in my passbook at the end of the previous month. This balance will be considered accurate and final. I therefore waive any claim whatsoever against you regarding debits charged to my account or credits that should have been made.

However, I may dispute any errors or irregularities that I reported to you in writing prior to the expiry of the 30-day period, as well as any payment you made on unauthorized endorsements.

I acknowledge that by using your *Internet Banking Solutions*, I may obtain electronic versions of my statements instead of paper versions. I may also consult, at my convenience, a detailed list of my most recent transactions. I therefore undertake to monitor my account closely and to notify you immediately of any errors or irregularities in my accounts without waiting for my statement to be sent or my passbook to be updated.

3 Electronic or Telephone Communications

Any electronic or telephone communications you receive from me, particularly those made via your *Automated Services*, your *Electronic Banking Solutions*, fax, e-mail or any other document transmission method, are deemed to be duly authorized or signed by me and are legally binding on me. You are authorized to act on these communications and process them. For example, I may communicate with you to open an account, invest in a GIC, renew the conditions of an existing GIC, redeem a GIC, carry out a transfer from one account to another and, generally, carry out any transaction you agree to. To this end, you may request personal information from me to confirm my identity. Unless otherwise indicated, I acknowledge that you offer no guarantees, either express or implied, concerning the protection of the information provided during such communications.

4 Technological Media

I authorize you to transfer any Item and, if applicable, any other document pertaining to me using the digital, electronic or technological medium of your choice, including a medium used by any interbank clearing system. Once the transfer has been completed, I authorize you to destroy the Item's original medium and, if applicable, the medium used for any other document pertaining to me. I acknowledge that the Item and other document will not be returned and will no longer be accessible in their original medium.

You may keep any Item or any other document pertaining to me in accordance with applicable regulations and standards, particularly those of the *Canadian Payments Association* and any other interbank clearing system. In accordance with those regulations and standards, I authorize you to make available to me any Item or any other document pertaining to me in the format or medium of your choice. I acknowledge that the transfer of any Item or any document pertaining to me via another medium replaces the original medium of the Item or document and does not alter their legal value. Accordingly, I waive my right to contest the legitimacy as evidence of the medium via which any Item or document pertaining to me was transferred.

5 Archived Transactions

My transactions that you archive are admissible in connection with any legal proceedings, administrative procedures or other actions as conclusive proof of their content, regardless of the means, method or medium used for archiving. Accordingly, I waive my right to contest the legitimacy of such evidence.

6 Mailing Address

Any statement, notice, Item or other document pertaining to me may be sent via regular mail at the last address you have on file or, if applicable, electronically through your *Electronic Banking Solutions* or to another information processing system that I have designated, with your consent.

I must advise you of any change in my mailing address as soon as it occurs. If I fail to advise you, I will assume any damages arising from any paper or electronic mailing sent to the address in your files. I am deemed to have received an electronic mailing as soon as the mailing leaves your information processing systems. I will notify you immediately if I do not receive paper or electronic mailings from you on time.

If I hold a joint transaction or investment account with one or more co-holders, I instruct you to send all statements, notices, Items or other documents regarding this account to the main accountholder at the last address you have on file, as he is the person I have designated to receive them. If I hold a joint margin account with one or more co-holders, all regulatory information regarding this account, including all statements or notices, will be sent to the main accountholder at the last address you have on file, except if I have chosen the “separate disclosure” option, in which case I will also receive such regulatory information.

7 Collection, Use and Disclosure of my Personal Information

For the purposes of this section, the term “you” designates *National Bank of Canada*, its successors and assigns, and all its subsidiaries offering to the public in Canada deposit and lending services, credit, debit or payment cards, trust, custodial, brokerage, insurance and other personal financial services, including *National Bank Trust Inc.*, *National Bank Securities Inc.* and *Natcan Trust Company*. Certain subsidiaries may be subject to specific legislation. A list of the main Canadian subsidiaries is available in our branches.

The term “I” designates individually and collectively each of the persons having applied for a deposit or credit product.

7.1 Collection

You collect information of a personal nature about me, such as identity information, financial information and information concerning my habits as regards the use of your services in order to understand and meet my needs, determine my eligibility for your products and services, protect my and your interests, and provide me with day-to-day financial services related to deposit, investment, credit and insurance products (as permitted by law), including the issue, management, renewal and replacement of a debit card and access to my investment, transaction and margin accounts by any technological or electronic means or via telephone.

I agree to provide you with the necessary information about myself for the purposes mentioned herein and authorize you to obtain or confirm the accuracy of such personal information from persons or entities likely to have such information (credit reporting and assessment agencies, financial institutions, public registers, regulatory authorities or organizations, employers, professionals and individuals given as references).

7.2 Use and Disclosure

7.2.1 The personal information that you collect and need in order to provide me with the products and services requested may be used and disclosed to the persons and entities referred to in the previous paragraph, to any person or entity working with or for you, including your suppliers, service providers, representatives and agents, as well as to other third parties, as permitted by law, for the following purposes:

- a) To establish my investor profile, my financial objectives and my investment strategies, to determine my eligibility for the products and services I request, including, if applicable, all the features and programs related to the use of the investment, transaction and margin accounts, and to check the authenticity of the information provided;
- b) To provide me, on a continuous basis, with the financial products and services requested;
- c) To allow for data processing and storage, cheque printing, statement preparation or mailing, as well as for collection purposes and for monitoring transactions in order to protect me and you from errors and fraud;
- d) To enable you to compile data for statistical purposes, to assess the quality of your customer service and, in general, conduct your activities and ensure their compliance, thereby authorizing you to record and monitor telephone conversations and other exchanges with me (e-mail, Internet, etc.);
- e) To share such information with other financial institutions in connection with the administration and management of my investment, transaction and margin accounts, particularly for the purposes of processing and clearing cheques, bill payments and transfers;
- f) To enable you to adopt measures required and exchange with your subsidiaries and affiliated companies the information necessary to manage risk and update my client profile as well as to comply with applicable legislation, particularly tax legislation requiring the production of tax slips which must include, among other things, my social insurance number, and with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- g) In general, to prevent, detect or control fraud and avoid or correct errors;
- h) To make it easier to identify me, to differentiate me from your other clients and with credit reporting and assessment agencies, other financial institutions, public registers, regulatory authorities or organizations, employers, professionals and individuals given as references. I authorize you to use my social insurance number for these specific purposes, unless I declined to disclose it when opening my account;

- i) To enable interested persons or companies to carry out due diligence audits in the event of the sale, disposal or transfer of your business;
- j) To convey my credit file to credit reporting and assessment agencies, credit product insurers or other lenders in order to preserve the integrity of the credit granting process, as applicable;
- k) In other cases and under conditions where legislation authorizes you to use and exchange personal information without my consent.

7.2.2 Some of my identity and financial information may also be used and disclosed for the following purposes:

- a) To offer me, by way of telemarketing or other means, other products and services provided by you or your subsidiaries and affiliated companies. Such information will also be added to the client lists that you draw up and use for this purpose;
- b) To allow you to disclose such information to your subsidiaries and affiliated companies, as permitted by law, so that they may offer, by way of telemarketing or other means, their products and services to me.

I expressly authorize you to use and communicate my personal information for the purposes stated above. I acknowledge that I may, at any time, withdraw my consent to the use and disclosure of my personal information for the purposes set out in paragraph 7.2.2 by providing you with reasonable notice. I must notify you to this effect in person at a branch, by telephone at **1-888-483-5628** (toll free) or **514-394-5555** (Montreal area) or by e-mail at **telnat@nbc.ca**. The product or service requested shall not be refused solely because I withhold my consent for such information to be used or disclosed. In all cases, you will notify me of the consequences of my refusal to allow my information to be used or disclosed, particularly the fact that I will no longer receive information on the products and services likely to be of interest to me. I understand that my making this decision will not prevent the Bank from sending me regulatory inserts or indicating messages on account statements sent to me or on banners on a website or online transaction site.

I authorize you to keep the information collected for the purposes set out in paragraph 7.2.1 for as long as it may be needed, even if I no longer do business with you. I acknowledge that I can also access my personal information and have it corrected, if needed, by sending a written request to my branch or my representative at the subsidiary, or by e-mail to **confidentiality@nbc.ca**. In addition, I will advise you promptly of any changes related to my personal information so you may update your files. You are authorized to act on the information pertaining to me that you hold, provided that you are not advised of any change to said information. If I fail to advise you of such changes, I cannot hold you liable for any damages I incur as a result of inaccurate information you have about me.

I may obtain more information on your privacy policy by visiting your website at **nbc.ca** or referring to the pamphlet on this policy available in your branches.

8 Collateral

I will not pledge my deposits in an investment, transaction or margin account to any party whatsoever without your authorization.

9 Assignments and Transfers

I may not, without your authorization, transfer or assign deposits I make in any investment, transaction or margin account to any party whatsoever, except in connection with the settlement of my estate and subject to compliance with all customary formalities.

10 Agency

I acknowledge that the Bank acts as an agent for its subsidiaries *Natcan Trust Company* and *National Bank Trust Inc.* to administer the investment, transaction and margin accounts I hold at those institutions and to fulfil their obligations toward me.

11 Modifications to Service Charges and the Agreement

You may, at any time and at your discretion, change the service charges and the following terms and conditions of this Agreement:

- General information on your products and services
- My rights and duties pertaining to the description of accounts, how accounts may be held, account access and account administration
- Fees and interest rates
- Features, content and functions of investment, transaction and margin accounts
- Payment authorization, repayment of dishonoured items, waiver, and recourse for dishonoured items
- Withdrawal notices and hold funds periods, items subject to special collection procedures, currency and format of items, stop payments
- Debits and preauthorized debits
- Deposits and direct deposits
- Joint accounts
- Overdrafts and overdraft protection
- Account closure
- Power of attorney
- Account statements, checking my account entries
- Electronic or telephone communications, technological media, archived transactions
- Mailing address
- Personal information
- Modifications

You will advise me of any change in the following manner:

- By a notice displayed at your branches, points of service and automated banking machines and on your website at **nbc.ca** at least 60 days prior to the effective date of the change; and
- By a clear and legible written notice that you will send me, including by electronic means when applicable, at least 30 days prior to the effective date of the change. The written notice will contain all new and amended clauses, as well as their previous versions, and the effective date.

A change to the Agreement does not create a new agreement, and the unchanged terms and conditions remain in full force and effect. If I use any of my accounts after the effective date of a change, I am deemed to have read, understood and accepted the change. I can refuse a change at any time by terminating the Agreement in accordance with Section 12.

The *Guide to Personal Banking Solutions* and Agreement will also be available from your branches and on your website at **nbc.ca** as of the effective date of the changes.

12 Termination

At any time and at my sole discretion, I may terminate the Agreement simply by giving you notice. If I do not accept a change to the Agreement, I can terminate the Agreement, without cost, penalty or cancellation indemnity, by communicating with you within 30 days of the effective date of the change. In particular, I may refuse a change if it increases my obligations or reduces your obligations under the Agreement.

You can terminate the Agreement at your discretion by giving me 30 days' written notice if (i) I no longer have accounts at the Bank; (ii) I default on payment of the applicable fees; or (iii) I fail to comply with any of the terms and conditions of the Agreement.

You can also terminate the Agreement at any time without notice in the event of unusual, illegal or abusive use of the account.

Termination of the Agreement will result in the closure of all accounts I hold with you.

13 Deposit Insurance

The Bank is a member of the *Canada Deposit Insurance Corporation*. Accordingly, only the deposits that I maintain in Canadian dollars for a period not exceeding five years and payable in Canada are insured under the *Canada Deposit Insurance Corporation Act*. *Natcan Trust Company* and *National Bank Trust Inc.* are authorized to receive deposits under the *Deposit Insurance Act* (Quebec). The deposits that I maintain with these two companies are insured by the *Autorité des marchés financiers* if they are invested in Quebec, payable in Canadian dollars, invested for a period not exceeding five years or are redeemable at my option five years after the deposit date.

14 Unusual, Improper or Abusive Account Use

If I use any of my accounts in an unusual, improper or abusive manner, you may limit the use of my accounts or close them without warning or delay if you deem it necessary. I will use my accounts for personal purposes only and not in connection with a business, unless you authorize it.

Customer Satisfaction

Customer Service

If you experience any problem or situation that you would like to see corrected, please proceed as follows.

First Step

Contact your Customer Service Manager where you do business (in writing, in person or by telephone).

Complaint Not Settled to Your Satisfaction in the First Step

Office of the National Bank Ombudsman for Clients

P.O. Box 275, Montreal, QC H2Y 3G7

Telephone: 514-394-8655 or 1-888-300-9004

Fax: 514-866-3399 or 1-888-866-3399

Website: nbc.ca/ombudsman

E-mail: ombudsman.clients@nbc.ca

Complaint Not Settled to Your Satisfaction by the National Bank Ombudsman for Clients

Ombudsman for Banking Services and Investments

P.O. Box 5

401 Bay Street, Suite 1505, Toronto, ON M5H 2Y4

Telephone: 1-888-451-4519

Fax: 1-888-422-2865

Website: obsi.ca

E-mail: ombudsman@obsi.ca

At All Times

If you have a complaint regarding a possible breach of federal consumer protection legislation or of provisions of public commitments or voluntary codes of conduct adhered to by the Bank, you can use the method of communication that suits you best to contact:

The Financial Consumer Agency of Canada

Mailing address: Enterprise Building

427 Laurier Avenue West, 6th Floor, Ottawa, ON K1R 1B9

Telephone: 1-866-461-3222

Website: fcac-acfc.gc.ca

E-mail: info@fcac-acfc.gc.ca

For more information, please refer to our pamphlet *For better banking relations with you* available in branches.

Protection of Personal Information

With respect to complaints concerning the protection of personal information, you may proceed as indicated above or contact:

- *Office of the Privacy Commissioner of Canada*
30 Victoria Street
Gatineau, QC K1A 1H3
Toll-free: 1-800-282-1376

Notice of Changes to Fees Listed in Your Guide to Personal Banking Solutions

You will be informed of any fee changes:

- 30 days prior to the effective date, by means of a notice inserted with your statement of account;
- 60 days prior to the effective date, by means of a notice displayed at National Bank of Canada branches, points of service, automated banking machines and on our website at **nbc.ca** or by means of a new notice or a new Guide to Personal Banking Solutions made available in branches or on our website at **nbc.ca**.

Interest Rates

Interest rates are posted in branches and on our website, and are subject to change without notice.

Glossary

Automated Services

Services that provide access to bank accounts using a National Bank Client Card at automated banking machines in the Bank's network or affiliated networks, point-of-sale terminals, and other equipment and technologies made available to Bank clients. These services make it possible to carry out different banking transactions such as withdrawals, deposits, and account, line of credit and credit card balance inquiries, viewing a list of deposits and withdrawals, funds transfers and bill payments.

Automated Telephone Service

The Automated Telephone Service is a feature of our TelNat Telephone Banking Solutions that makes it possible to carry out banking transactions using a telephone with a numeric keypad.

Bill Payment Service

Service for handling a bill when paid at the branch.

Branch Services

Banking services usually provided in National Bank branches during normal business hours, including deposits, withdrawals, transfers, bill payments, foreign exchange transactions, purchases of drafts and safety deposit box uses.

Client Card Purchase

Payment made using a National Bank Client Card for the purchase of goods or services from a participating retailer by making a withdrawal directly from an account held at the Bank.

Debit

Withdrawal transaction from an account by means of National Bank Branch Services, Automated Services or Electronic Banking Solutions.

Digital Banking Solutions

Services offered by the Bank via our Internet Banking Solutions, Mobile Banking Solutions and TelNat Telephone Banking Solutions. These services provide access to accounts via a Client Card number issued by the Bank and a password chosen by the client, and make it possible to carry out different banking transactions such as account, line of credit and credit card balance inquiries, viewing a list of deposits and withdrawals, funds transfers, transfers to other persons with a National Bank account, access to documents and bills, bill payments and cheque orders. Certain features are not available with Mobile Banking Solutions.

Electronic Transactions

Transactions carried out using our Automated Services and our Electronic Banking Solutions.

Interac^{®1}, *Cirrus*^{®2} and THE EXCHANGE^{®3} Networks

Your Client Card gives you access to the *Interac*^{®1}, *Cirrus*^{®2} and THE EXCHANGE^{®3} automated banking machine networks, enabling you to carry out various transactions in Canada or abroad.

Interac^{®1}, NYCE^{®4} and Maestro^{®5} Networks

Your Client Card gives you access to the *Interac*^{®1}, NYCE^{®4} and *Maestro*^{®5} point-of-sale terminal networks, enabling you to carry out various direct payment transactions with merchants located in Canada or abroad.

Preauthorized Debit

Preauthorized withdrawal from an account held at the Bank in order to pay utility, property or other bills or make mortgage, insurance premium, credit card, line of credit and loan payments.

Prime Rate

The Bank's Prime Rate is the annual variable interest rate posted from time to time by the Bank as a benchmark for setting the interest rate on demand loans in Canadian dollars granted by the Bank in Canada.

Transfer to Another Person

You can transfer funds to another person's account via our Electronic Banking Solutions.

TM National Bank All-In-One Banking is a trademark of National Bank of Canada

^{®1} Registered trademark of *Interac* Inc.

^{®2} Registered trademark of MasterCard International Inc.

^{®3} Registered trademark of Fiserv Inc.

^{®4} Registered trademark of NYCE Corporation.

^{®5} Registered trademark of MasterCard International Inc.

Authorized User: National Bank of Canada

Note: The masculine gender is used only to facilitate reading, with no discrimination intended.



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.

—
1-888-4-TelNat
514-394-5555

nbc.ca



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