

**AGREEMENT GOVERNING THE USE OF THE
MASTERCARD® CREDIT CARD ISSUED BY NATIONAL BANK OF CANADA**

The Account and MasterCard Credit Card which we agree to make available to you are governed by the terms and conditions of this Agreement and the accompanying Cost of Borrowing Disclosure Statement.

At your request, we can provide you with other Cards related to your MasterCard Account for those persons you will have designated as Authorized Users. In this case, you must remit a copy of this Agreement and the accompanying Cost of Borrowing Disclosure Statement to each Authorized User outlining the terms and conditions pertaining to the use of the Card.

If you would like to obtain information about your Account or a Card, you may call us during regular business hours toll-free at 1-888-969-2273 or at 514-394-1427 or visit our website at nbc.ca/creditcard.

**TERMS AND CONDITIONS APPLICABLE TO THE MASTERCARD CARD AND
ACCOUNT****1. DEFINITIONS**

Account: the MasterCard account that you have with the Bank through which you may pay for Purchases and obtain Cash Advances.

Agreement: this agreement and its amendments.

Authorized User: a person to whom, at your request, we have issued a Card related to your Account.

Automated Services: our automated banking services accessible with the Card, including access to your Account or a bank account held with the Bank by way of an automated banking machine or other authorized equipment.

Bank: National Bank of Canada. The terms “we,” “us” and “our” refer to the Bank and, if applicable, to all its affiliates.

Card: any MasterCard credit card issued by the Bank at your request and related to your Account, namely, any card issued to an Authorized User of your Account.

Cash Advance: an advance of funds made (i) through our Teller Services or our Automated Services; (ii) through the teller services or automated services at another financial institution where such cash advances are permitted; (iii) using Cheques; (iv) by transferring the balance of another credit card to your Account; (v) by performing quasi-cash transactions; or (vi) by transferring funds from your Account in any authorized manner.

Quasi-cash transactions are purchases, made through a merchant, of articles that can be converted directly into cash. They include, but are not limited to, money orders, wire transfers, traveller’s cheques and transactions related to gaming (including, but not limited to, betting, off-track betting, racetrack betting, casino chips and lottery tickets).

Cheque: a cheque that may be drawn on the Account, which the Bank may give you from time to time.

Cost of Borrowing Disclosure Statement: the statement provided to you at the time your Card is issued and which states the fees, interest rates and other information applicable to your Account.

Credit Limit: the credit limit applicable to your Account and communicated initially in the Cost of Borrowing Disclosure Statement and thereafter on the Statement of Account.

Electronic Banking Solutions: our Internet banking solutions and our TelNat telephone banking solutions.

Password: (i) the personal identification number (PIN) which is a confidentiality code that belongs to you or an Authorized User and which enables transactions to be carried out using a Card; (ii) the temporary secret code that we initially issue enabling the selection of a PIN at an automated banking machine; (iii) the secret code enabling a transaction to be carried out using one of our Electronic Banking Solutions and (iv) the secret code selected through a participating merchant for online transactions.

Point-of-Sale Terminal: an electronic terminal equipped with a card reader with or without a keypad used to enter the Password and which is used to pay for Purchases or to obtain Cash Advances, namely automated banking machines, point-of-sale terminals at a merchant and home card terminals.

Primary Cardholder: the person who applied for the Card, who holds the Account, whose name appears on the Statement of Account and to whom a Card has been issued. The terms "Cardholder", "you" and "your" refer to the Primary Cardholder but not the Authorized User.

Prime Rate: the variable annual interest rate that the Bank announces publicly from time to time as the reference rate used to establish the interest rate on demand loans in Canadian dollars that the Bank grants in Canada.

Purchase: the acquisition of goods or services, in person, over the telephone, via the Internet or through the mail, from any person or merchant affiliated with the MasterCard International Inc. system at the time of the purchase.

Statement of Account: the detailed statement of all amounts debited or credited to your Account that we send to you periodically.

Teller Services: the services offered in our branches during regular business hours where different banking transactions may be carried out.

2. YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AGREEMENT

When you, or Authorized Users, first use the Account, a Card or a Cheque after receiving this Agreement or a notice with respect to its renewal or amendment, this means that you accept to be bound by the terms and conditions of the Agreement.

3. OTHER AGREEMENTS

Other agreements entered into with the Bank may also apply to the Account or the Card, namely the "Agreement Governing the Use of Automated Services and Electronic Banking Solutions." In the event of conflict, the provisions of this Agreement will prevail over other agreements.

4. LIABILITY OF CARDHOLDER

You are liable for all the obligations set out under this Agreement, including the indebtedness resulting from the use of the Account or of the Card by an Authorized User. In particular, you alone are liable for all Purchases, Cash Advances, interest and fees related to the Card and charged to the Account.

5. AUTHORIZED USER**5.1 Designation**

As a Cardholder, you may add or remove an Authorized User at any time by contacting us. You may designate up to 3 Authorized Users for the same Account. An Authorized User may cancel his own Card by contacting us.

5.2 Liability for Amounts Owing

An Authorized User may use his Card and charge transactions to your Account but he is not liable to the Bank for amounts owing, in particular Purchases, Cash Advances, interest and fees related to the Card and charged to the Account. If you wish to obtain reimbursement from an Authorized User for a transaction charged to a Card related to your Account, you must take the necessary steps to recover this amount.

5.3 Copy of this Agreement

You must provide an Authorized User with a copy of this Agreement as well as any replacement or amendment to the Agreement and any notice affecting the use of the Card or the Account. The Authorized User acknowledges that his first use of the Card after remittance of the Agreement, as well as any replacement or amendment document, or notice to this effect means that he accepts to be bound by the Agreement.

5.4 Disclosure of Information

Upon request by an Authorized User, we may disclose information regarding the balance of the Account, the details of transactions made using his Card, information about a rewards plan, including the balance of À la carte points (if applicable) and his Password. However, an Authorized User will not be able to access the details of transactions and other information regarding the Account, namely the Credit Limit, and will not receive the Statement of Account.

5.5 Personal Information

You are responsible for informing the Authorized User that his transactions will appear on your Statement of Account and that his personal information will be collected, used and disclosed in accordance with the policy which follows in the section "A Confidential Matter."

6. CREDIT LIMIT**6.1 Notification**

You and your Authorized Users may use the Card up to the Credit Limit indicated in the Cost of Borrowing Disclosure Statement provided when the Card is issued to you and, thereafter, on your Statement of Account.

6.2 Use

Your use of the Card combined with the use by an Authorized User must not exceed the Credit Limit allocated to your Account. You remain responsible for the immediate payment of any amount charged to the Account in breach of this provision.

6.3 Increase

At our discretion, we may agree to increase your Credit Limit if you request it either further to one of our offers or otherwise.

6.4 Decrease and Withdrawal Limits

Following the evaluation of your file, and if we deem it appropriate, we may lower your Credit Limit without prior notice. We may restrict Cash Advances to an amount lower than the Credit Limit. We may impose withdrawal limits on Cash Advances whenever we deem necessary in order to protect our respective interests.

7. CHEQUES**7.1 Issuance of Cheques**

At your request, the Bank may issue you Cheques to make payments from your Account. You may provide these cheques to any Authorized User who must use them in accordance with this Agreement.

7.2 Use

Neither you nor the Authorized Users can use the Cheques to repay the balance of your Account, to make a payment or transfer funds to yourself, to an Authorized User or to the Bank. Furthermore, these Cheques cannot be (i) used as a specimen; (ii) exchanged for cash or (iii) exchanged for a Bank product. They must be issued in Canadian currency only and neither you nor an Authorized User can stop payments on these Cheques.

7.3 Other Conditions

If applicable, we will inform you of the other conditions governing the use of these Cheques. If you or an Authorized User uses these Cheques, you will be bound by this Agreement as well as by the additional conditions indicated in the offer.

8. INTEREST**8.1 Applicable Interest Rate**

Purchases and Cash Advances bear interest at the applicable annual rate that is indicated in the Cost of Borrowing Disclosure Statement when the Card is issued and, thereafter, on your Statement of Account. Furthermore, any interest rate applicable to your Account may be increased in accordance with the terms and conditions described in Section 10 of this Agreement.

Where applicable, an amount charged to the Card or to the Account that contravenes the terms and conditions of this Agreement will also bear interest at the annual rate in effect on your Account. No interest will be paid on a credit balance on your Account.

8.2 Calculation

Interest is calculated daily but is charged to your Account once a month. The daily balance of your Account is multiplied by the daily interest rate applicable to each category of transaction. The daily interest rate is the annual interest rate divided by 365.

8.3 Grace Period for Purchases

You will not pay any interest on the amount of Purchases charged to your Account if you pay your entire Account balance by the due date indicated on your Statement of Account. If you make a partial payment, interest will be calculated on the daily balance of your Account from the date your Purchases are posted to your Statement of Account and your payment is applied in accordance with the terms and conditions set out in Section 11 of this Agreement.

8.4 Cash Advances

Interest on Cash Advances accrues from the date of the Cash Advance until full payment is received. Interest is due and payable on the date indicated on the Statement of Account.

8.5 Variable Interest Rate

The interest rate on certain variable-rate cards is adjusted automatically with each change in the Prime Rate. Changes in the Prime Rate are available on notices posted in our branches and on our website at nbc.ca and take effect without further notice.

8.6 Promotional and Reduced Rate

We may withdraw a promotional interest rate or a reduced interest rate if you have not made the minimum payment in accordance with Section 10 of this Agreement or if you or an Authorized User do not comply with the other terms and conditions set out in this Agreement.

8.7 Modification

An interest rate applicable to your Account may be increased in accordance with the terms and conditions under this Agreement. Any modification to the fixed interest rate will be communicated to you through a notice sent in accordance with the law.

9. NON-INTEREST CHARGES**9.1 Annual Fees**

Annual fees are indicated in the Cost of Borrowing Disclosure Statement provided when the Card is issued. They appear on the 2nd Statement of Account following the issuance of your Card, whether or not activated, and once a year thereafter on the anniversary date of the 2nd Statement of Account. These fees are non-refundable.

9.2 Other Fees

Other applicable fees are indicated in the Cost of Borrowing Disclosure Statement. If applicable, they will be charged to your Account on the day the transaction is made. These fees are non-refundable.

9.3 Addition or Modification

You will be advised of any addition or modification of fees by means of a notice sent in accordance with the law.

10. PAYMENT**10.1 Minimum Payment**

You may make a full or partial payment of the balance of your Account at any time. However, you must pay the minimum amount due indicated on the Statement of Account by the due date, which means within 21 days of the Statement of Account date. The minimum payment due represents 3% of the balance of the Account or a minimum of \$10, whichever amount is higher (unless your balance is under \$10, in which case you must pay

the full balance). In case of a partial payment, interest will be calculated as described in Section 8 of this Agreement.

10.2 Overdue Payment

Any overdue payment is added to the minimum payment due for a given month. If amounts are charged to the Account or the Card in breach of the provisions of this Agreement, the minimum payment due will be (i) 3% of the Account balance or (ii) the amount charged to the Account or the Card in breach of the provisions of this Agreement, whichever is higher.

10.3 Increased Rates

The annual interest rates will be increased as indicated in the Cost of Borrowing Statement provided with the Card or any subsequent notice with respect to increased rates, if the minimum payment is not made at the latest on the due date indicated on the Statement of Account:

- (i) for 2 consecutive months; or
- (ii) 3 times or more during any 12 month period. Any default which occurs during a 12-month period is counted, regardless of whether or not the default has already been counted to increase the rates in the past or has occurred during such a period.

The increased rates will take effect on the 3rd statement period following the default that caused the rates to increase. These increased rates will apply to your Account balance until you make the minimum payment no later than on the due date indicated on your Statement of Account for a period of 6 consecutive months. Subsequently, the annual interest rates as indicated in the Cost of Borrowing Statement or any subsequent notice with respect to increased rates will apply.

10.4 Pre-authorized Debits to Pay your Account

When you agree with the Bank to pay your Account by means of pre-authorized debits, the amount of the payment will be the one agreed upon with the Bank in accordance with the authorization you have given us.

10.5 Payment Methods

Payments can be made at no charge via our Teller Services, our Automated Services and our Electronic Banking Solutions. For payment by mail, please make your cheque or money order payable to National Bank of Canada and send it to 600 De La Gauchetière Street West, Suite 4040-1, Montreal, Quebec H3B 5B1.

10.6 Sufficient Time

When you make a payment, you must leave enough time for us to credit this amount to your Account no later than the due date indicated on your Statement of Account. When you make a payment via another financial institution, the payment will be credited to your Account on the date on which we receive it and not the date on which the amount is debited from your account with your other financial institution. You are responsible for any delay in the transmission of the payment by the other institution to the Bank.

10.7 Credit Note

Any credit note issued by a merchant will be credited to your Account on the date we receive the credit note. However, you remain responsible for paying the balance of your Account until we receive such a credit note.

10.8 Set-off

If you do not make the minimum payment by the due date or if you do not respect any other condition of this Agreement, we can withdraw the amounts due from any other account you hold with us and apply these amounts to your Account, without prior notice.

10.9 Pre-authorized Payments of Invoices

You must provide the merchant with the necessary information to set up pre-authorized payments charged to your Account, including any change in the Card number or the expiration date. We are not responsible if a pre-authorized payment cannot be charged to your Account. You remain responsible for the payment of your invoice to the merchant even after this Agreement is terminated, regardless of whether the Bank or you terminate this Agreement. If you wish to end a pre-authorized payment, you must contact the merchant directly in writing and request that the pre-authorized payments stop being charged to your Account. If the pre-authorized payments do not stop following your written notice to the merchant, we may assist you if you forward us a copy of your written notice.

11. APPLICATION OF PAYMENTS**11.1 Payment Portion Corresponding to the Minimum Payment Indicated on your Statement of Account**

The portion of your payment corresponding to the minimum payment will be applied to the minimum payment in the following order: (i) interest; (ii) miscellaneous fees, in particular, non-interest related fees and charges; (iii) Cash Advances outstanding from the previous balance; (iv) Purchases outstanding from the previous balance, and (v) Cash Advances and Purchases appearing on your Statement of Account for the current period.

The order in which payments are applied will be different if you benefit from a promotional interest rate. In such a case, the portion of your payment corresponding to the minimum payment will be applied in the following order: (i) interest; (ii) miscellaneous fees, and (iii) Purchases or Cash Advances bearing interest at the lowest rate, regardless of the order of their appearance on the Statement of Account.

11.2 Payment Portion that Exceeds the Minimum Payment Indicated on your Statement of Account

If a single interest rate applies to the balance of your Account, the portion of your payment that exceeds the minimum payment due will be applied according to the order described in the previous section.

If different interest rates apply to the balance of your Account, we will divide the remaining balance according to interest rate segments, reuniting in a single segment all transactions subject to the same interest rate. We will then apply the portion of your payment that exceeds the minimum payment to the various segments, respecting the proportion of each segment within the remaining balance.

Transactions made after the billing date will be carried forward to your Statement of Account of the following month.

12. USE OF ACCOUNT AND CARD**12.1 Permitted Uses**

The Card or the Account may be used up to the Credit Limit to pay for Purchases by charging the amount of Purchases to the Account and to obtain Cash Advances.

Moreover, you acknowledge that the Account and the Card are issued for personal use and may only be used by you and Authorized Users, if applicable.

12.2 Non-permitted Uses

The Card and the Account may not be used for illicit or illegal purposes or for operating a business.

12.3 Refusal by the Bank

We may, for any reason, at any time and without prior notice, refuse to authorize Purchases or Cash Advances in order to protect our respective interests, namely if the total amount of Purchases or Cash Advances exceeds the Credit Limit.

12.4 Refusal by a Merchant

The Card may be used everywhere it is accepted. We cannot be held responsible if a merchant or business refuses the Card.

13. CARD OWNERSHIP

The Card remains our property at all times and you, or an Authorized User, cannot transfer the Card to a third party. It must be returned to us on demand, namely if you or Authorized Users do not respect one of the terms and conditions set out in this Agreement. We may issue, renew, replace or revoke the Card at our discretion.

14. CARD USE PERIOD

You may use your Card or Account for the period we determine. The validity date and the expiration date are indicated on the Card. However, you remain responsible for paying for any Purchase and Cash Advance made after the Card expiration date and charged to your Account, including transactions made by an Authorized User.

15. LOSS OR THEFT OF THE CARD OR CHEQUES**15.1 Duty to Notify the Bank**

You and any Authorized User, if applicable, must notify us immediately if the Card or a Cheque is lost or stolen or if you, or an Authorized User, have reason to believe that your Account or Card is being used without authorization.

15.2 Liability for Unauthorized Use

You will not be held liable for the unauthorized use of your Card from the time we receive a written or verbal notice. In the absence of such a notice, your liability will be limited to \$50.

However, you will not be held liable for any amount corresponding to Purchases or Cash Advances charged to your Account prior to the Bank receiving a verbal or written notice of the unauthorized use of the Card provided that: (i) your Account is in good standing; (ii) you and any Authorized User have exercised reasonable care to protect your Card, and (iii) you or an Authorized User have not notified us of 2 or more unauthorized activities in the last 12 months.

15.3 Cooperation in an Investigation

In all cases, you and any Authorized User must cooperate in any investigation surrounding the circumstances of the unauthorized use of the Card or your Account and, if applicable, file a complaint with the police. You and Authorized Users allow us to take any measures we deem necessary to recover the Card and to report the loss or theft of the Card to the appropriate authorities to facilitate its recovery.

15.4 Transaction using a Password

Regardless of Section 15.2, you are responsible at all times for transactions carried out using a Card and the Password associated with this Card, if you or an Authorized User contribute to the unauthorized use of the Card and the Password. For example, you are responsible if you or an Authorized User disclose the Password by keeping a poorly disguised copy of the Password or by using a Password corresponding to numerical data specific to you or to an Authorized User, such as a telephone number, civic address, date of birth or social insurance number. We invite you to refer to the security advice that applies to your Card and to the Password at the end of this Agreement. The \$50 liability limit in the event of unauthorized use of a Card does not apply in such cases.

16. CARD PRIVILEGES

We may, at our discretion, suspend, revoke or modify the features, privileges or advantages associated with the Card. Without limiting the generality of the foregoing, we reserve the right to revoke membership in a rewards plan or terminate any promotion associated with the Card.

17. À LA CARTE REWARDS PLAN AND CASHBACK

Several of our cards offer membership in the À la carte Rewards Plan or the possibility of obtaining a cash back. If you hold one of these cards, you and the Authorized User are bound by the terms and conditions set out in the À la carte Rewards Plan or rules to obtain a cash back. In particular, the Authorized User may exchange points under the À la carte Rewards Plan and obtain any information related to it. To consult these rules, visit nbcrewards.ca or contact us to receive a printed copy.

18. CONSENT

Each transaction carried out using the Card and a handwritten signature, on paper, through a merchant, confirms that you or Authorized Users have consented to this transaction. Furthermore, any transaction carried out with (i) the Card and Password or (ii) the Card and the appropriate technology, such as a Point-of-Sale Terminal, has the same legal effect as though it had been carried out in accordance with written instructions on paper which you or the Authorized User would have signed by hand. You and the Authorized User will be deemed to have authorized such transactions.

As a result, you acknowledge and agree that the posting of a transaction to your Statement of Account indicating a Purchase or Cash Advance constitutes irrefutable proof that services or goods were supplied to you or to an Authorized User.

19. REMOTE TRANSACTIONS

When the Account number is used to make a remote transaction without presenting the Card, in particular in the course of a transaction by telephone, Internet or mail, you or the Authorized User are deemed to have agreed to this transaction as though it had been carried out in accordance with written instructions on paper bearing your handwritten signature.

As a result, you acknowledge and agree that the posting of such a transaction to your Statement of Account constitutes irrefutable proof that services or goods were supplied to you or to an Authorized User.

20. STATEMENTS OF ACCOUNT**20.1 Frequency**

Every month, you will receive a Statement of Account indicating the debits and credits charged to your Account for the period covered by such Statement of Account, unless the Account or Card was not used and no balance is payable. If, over a 3-month period, you or an Authorized User have not made any Purchase or Cash Advance, no interest or fee was applied to your Account, you have not made any payment and your Account balance is less than \$10, we will send you, at the end of this period, a Statement of Account that will reflect this 3-month period.

20.2 Communication Method

Any Statement of Account or notice sent to you by the Bank under the terms and conditions of the Agreement is deemed to have been delivered or given to you (i) at your last known civic address appearing in our records if sent by regular mail or, (ii) if applicable, the place you will have designated if sent to you via our Electronic Banking Solutions or other designated information processing system. Statements sent electronically are deemed to be received the moment they are sent through our information processing systems. You must notify us immediately if you have not received a Statement of Account within 10 days of the date at which you normally receive it.

20.3 Statement Verification

You must check each Statement of Account sent to you within 30 days of its date of issuance and notify us of any errors or irregularities appearing on it. After this 30-day period, you will no longer be able to contest items posted to your Statement of Account. The balance will then be considered to be final and accurate, except for the errors or irregularities that you will have already brought to our attention within the required time period.

20.4 Estimate of the Number of Years and Months

Your Statement of Account will show an estimate of the number of years and months required to pay off the entire unpaid balance appearing on this Statement of Account should you decide to only make the minimum payment each month.

20.5 Copy of Supporting Documents

You may obtain a copy of supporting documents for each of the transactions appearing on your Statement of Account, at no charge, within 30 days of the Statement of Account date.

21. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions will appear on your Statement of Account in Canadian dollars. A US currency transaction will be converted into Canadian currency at the applicable exchange rate established by MasterCard Worldwide, marked up by 2.5%. A foreign currency transaction other than in US currency will first be converted into US currency using the applicable exchange rate established by MasterCard Worldwide. The amount converted into US currency will then be converted into Canadian currency at the applicable exchange rate established by MasterCard Worldwide, marked up by 2.5%. The applicable exchange rate is the exchange rate in effect on the date the transaction is posted on your Statement of Account whether it consists of a debit or a credit. However, the exchange rate applicable to a debit or a credit may be different.

22. OPTIONAL SERVICES

Optional services may be offered to you with additional fees. You understand that these services may be governed by additional terms and conditions and may be subject to distinct agreements or authorizations.

23. PASSWORD AND CONFIDENTIALITY

Any Password must be protected and remain confidential at all times. You and any Authorized User must notify us immediately if the protection or confidentiality of your Password is compromised or if you suspect that another person knows it.

The "Agreement Governing the Use of Automated and Electronic Banking Solutions", which you and an Authorized User have agreed to respect when you chose your Password, applies to the transactions made using the Card and a Password.

24. AMENDMENT TO THIS AGREEMENT

We may, at any time and at our discretion, modify the terms and conditions of this Agreement by sending you a prior notice of at least 30 days. An amendment to the Agreement does not create a new agreement, and the unchanged provisions of the Agreement remain in full force and effect. If you or the Authorized User uses a Card or the Account, draws a Cheque or if a balance is outstanding when any amendments are made, you will be deemed to have read, understood and accepted the amendments and agreed to be legally bound by them.

25. CANCELLATION AND PAYMENT ON DEMAND**25.1 Cancellation by the Bank**

The Card and Account are made available to you and to any Authorized User entirely at our discretion. We reserve the right to terminate all or part of the right to use the Card and Account, in particular if you or an Authorized User are in default with respect to the terms and conditions of the Agreement, and to demand the immediate full or partial payment of the amount due under the Agreement. If we choose to terminate the right to use the Card and the Account, we will be entitled to exercise all our recourses, including those arising from any collateral. If we terminate your right to use the Card, the Account or the Cheques, an Authorized User also loses the right to use the Card, the Account and the Cheques. All Cards and Cheques must be returned to us or destroyed upon demand. Any omission on our part to exercise any of these rights does not constitute a waiver to exercise such rights in the future.

Similarly, if you assign your property to the benefit of your creditors, if you submit a proposal to your creditors or if you request bankruptcy protection under insolvency legislation, the total amount outstanding under the Agreement will become payable immediately.

25.2 Cancellation by the Cardholder

You may cancel this Agreement by contacting us. We will then close the Account and cancel the Card and the Cheques. However, you will remain responsible for all amounts due under this Agreement, at the moment of cancellation, until payment in full. All the provisions of the Agreement will continue to apply until you have paid all amounts due. You are responsible for informing an Authorized User that the Account is closed and that the Card and Cheques are cancelled.

26. SETTLEMENT OF DISPUTES WITH THIRD PARTIES

We are not responsible for any problems associated with Purchases resulting from the use of a Card or a Cheque or for the quality of the goods or services purchased with the Card or a Cheque. Any claim or dispute between you (or an Authorized User) and a merchant, including any right to compensation, if applicable, must be settled directly with the merchant. Even in the event of a dispute with a merchant, you remain responsible for the payment of the entire balance of your Account.

In addition, certain advantages or services related to the Card may be offered by a third party. We are not responsible for such offers or for the conduct or actions of such third parties. Any claim or dispute between you (or an Authorized User) and a third party, including any right to compensation, if applicable, must be settled directly with the third party.

27. ASSIGNMENT OF RIGHTS

We may, at any time and without your consent, assign to any person any amounts owing to us under the Agreement and arising from the use of the Card or Account, with or without the benefit of the rights set out in the Agreement or arising from any collateral, if applicable. Moreover, you cannot assign your rights under this Agreement without our prior written authorization. This Agreement is legally binding on our successors and assigns as well as on your heirs and legal representatives.

28. CHANGE OF ADDRESS

You must notify us promptly of any change in civic address or, if applicable, of where you wish to receive electronic documents. If you neglect to notify us of such changes, you may not hold us liable for any damages that you may suffer as a result.

29. APPLICABLE LEGISLATION AND JURISDICTION

This Agreement is governed exclusively by the legislation of the province or territory in which you live. If you live outside Canada, the legislation in effect in the province of Quebec governs this Agreement. You irrevocably acknowledge the exclusive jurisdiction of the courts in the above province or territory with respect to the application and interpretation of this Agreement.

A CONFIDENTIAL MATTER

At National Bank of Canada,¹ we have always made it a priority to protect your personal information. As part of our ongoing efforts to ensure that your rights are fully respected, we have developed policies and procedures aimed at protecting personal information. Our commitment to privacy is an integral part of our Code of Professional Conduct, to which all Bank employees must strictly adhere.

Moreover, National Bank of Canada has appointed a privacy officer to ensure that the principles in our policies and procedures are strictly observed. You can contact the privacy officer by e-mail at confidentiality@nbc.ca or by regular mail at 700 De La Gauchetière Street West, Transit 4876-1, Montreal, Quebec H3B 3B5.

A QUESTION OF SERVICE

To be able to offer you the products and services that are best suited to your needs, we require basic information about you that only you can give. For example, when you open a bank account, we will ask you for your name, address and telephone number. If the

account generates interest, we also need your Social Insurance Number to comply with current tax laws. Similarly, as some laws require that we identify you, we will need to obtain certain information concerning your identity documents and to record some of that information. Lastly, if you would like advice on investment, credit or trust products, we need to know specific financial information about your file in order to serve you properly. Other types of information, such as the state of your health, enable us to check your eligibility for certain types of products. In certain situations, collection of your personal information may be done by one of our service providers, on our behalf.

With your consent, we may also obtain information directly from a third party to help us determine your eligibility for our financial products and services. For credit products, for example, it is essential that we know your financial worth and your credit record. We will therefore contact other lenders, financial institutions, credit bureaus and employers.

In most cases, your consent is given on the forms used for specific products or, from time to time, on a separate form. You will notice that the declaration of consent is clear and unambiguous. We suggest that you read it over and, if you have any questions, please ask the staff at your branch or e-mail us at confidentiality@nbc.ca.

Your refusal to give consent could prevent us from acting on your behalf, and you may be refused a particular product or service as a result. However, once you have been granted credit, we cannot withdraw your consent to disclose information about your credit record to other lenders and to credit bureaus. This measure is designed to preserve the integrity of the credit lending process.

A QUESTION OF IDENTIFICATION

We also need your Social Insurance Number to comply with tax legislation. For example, if you open an account that generates interest or if you invest in a retirement savings plan or retirement income fund, we will ask for your Social Insurance Number so that we can issue tax receipts.

Your Social Insurance Number also helps us identify you with financial institutions, public registries, regulatory authorities and bodies, employers and professionals. It can also enable us to distinguish your information from that of other clients whose name may be similar to yours. This differentiation is particularly important when we have to check your creditworthiness. Although you are not required to disclose your Social Insurance Number for identification purposes, we think it is in your interest to do so.

A QUESTION OF CHOICE

With the appropriate consent,² the Bank, its subsidiaries and, in certain cases, its carefully selected partners,³ may contact you to offer you products and services that may interest you. The consent you give to the Bank to contact you by telephone or fax takes precedence over the National Do Not Call List.⁴

At any time, you may refuse to receive our product and service offers and other promotional communications. Simply notify the Bank (by contacting your branch or TelNat), the subsidiary (by contacting your representative) or the partner. If you no longer wish to receive electronic promotional messages, simply click on the unsubscribe link in the message and follow the instructions. Your choice will take effect as soon as our systems are updated and always within the prescribed timeframe.

Rest assured that your choice will not impact the services you receive. However, the Bank may continue to send you regulatory inserts, post messages on your account statements or ABM transaction records, and provide you with information on its products and services in person.

A QUESTION OF RESPECT

Under certain circumstances, we must disclose your information to third parties. When doing so, however, we take care to ensure your information is protected.

– If required to serve you

In order to offer you our products and services, we must occasionally disclose information about you to third parties such as credit bureaus, our subsidiaries or affiliates, or some of our service providers.

If, for instance, you authorize us to convey information concerning your creditworthiness or credit record to other lenders or to credit bureaus, the only information disclosed is your identity and your ability to meet your financial obligations.

In order to offer you our products and services and to comply with the measures necessary to manage risks and update your client profile, we sometimes disclose your personal information to other subsidiaries or affiliates of National Bank of Canada where permitted by law. We inform them of changes to be made to your file, which simplifies and accelerates the processing of your applications and transactions.

Information about your health, which is disclosed when you sign up for an insurance product, is not accessible to the other National Bank of Canada subsidiaries or affiliated companies.

In providing certain services to you, such as printing cheques or issuing bank cards, we occasionally use suppliers, some of which may be located outside of Canada, namely in the United States. When applicable, these suppliers will only have access to the information they need to provide the service. We require a formal commitment from them to respect the confidentiality of any such information.

If you have questions concerning the services rendered by our suppliers or the countries from which they may have access to your personal information for the purposes explained herein, please contact the Privacy Officer at the aforementioned address.

– If required by law

We are legally bound to disclose information about you when we or one of our service providers receives a valid request, search warrant, subpoena or other government or court order. These requests may come from Canadian or foreign authorities, most likely American.

– If we must protect the Bank's interests

In cases where we are involved in court proceedings, we may have to disclose, on our own initiative, personal information about you. Moreover, if we must return an NSF cheque, a third party would then know that your account is overdrawn. Similarly, if we must use a collection agency, a third party could then deduce that you are not meeting your financial obligations to us.

– If public interest is endangered

It is our duty to denounce criminal activity such as fraud or money laundering. In all such cases, authorities will be contacted and personal information could be disclosed at that time.

A QUESTION OF ACCESS

You can consult the personal information that we have on you free of charge. Simply submit a request in writing to your branch, subsidiary representative or by using the e-mail option in the menu of your Internet Banking Solutions profile. We will respond to your request within 30 days.

A QUESTION OF ACCURACY

We will do our utmost to keep your personal information up to date, but we ask that you help us by notifying us of any change in information about you. In addition, if you notice any errors or inaccuracies, please let us know and we will make the necessary corrections. If we have conveyed incorrect information to third parties, we will do everything possible to bring these corrections to their attention.

A QUESTION OF SECURITY

We take the necessary precautions to prevent your information, regardless of its form or location, from being lost, destroyed, stolen, consulted, disclosed, copied, used or altered without authorization. We have implemented various security measures, such as:

– Physical measures:

Including the protection of infrastructures, such as ensuring that access to our premises is secure, and that equipment is in a secure location.

– Administrative measures:

Aimed at limiting access to your personal information. Only employees who need to consult your information for work purposes may do so.

– Technical measures:

Such as closely managing passwords and using a firewall.

Moreover, the passwords, user codes and personal identification numbers (PIN) you use to access certain financial services are confidential and you are the only one who knows them. Our employees have no way of accessing this information and will never ask you for it. You should never disclose your passwords, user codes or PINs, or include personal information in e-mails. We invite you to consult the ABCs of Security on our website at nbc.ca.

A QUESTION OF DOCUMENT RETENTION AND DESTRUCTION

Your personal information is kept only for as long as the service is provided. The retention period may vary depending on the product or service offered. Even if you stop doing business with us, we might keep some information in order to, among other reasons, comply with laws, settle future transactions or look up past transactions. When this information is no longer necessary, it is destroyed. When destroying documents, we follow strict procedures and ensure that only authorized personnel has access to them.

ANY QUESTIONS?

If you have questions or comments regarding how your personal information is managed, contact the Customer Service Manager at your branch, TelNat, your subsidiary representative or write to us at:

Privacy Officer

700 De La Gauchetière Street West
Transit 4876-1
Montreal, Quebec H3B 3B5
E-mail: confidentiality@nbc.ca

For further information on this subject, consult the “For better banking relations with you” pamphlet, available at all our branches. In it you will find a complete description of the complaint settlement process and information on how you can contact the Ombudsman for Banking Services and Investments.

FOR A BETTER BANKING RELATIONSHIP**YOU HAVE OUR FULL ATTENTION**

At National Bank, we care about the service that you, our customer, enjoy at our institution and we are dedicated to ensuring your satisfaction. To this end, we have created a simple process for settling complaints and have appointed an Ombudsman to oversee the process.

YOUR SATISFACTION IS OUR PRIORITY

To provide you with a professional service that meets your needs, we have made it simple to report and correct any problems you may have experienced while using your Card. Follow these three steps:

1. Customer Service

First of all, get in touch with our Customer Service Department at **1-888-969-2273** or **514-394-1427** (in Montreal) for a detailed explanation of an issue or a look into your file. If you prefer, you can always call or stop by your branch to speak with the Customer Service Manager. Explaining the nature of your problem is the first and best way to find a solution.

2. National Bank Mediation Department

If you are not satisfied with the outcome at this point, you can communicate directly with the National Bank Mediation Department, in writing or by phone, at:

National Bank Mediation Department

P.O. Box 93
Station Place d'Armes
Montreal, Quebec H2Y 3E9
Phone: 1-888-955-6655
Fax: 1-877-866-1407 or 514-866-1407

An advisor will get in touch with you as soon as possible following receipt of your complaint to discuss your situation.

3. Office of the National Bank Ombudsman for clients

If the problem is still not resolved to your satisfaction, you can then call or write to the National Bank Ombudsman for clients. The Ombudsman is there to listen and respond to your complaints about products, services or any litigious situation that may arise in your dealings with National Bank and its subsidiaries.

The Ombudsman is in close contact with various specialists and is sensitive to your needs, working to guarantee that all complaints are treated professionally and diligently respecting good commercial and banking practices. In order to ensure impartiality in all decisions, the Ombudsman is accountable to the president of National Bank of Canada. As a neutral and independent third party, the Ombudsman guarantees fair and equitable treatment for all clients.

You can contact the Ombudsman for clients, in writing or by phone, at:

Office of the National Bank Ombudsman for clients

P.O. Box 275

Station Place d'Armes

Montreal, Quebec H2Y 3G7

Phone: 1-888-300-9004

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

Website: At nbc.ca, click on the "About Us" tab then, under "Our Organization," click on "Complaint Settlement."

OTHER OPTIONS AVAILABLE TO YOU

If the situation has not been resolved to your satisfaction by the National Bank Ombudsman for clients, you may communicate with:

Ombudsman for Banking Services and Investments

401 Bay Street, Suite 1505

P.O. Box 5

Toronto, Ontario M5H 2Y4

Phone: 1-888-451-4519

Fax: 1-888-422-2865

E-mail: ombudsman@obsi.ca

Website: obsi.ca

If, at any time, you have a complaint regarding a possible failure to respect the provisions relating to consumers as prescribed by federal legislation that governs banks or provisions of a public commitment or a voluntary code, you can contact:

Financial Consumer Agency of Canada

427 Laurier Avenue West, 6th Floor

Ottawa, Ontario K1R 1B9

Phone: 1-866-461-2232 or 613-960-4666

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

Website: fcac-acfc.gc.ca

For complaints related to the protection of your personal information, you can either use the complaint settlement process described previously or contact the Office of the Privacy Commissioner of Canada:

Office of the Privacy Commissioner of Canada

30 Victoria Street
Gatineau, Quebec K1A 1H3
Phone: 1-800-282-1376 (toll free)

National Bank of Canada takes privacy seriously and ensures that all the necessary measures are in place to protect your personal information.

SECURITY TIPS

The following security tips apply to you and your Authorized Users. You are responsible for communicating these tips to an Authorized User and ensuring that they are followed. Your Password is your electronic signature – do not reveal it to anyone under any circumstances:

- Do not use the same Password for more than one Card;
- Never lend your Card to anyone. It belongs to you and is for your use only;
- Memorize your Password – do not write it down anywhere;
- Change your Password regularly – at least once a month – in order to reduce the chances of it being discovered. If you have reason to suspect that it is known by others, select a new one immediately;
- Never use numbers that could be easy to identify, such as those based on your address, telephone number, social insurance number or date of birth; it is too obvious;
- When you are using your Card and must enter your Password, be sure to use your hand or body to block others' view of the keypad;
- Always remember to retrieve your Card and take the transaction slip before leaving the premises;
- **Keep your eye on your Card at all times.**

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1. Means National Bank of Canada, its successors and assigns, and all its subsidiaries offering to the public in Canada deposit and lending services, credit, debit and payment cards, trust services, custodial, brokerage, insurance and other personal financial services, including *National Bank Trust Inc.*, *National Bank Securities Inc.* and *Natcan Trust Company*. Some subsidiaries may be subject to specific statutes. A list of our main Canadian subsidiaries can be obtained at any National Bank branch.
2. The Bank is not necessarily required to contact you to obtain consent since the legislation sometimes allows for implied consent. For example, Canada's Anti-Spam Legislation allows us to send electronic promotional messages to individuals with whom we have existing business relationships, provided they are able to unsubscribe from these messages. For more information on the Anti-Spam Legislation, go to fightspam.gc.ca or call 1-800-328-6189.
3. To find out who our partners are, visit our website nbc.ca/bnc/files/bncmisc/en/2/partenaires_e.html or call 1-888-969-2273 (toll free).
4. For further information about the National Do Not Call List, go to lnnte-dncl.gc.ca or call 1-866-580-DNCL (3625).