

National Bank Securities Inc. has put in place a procedure for handling verbal and written complaints by clients in a fair, prompt manner. This document provides a summary of the procedure. All new clients and those submitting a complaint receive a copy of this document.

Clients Complaint Information Form

A copy of the *Clients Complaint Information Form*, which contains general information on the various ways to submit a complaint, is also provided to all new clients and those filing a complaint.

Submitting a complaint to National Bank Securities Inc.

Clients wishing to file a complaint with National Bank Securities Inc., or looking for information regarding the complaint process, can communicate with our head office by calling the National Bank Securities Investor Advisory Services at 1-888-270-3491 (toll-free) or 514-871-2082, or they can contact the Branch Compliance Officer at a National Bank branch. All complaints are forwarded to a dedicated member of the Compliance department, whom the complainant may contact as needed. We encourage clients to submit their complaints in writing whenever possible. Should a client have difficulty formulating the complaint in writing, we can provide assistance. For confidentiality reasons, we will only deal with the client, or an individual who has the client's written authorization to deal with us on the client's behalf.

Procedure for handling complaints

An acknowledgement of receipt is sent as soon as possible, usually within five days. The complaint is then analyzed in an equitable manner, taking into account any relevant documents and statements obtained from the client, our records, our Mutual Fund Representatives and other employees of our company, as well as any other relevant sources. If necessary, the client is contacted to clarify any issues or to obtain additional information. Once our analysis is complete, we send a written response to the client. Our response may include a settlement offer, a rejection of the complaint with an explanation, or any other response deemed appropriate. If the complaint alleges serious accusations¹, this summary document and the *Clients Complaint Information Form* are included with the acknowledgement of receipt. Our response will summarize the complaint, explain the conclusions of our analysis, and remind the client that further recourse is possible with the Ombudsman for Banking Services and Investments (OBSI) or the Mutual Fund Dealers Association of Canada (MFDA).

You will generally receive our response within three months, unless we are waiting for additional information from you or if the case is highly unusual or complex.

We will answer any communication that you send us after the date of our final decision, as needed, to help resolve the issue or address any new questions or issues that you might have.

Settlements

If we offer you a financial settlement, we may ask you to sign a waiver and release for legal reasons.

¹ According to the definition found in the policies of the Mutual Fund Dealers Association of Canada, of which National Bank Securities Inc. is a member.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Clients Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada ("MFDA"), which is the self regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - By completing the on-line complaint form at www.mfda.ca
 - By telephone in Toronto at 416-361-6332, or toll free at 1-888-466-6332
 - By e-mail at complaints@mfda.ca ²
 - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at 416-361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments ("OBSI"): After the dealer's Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer's Compliance Department has not responded within 90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
 - By telephone in Toronto at 416-287-2877, or toll free at 1-888-451-4519
 - By e-mail at ombudsman@obsi.ca
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
 - Manitoba: www.msc.gov.mb.ca
 - New-Brunswick: www.nbsc-cvmnb.ca
 - Saskatchewan: www.sfsc.gov.sk.ca
- Québec: The Autorité des marchés financiers ("AMF") pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Quebec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit www.lautorite.qc.ca.

² You may wish to consider issues of internet security when sending sensitive information by standard e-mail.