

Welcome! We are very pleased to have you as a client of National Bank Savings and Investments Inc. (“NBSI”, “we” or “our”), a mutual fund dealer and subsidiary of National Bank of Canada (“NBC”).

We invite you to read this document which is intended to inform you about the nature of your relationship with us.

A relationship of trust

We offer you a process at the center of which is your mutual fund representative. Specifically, your representative undertakes to:

- Know your personal and professional financial situation and investment objectives.
- Recommend products and services that are suitable for you based on the information you have provided.
- Protect the privacy of your personal information.

However, you are responsible for making decisions concerning your investments.

Products and services offered

Whether you’re starting your working life or are ready to retire, we have the investment solution for you. We offer you advisory services as well as a range of products and services that will enable you to benefit from multiple benefits such as turnkey solutions, optimal diversification, and the expertise of portfolio managers at National Bank Investments Inc. (NBI). Your mutual fund representative will exclusively offer you products and services from NBC and its subsidiaries.

○ Different types of accounts offered:

We offer the Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Tax-Free Savings Account (TFSA), tax-free First Home Savings Account (FHSA), Registered Education Savings Plan (RESP), Locked-in Retirement Account (ERP), Locked-in Retirement Savings Plan (REP), RESTRICTED Income Plan (ERS), Life Income Fund (LRIF), Restricted Life Income Fund (RVRF), Prescribed Retirement Income Fund (PRRIF), Regulatory Retirement Income Fund (RRIF), Locked Retirement Income Fund (FRRIF) and non-registered account in CAD and USD currencies.

○ Products offered:

- **NBI Investment Funds:** These investment funds are those offered by NBI and sold by authorized dealers, including NBSI. They pool the money of several investors like you. The pooled amounts are then invested in different asset classes managed by reputable portfolio managers.
- **NBI Portfolios and NBI Sustainable Portfolios:** These portfolios include investment funds offered by NBI and sold by NBSI. They are managed by some of the best portfolio managers in the world. The portfolios are well diversified and designed to reduce risk while maximizing returns. NBI Sustainable Portfolios are designed to meet the needs of those who want to gain exposure to companies or issuers that apply the best sustainability practices in their sector or that seize opportunities created by the transition to a fairer economy.
- **Guaranteed Investment Certificates (GICs):** These are deposit products with a specific term and maturity date with the goal of preserving your invested capital. The capital is 100% protected if it is held until maturity.
- **Market-Linked GICs (ML GICs):** These ML GICs offer a variety of investment options that take advantage of the growth potential of equity markets and offer a higher return opportunity than a conventional fixed-rate GIC. The capital is 100% protected if it is held until maturity. The market value obtained may be less than the invested capital if the ML GIC is sold before maturity.

The investment products mentioned above may be managed or distributed by third parties or by our affiliates. NBSI does allow the transfer and possession of third-party products but does not sell them. Investments held in the holder’s NBSI account are registered in the name of NBSI or another intermediary as a nominee. For more details, please visit our website at: www.nbc.ca/savings.

○ Services offered:

- **Asset allocation service:** In order to meet your investment objectives, a variety of asset allocation services are available, including NBI Private Wealth Management, where a portfolio manager selects and tracks investments selected on a discretionary basis.
- **Systematic investment or systematic withdrawal plans:** These plans allow you to systematically invest or withdraw (depending on the period chosen) amounts from your bank account or investment account as appropriate.

Benchmarks used

An investment performance benchmark is a standard used to measure or compare the performance of a specific investment. By comparing the rate of return on your funds to an appropriate benchmark (typically a general stock or bond market index, or combination of them), you can assess how your funds have performed relative to the market. Benchmarks are also useful in developing realistic expectations about the returns that can be generated by your longer-term funds.

Investment performance benchmark information is included in management’s annual report on the fund’s performance for each mutual fund for which you hold securities in your account. They are available on our website www.nbc.ca/investment for NBI funds or on the www.sedar.com website for third-party funds.

The advantage of a rigorous approach

As a mutual fund dealer, we must determine that any measures we take or recommendations we make regarding an investment are in your best interests. We are committed to assessing the suitability of your investments whenever there is a significant change in your personal or financial situation, the evolution of one of your investments, or the transfer of assets into an NBSI account. To evaluate your needs, investment objectives, and suitability, your personal and financial information is required and must be updated every 36 months. We must also assess the suitability of your investments during this periodic update. It is important to inform your mutual fund representative of any changes in your personal or financial situation.

We also need to make sure that the recommendations we make are right for you and are consistent with your situation and investment objectives. We

also check for consistency between each of the elements used to establish your investor profile, i.e., your investment objectives, your personal and financial situation, your investment horizon, your investment knowledge and your risk profile. The suitability obligation also applies to transactions you propose but which may not be suited to your investor profile. If so, we must notify you since these are unsolicited transactions.

Advice adapted to your personal situation

To properly assess the suitability of your investments, we need some essential facts about you. To do this, we use the Personalized Investment Guide, which is used to determine your investor profile based on your investment objectives and risk profile. Your mutual fund representative must consider this information when developing an investment strategy adapted to your needs and recommending investment solutions that are right for you. We perform a suitability analysis of your investments for each of your accounts. Following the opening of your account and whenever we are informed of a significant change, you will receive a copy of the documents containing the information collected about you.

In addition to your personal and financial situation, you will be asked for other information when opening an account, including:

- **Gross annual income:** your income from all relevant sources.
- **Approximate net worth:** the sum of your assets minus your liabilities.
- **Approximate liquid value:** the sum of your liquid assets.
- **Investment knowledge:** your understanding of investments, investment products and related risks.
- **Investment objectives:** the result you want from your investments.
- **Investment horizon:** the period from the time you invest money to the time you need to withdraw a significant portion (one third or more) of the money invested in the account.
- **Risk profile:** your attitude toward risk (risk tolerance) and your ability to assume risks during a market downturn when the value of your portfolio declines (risk capacity).

For more information about the meaning of the terms used above, please refer to *Appendix 1 - Definition of Terms Used*, of the Account Agreement of which you have received a copy.

The risks related to an investment

Each investment has a different potential for risk and return. For example, NBI Investment Funds are not guaranteed and their value may fluctuate. You should not agree to invest if you do not know the nature and extent of the risks to which an investment exposes you. Please review the risk information in the fund facts and simplified prospectus and discuss it with your mutual fund representative before investing.

Investing with borrowed money carries more risk than doing so with cash. If you borrow money to invest, you have an obligation to pay the interest due, even if the value of the investments you purchased declines. Please refer to the Account Agreement to learn more about the risks associated with borrowing money to invest.

Simple transactions and regular communications

You can carry out transactions in your account through your bank account or by electronic funds transfer and, exceptionally, by cheque, bank draft or mail order (certain conditions may apply). Your bank account may or may not be held at NBC as we also accept transfers from other financial institutions when applicable. Cash transactions are not accepted. Once a client, you can make your transactions through our website at www.nbc.ca. Keep in mind that cheques must be made out to *National Bank Savings and Investments Inc.* Transactions carried out in registered accounts may be subject to withholding tax, which will be deducted at source upon redemption. You will receive several important documents on a regular basis, such as confirmations of your transactions, portfolio statements, the annual performance report, the annual fees and compensation report, and tax slips.

- **Confirmation of your transactions:** A confirmation notice will be issued as soon as possible after each transaction carried out. For systematic investment plans for an investment fund with monthly or more frequent investments, a confirmation notice will only be issued for the first transaction carried out. The confirmation includes the following information regarding each transaction: the type of account in which the transaction was carried out, a description of the securities, the number of securities, the price for each security, the transaction date, the amount deducted for sales charges and other expenses, as well as the name of the mutual fund representative who carried out the transaction.
- **Portfolio statement:** We also send you a portfolio statement each quarter to provide you with an overall picture of your investment portfolio with NBSI. You can also request to receive your portfolio statement monthly rather than quarterly. The portfolio statement indicates, among other things, the type of account, the account number, the value of your investments, the composition of your portfolio, a description of the securities, the number of securities purchased, sold or transferred, and the dates of each transaction in your account, including transactions carried out under a systematic investment plan during the reporting period, your personalized returns, additional information for your income tax returns, and the address and telephone number of NBSI.
- **Annual Reports – Performance Report and Fees and Compensation Report:**
Annually, these two reports will be sent to you with your December 31 portfolio statement.
 - The performance report shows the activity and performance of the account (including the rate(s) of return) over the past year and since the account was opened, which allows us to assess progress in achieving the objectives.
 - The fees and compensation report shows the amounts received directly or indirectly by NBSI for services and advice rendered over the past year, including amounts paid by you.

A transparent compensation

There are no fees associated with opening an NBSI account. However, federal, provincial or territorial fees and sales taxes may apply for the transfer out of any registered NBSI investment account.

- **Management fees and operating expenses**
Management fees and operating expenses vary from one fund and series to another and are charged to the fund, generally based on a percentage of the daily average of the net asset value of each series. This percentage is disclosed in the fund facts and prospectus. These fees may vary depending on the category of underlying assets; fees for equity funds are generally higher than bond or money market funds. These fees are deducted directly from the fund's assets and are used to pay the fund's costs (portfolio management, record keeping, securities custody, reporting, etc.) and to generate the investment fund manager's profit margin. A portion of the management fees, called a trailing commission, is paid to the distributor on an ongoing basis as long as you hold these funds.
- **Trailing commissions**
The portion of the management fees attributable to a trailing commission is intended to compensate NBSI and its mutual fund representatives for the advice and services provided to clients in connection with the sale of the funds and the costs incurred for these purposes (maintaining the

position in its books, issuing statements, etc.).

These fees reduce the value of your investments, which will affect your capital appreciation throughout the holding period of a fund and will have a cumulative effect on the return of your investments over time. When you receive information about the value of your investment in a fund, these fees have already been taken into account. The percentage used to calculate the amount of the fees is disclosed in the fund facts and prospectus.

○ **Short-term trading fees**

Fees representing a percentage of the value of your units in an NBI fund that you redeem or substitute within 90 days of purchase may be charged to you by National Bank Investments. These fees go to the fund.

For more information on the compensation paid to our mutual fund representatives or our fees, please refer to the Account Agreement, fund facts or simplified prospectus, or contact us.

Protection of vulnerable people

A regulatory framework governs the protection of vulnerable people as investors. Therefore, to protect your interests, NBSI asks you to designate a trusted contact person with whom we can communicate in specific situations, in particular, if NBSI:

- Has concerns about your ability to make financial decisions in your best interests, understand information, or measure the foreseeable consequences of a financial decision you may or may not make.
- Has concerns about possible financial abuse concerning you.
- Attempts to obtain your current contact information if you cannot be reached after several attempts.
- Attempts to obtain the name and contact information of a legal representative, if applicable.

In addition, if we have reason to believe that you are the victim of financial abuse, NBSI may need to temporarily suspend your account (s) to protect your interests.

Trusted contact person

Your consent makes it possible for us to inform your trusted contact person about:

- The purpose and reasons for communicating with them.
- Obtaining confirmation or information depending on the following specific situations:
 - Observations regarding your physical or psychological health when it appears to have deteriorated to the point where you appear to have difficulty in making free and informed decisions and/or in managing your assets held with NBSI.
 - The overall situation to discuss the possibility of taking the necessary steps to ensure the protection of your interests and to ask him or her to take these steps (opening of a protection regime, approval of the mandate in case of incapacity, power of attorney, etc.), if necessary.

Important: This is not a power of attorney. Therefore, NBSI cannot receive transaction instructions from this person for your NBSI account(s). Your consent remains valid and in effect until you update or revoke it by verbal or written notice to NBSI.

Temporary holds:

- When a temporary hold is applied, your account is monitored and must comply with our obligations to act with honesty, good faith, and loyalty towards our clients. This consists of protecting your interests by preventing any transactions in your account(s) while we analyze and investigate the situation and take any necessary measures.
- You will be informed in writing of the reasons for a temporary hold during the process and whether it will be extended past 30 days.
- During a temporary hold process, precautionary measures may be put in place to allow the payment of your bills and to meet your financial needs, as applicable. Therefore, before allowing any redemptions and/or withdrawals from your NBSI account(s), evidence demonstrating that these expenses have been incurred for you (e.g., original invoices, etc.) will be required.

Important: NBSI may apply a temporary hold on your NBSI account(s) only in specific circumstances, including if we have reasonable doubts to believe that you are or have been the victim of financial abuse or attempted financial abuse, you are in a situation of vulnerability, or you are experiencing reduced mental faculties that do not allow you to make financial decisions.

Conflict of interest

Introduction

Securities regulations in Canada require NBSI to comply with rules about conflicts of interest. It is important that we disclose material conflicts of interest that we have identified and how we are managing them, as well as how we are trying to reduce their impact.

Thus, you will find below the existing and reasonably foreseeable material conflicts of interest that may affect you as our client, including how we address these conflicts in the best interest of our clients. We will update you in a timely manner if any additional material conflicts of interest are identified.

What is a conflict of interest?

We consider a conflict of interest or potential conflict of interest to be any circumstance in which our interests or the interests of our representatives or employees could be inconsistent or divergent with the interests of the clients using our services. We take reasonable steps to identify, disclose and address all existing material conflicts of interest, as well as those that are reasonably foreseeable, in your best interests. We avoid any situation that would create a material conflict of interest which cannot be addressed in your best interest.

A conflict of interest is considered material when it can be reasonably expected that either or both of the following will occur: 1) it could impact a client's investment decision or their decision to use our services; or 2) it has an impact on the recommendations or decisions of NBSI or its representatives. To ensure we always put you, our client, first in any situation where a conflict of interest may hinder our relationship, our representatives must comply with (i) NBC's Code of Conduct, which establishes the basic principles which guide their conduct, and (ii) the regulatory requirements summarized in NBSI's policies and procedures. A description of the material conflicts of interest that we have identified is provided below.

NBSI's conflicts of interest

- **Proprietary products:** NBSI's product offering is limited to proprietary products and services that are manufactured and offered by NBC and its subsidiaries, such as NBI Funds and Guaranteed Investment Certificates including Market-Linked GICs.
- As a result, products offered by competing firms cannot be purchased through NBSI, and NBSI's suitability assessment will not take into

account non-proprietary products or the fact that these products might be better, worse or equal in meeting our clients' investment objectives.

- We manage this conflict by offering a wide range of products that can meet the needs of each investor profile and by conducting periodic due diligence on comparable products available from our competitors and by assessing the competitiveness of our products and their capacity to meet our client's financial needs.
- **Revenues, employees' compensation and personal interests:** We, as well as NBC and its subsidiaries, generate revenue from the products and services we sell to you, including through the management fees embedded in some of our products. NBSI and its representatives are also paid for the services provided. As a result, we may be incentivized to sell certain products and services that help us maximize our revenues. We may also be incentivized to have our clients acquire more products and services offered by NBC and its subsidiaries, since individual and collective compensation of our employees may be based, in part, on sales volume.
- These conflicts are managed by robust and effective risk-based account surveillance and compliance systems monitoring, and by disclosing the fees that may be charged on you while avoiding duplication. In addition, our compensation programs are validated and approved by a number of sectors to ensure that representatives do not recommend products that are not in clients' interests. As indicated in our policies and procedures, representatives must not, under any circumstances, force a client or exert undue pressure on a client to acquire a product or service. Lastly, we offer our representatives training programs on conflicts of interest.
- **Services provided by related entities:** NBC and its subsidiaries may receive various forms of compensation related to your doing business with us. As part of NBSI's offering to clients, NBC and its subsidiaries may be compensated for management, administrative and other services rendered or provided to one another. This could include income such as: income and/or spreads on cash balance held in your account, interest margins on deposits, interest on investment loans, foreign exchange margins at the time of currency conversion as well as trust and custodial fees. We may also suggest using the services of NBC or one of its subsidiaries as your needs change over time. For example, this may be appropriate depending on the complexity of your situation or the size of your assets. Your information may also be shared with NBC and its subsidiaries, to manage our relationship with you and offer you additional products and services.
- You can read the "Statement of Principles on Conflicts of Interest" document to access to the list of NBSI related entities and related or connected issuers. This document is available in the "Regulatory Documents" section on our website on the following link: <https://www.bnc.ca/particuliers/epargne-placements/investissements.html>.
- We address these conflicts by assessing the services provided to you by our affiliates and ensuring that they remain competitive. We disclose the fees that may be charged to you by us and/or our affiliates, in compliance with applicable securities law and we obtain your consent for the collection, use or sharing of your personal information and restricting the internal sharing of information in accordance with our Privacy Policy.
- **Transactional errors:** It is possible that, despite the good faith of a representative, an error could occur during the processing of a transaction for a client. For example, by failing to meet the cut-off time to enter a trade or by entering a transaction incorrectly, resulting in a loss for the client. A reasonable person might believe that NBSI has an interest in minimizing its costs in correcting such errors.
- We manage this conflict by complying with Canadian securities laws, industry guidelines and our error correction policy, which has been reviewed by the Independent Review Committee (IRC) of our Funds. The IRC is comprised of individuals who are independent from NBSI.
- **Conduct of NBSI and its representatives:** In the ordinary course of performing our duties, we, our directors, officers, employees and representatives may find our personal or commercial interests to be in potential conflict with those of a client. For example, we or our employees may be offered gifts that could compromise our impartiality or give the impression that our impartiality is compromised.
- We address such conflict of interest by ensuring compliance with NBC's Code of Conduct and NBSI's policies and procedures, which apply to us and prohibit: (i) using confidential information acquired in the course of our work or as a result of our position; (ii) taking advantage of a situation to derive any kind of benefit; and (iii) accepting or giving gifts, invitations or compensation that could influence decisions to be made in the course of our duties.
- In addition, we require our representatives to disclose all material conflicts of interest. In compliance with NBSI's policies and procedures, our representatives must avoid all material conflicts of interest or use controls for addressing conflicts in clients' best interests.
- We also provide our representatives with training programs on conflict of interest in order to help them to identify, escalate, address and disclose conflicts of interest. We have an effective risk-based compliance system, which monitors for items such as powers of attorney and incapacity mandates, where clients may be more vulnerable.
- **Redemption of third-party products:** When third-party products are contained in accounts transferred from a competitor to NBSI, NBSI may recommend redeeming these securities and re-investing the proceeds in securities offered by NBSI, since compensation for these products could be more profitable for NBSI. If these third party securities are not redeemed and held instead in the client's investment account, NBSI may receive compensation, such as a trailing commission, from the issuer of the securities.
- We manage this conflict by having policies and procedures in place, as well as robust and effective risk-based account surveillance and compliance systems that allow us to validate the suitability of transactions.
- **Dual occupation and outside activities:** Our registered representatives act both as representatives for NBSI and as banking advisors for NBC. In addition, some may also serve on a board of directors or take up other duties.
- We address these conflicts of interest by complying with legal and regulatory requirements and restrictions on individuals who act for more than one regulated entity. We also require our representatives to disclose their outside activities and review the potential risks and conflicts of interest associated with them. We do not allow participation in outside activities that involve a risk or a material conflict of interest, unless approved by NBSI.
- **Other conflicts of interest situations:** Other situations which create potential or real conflicts of interest may arise from time to time. NBSI is committed to continuing to do whatever is necessary to identify and address these situations fairly, reasonably, and in the best interest of our clients.

Document "Statement of Principles on Conflicts of Interest"

You can read the "Statement of Principles on Conflict of Interest" document, which is updated regularly to reflect any significant changes that may occur. This document is available in the "Regulatory Documents" section on our website on the following link:

<https://www.NBC.ca/particuliers/epargne-placements/investissements.html>

To reach us

You can go to a branch or contact your mutual fund representative whose contact information appears on your portfolio statement. You can also contact Customer Service Monday to Thursday from 8 a.m. to 6 p.m. (ET) and Friday from 8 a.m. to 5 p.m. (ET) at 514-871-2082 or toll-free at 1-888-270-3941.