

Cardholder Agreement National Bank of Canada

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Cardholder Agreement National Bank of Canada

The Mastercard^{MD} account and the credit cards that you, as the primary cardholder, have requested are governed by the terms and conditions of this agreement and its amendments as well as the accompanying cost of borrowing disclosure statement which forms part of this agreement. At your request, we will provide you with additional cards associated to your credit card account for individuals you will have designated as authorized users.

For information, you may contact us at **1-888-969-2273** (toll-free) or at **514-394-1427** (from Montreal) or visit our website at nbc.ca/creditcard.

1. Your Acceptance of the Agreement

You accept the terms and conditions of this agreement when the credit card account is first used after receiving this agreement or a notice of amendment.

The date of the agreement corresponds to the date the credit card account is first used. The place where the agreement is entered into corresponds to your latest address on file.

The issuance of a credit card by us replaces our signature. For your information, we are located at the following address:

600 De La Gauchetière Street West, Suite 18474, Montreal, QC H3B 4L2.

2. Cash Advances and Purchases

A cash advance is the advance of funds made using a card in the following situations:

- a) in one of our branches or via our automated services;
- b) in a branch or at an ATM of another financial institution;
- c) with cheques drawn from your credit card account;
- d) by transferring the balance of a credit card account to this credit card account;
- e) by performing transactions which can directly be converted to cash (money orders, wire transfers, traveller's cheques and transactions related to gaming (e.g. betting, off-track betting, racetrack betting and casino chips));
- f) with an overdraft protection on any type of account held with us or
- g) by transferring funds from your account in any other authorized manner

A purchase is 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 purchase.

3. Use of the Credit Card Account

3.1 Permitted Uses

The credit card account may be used:

- up to the credit limit to pay for purchases and obtain cash advances;
- for personal use, not for the purposes of operating a business;
- for legal purposes and
- by you and authorized users only.

3.2 Consent to transactions

Each purchase or cash advance made using a card requires the consent of the primary cardholder or the authorized user. This consent may consist of (a) the use of the card and his signature on paper or electronically, (b) the use of the card and personal identification number ("PIN") or other password, (c) the interaction of the card with any appropriate payment technology or (d) the use of the card's number for remote transactions (mail, telephone, internet).

3.3 Refusal by the Bank

We may, at any time and without prior notice, refuse to authorize purchases or cash advances when they exceed the credit limit or if a condition of this agreement is not respected.

3.4 Refusal by a Merchant

The credit card may be used everywhere it is accepted. We are not responsible if a merchant refuses the credit card.

3.5 Card Ownership

The credit card remains our property at all times. You cannot transfer the credit card to a third party. It must be returned to us on demand.

We may request the card back, in particular, if the terms and conditions set out in this agreement are not respected. Furthermore, we may issue, renew, replace or cancel the credit card at our discretion.

3.6 Card Use Period

You may use your credit card for the time period we determine. The validity date and the expiration date are indicated on the card. However, you remain responsible for paying all purchases and cash advances charged to your credit card account made after the card expiration date.

4. Your Responsibility

You are responsible for all the obligations set out in this agreement, including amounts owed to us resulting from the use of the credit card account by an authorized user. You alone are responsible for all purchases, cash advances, interest and fees charged to the credit card account.

5. Authorized User's Privileges

5.1 Additional Credit Cards

You can add up to **3** authorized users on your credit card account. You can also remove an authorized user at your convenience. An authorized user can cancel his card by contacting us.

5.2 Not Responsible for Amounts Owed

An authorized user may use his own credit card and charge transactions to your credit card account but he is not responsible for amounts owed to us. To obtain a reimbursement from an authorized user for a transaction charged to your credit card account, you must take the necessary steps on your own to recover this amount.

5.3 Disclosure of Information

Upon request by an authorized user, we may disclose information regarding the balance of the credit card account, the details of transactions made using his own credit card, information about a loyalty program (e.g. balance of points) and his PIN or other password. However, an authorized user will not receive a statement and will not be able to access the transactions of the credit card account or other information regarding the credit card account (e.g. credit limit).

5.4 Personal Information

You must inform the authorized user that his transactions will appear on your statement. You must also make sure that he consents to his personal information being collected, used and disclosed in accordance with section **27** of this agreement and the Personal Information Protection Policy reproduced below.

6. Credit Limit

6.1 Use of the Limit

The credit cards associated to your credit card account can be used up to the credit limit specified in the cost of borrowing disclosure statement provided when the credit card is first issued and indicated on your statement. You must repay any amount charged to the credit card account.

6.2 Overlimit

We may refuse any transaction that would result in an overlimit. At our discretion, we may authorize an overlimit but such an authorization does not constitute an increase of the credit limit.

If you reside in the province of Quebec: no overlimit fees will be charged.

If you reside in any of the Canadian provinces and territories, except the province of Quebec: overlimit fees will be charged once per statement period if your balance exceeds your credit limit on the billing date. Please refer to the cost of borrowing statement provided with this agreement, or any subsequent notice to this effect, for the amount of the overlimit fee. We will only charge one overlimit fee per period.

6.3 Review of the Credit Limit

We review your credit limit periodically. In doing so, we consider many factors such as changes to your financial situation and your credit file. We may suggest modifications to your credit limit from time to time.

6.4 Changes without Notice

Without prior notice, we may:

- lower your credit limit;
- limit the amount allocated to cash advances and
- set withdrawal limits on cash advances.

7. Cheques Drawn on your Credit Card Account

7.1 Issuance of Cheques

At your request, we can provide you with cheques which can be drawn from your credit card account in Canadian dollars. You can give these cheques to an authorized user, but you remain responsible for his use of the cheques.

7.2 Use of Cheques

The cheques cannot be used:

- to repay the balance of your credit card account;
- to make a payment or a transfer funds to yourself, an authorized user or us;
- as a specimen or
- exchanged for cash or for one of our products.

Stop payments are not permitted.

8. Interest

8.1 Applicable Interest Rate

All purchases and cash advances bear interest at the annual rate indicated in the cost of borrowing disclosure statement provided at the issuance of the card and then on your monthly statement. No interest will be paid on a credit balance.

8.2 Table of Examples of Interest Charges

Here are some examples of the interest charges over a period of **30** days:

Annual Interest Rates	Average balance	
	\$500	\$3,000
20.99%	\$8.63	\$51.76
22.99%	\$9.45	\$56.69
25.99%	\$10.68	\$64.08
27.99%	\$11.50	\$69.01

8.3 Calculation

Interest is calculated on the daily balance of your credit card account but is charged to your credit card account once a month. This daily balance 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** (or **366** for leap years).

8.4 Grace Period for New Purchases

You will have **21** days grace period after the last day of the period covered by the statement to pay the outstanding amounts. You will not pay interest on new purchases when the entire account balance is paid by the due date indicated on your statement. If you make a partial payment, interest will be calculated on the daily balance of your credit card account starting on the date the purchases appear on your statement. Your payment will be applied in accordance with section **11** of this agreement.

8.5 No Grace Period for Cash Advances

Interest on cash advances accrues from the date of the cash advance until payment in full is received. There is no grace period for cash advances.

8.6 Variable Interest Rate

When a variable rate applies to a credit card account, the rate is adjusted with each change in the prime rate. The rate indicated in the cost of borrowing statement is the initial rate and is subject to change throughout the duration of this agreement. Changes in the prime rate are disclosed on notices available in branches and at nbc.ca.

The information relating to the terms and conditions of credit is provided for illustrative purposes only, on the basis of the initial rate. This information may vary with the rate.

The prime rate is the variable annual interest rate that we announce publicly from time to time as the reference rate used to determine the interest rate on demand loans in Canadian dollars that we grant in Canada.

8.7 Increased Rates

The annual interest rates will increase as indicated in the cost of borrowing statement provided at the issuance or in a subsequent notice. The interest rates will increase when the minimum payment is not made by the due date indicated on your statement twice during any **12** month period.

Any missed payment during a **12** month period is counted, even if the missed payment 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 **2nd** missed payment and will apply to your account balance until the minimum payment is made, by the due date indicated on the monthly statement for **9** consecutive months. After this period, the regular rates will apply, regardless of whether a promotional or reduced rate was in effect prior to the rate increase.

8.8 Withdrawal of Promotional and Reduced Rates

We may remove a promotional or reduced interest rate if:

- your rate is increased or
- other conditions of the agreement have not been respected (e.g. unpaid annual fees).

9. Other Fees

9.1 Annual Fees

Annual fees vary according to the type of credit card account you choose. Your annual fees are indicated in the cost of borrowing disclosure statement provided to you at the issuance of the credit card or in any subsequent notice. Annual fees will be invoiced on your credit card statement of account when due. These fees are non-refundable.

9.2 Other Fees

Other applicable fees are indicated in the cost of borrowing disclosure statement or any subsequent notice. Such fees will be charged to your credit card account on the day the transaction is made. These fees are non-refundable.

10. Payment of Your Credit Card Account

10.1 Minimum Payment

You can make a full or partial payment of the account balance at any time. However, you must make the minimum payment by the due date indicated on your statement. The minimum payment due represents:

- **For a balance under \$10:** the entire credit card account balance.
- **For a balance of \$10 and more:**

If you reside in the province of Quebec:

- If your account was opened on **August 1, 2019** or later: the minimum due represents **5%** of the credit card account balance plus any overdue payment or **\$10**, whichever amount is higher.
- If your account was opened before **August 1, 2019:** the minimum payment represents the percentage (corresponding to the applicable statement date in the following table) of the credit card account balance plus any overdue payment or **\$10**, whichever amount is higher.

Minimum payments in the province of Quebec for accounts opened before August 1, 2019	
Statement date	Minimum payment (% of the account balance)
Before August 1, 2021	2.5%
From August 1, 2021 to July 31, 2022	3.0%
From August 1, 2022 to July 31, 2023	3.5%
From August 1, 2023 to July 31, 2024	4.0%
From August 1, 2024 to July 31, 2025	4.5%
From August 1, 2025 and after	5.0%

If you reside in any of the Canadian provinces and territories, except the province of Quebec: the minimum due represents **2.5%** of the credit card account balance plus any overdue payment or **\$10**, whichever amount is higher.

If you choose to make a partial payment, the interests will be computed in accordance with section **11** of this agreement.

10.2 Pre-authorized Debits to Pay your Credit Card Account

When you agree to pay your credit card account using pre-authorized debits, the amount of your monthly payment will be the one agreed upon in the pre-authorized debit authorization.

If you would like to end the pre-authorized debits to pay your credit card account, simply send us as a notice to this effect. On receipt of this notice, we will cease collecting the pre-authorized payments.

10.3 Payment Methods

Payments can be made free of charge in one of our branches, via our Automated Services and our electronic banking solutions. For payments by mail, please make your cheque or money order payable to National Bank of Canada and mail it to P.O. Box 6024, Succursale Centre-Ville, Montreal, Quebec H3C 4L2.

10.4 Sufficient Time

When you make a payment, you must leave enough time for us to credit your account by the due date indicated on your statement. If a payment is made via another financial institution, the payment will be credited to your account on the date we receive it, not on the date the amount is debited from the account held with the other financial institution. You are responsible for any delay in the transmission of the payment by the other institution.

10.5 Credit Note

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

10.6 Set-off

If you do not make the minimum payment by the due date or you fail to respect any other condition of this agreement, such as the payment of annual fees, we may withdraw the amount due from any account you hold with us (including a foreign currency account) and apply these amounts to your credit card account without prior notice.

10.7 Pre-authorized Payments of Invoices

You must provide the merchant with the necessary information to set up pre-authorized payments charged to your credit card account, including a change in the credit card number or the expiration date. We are not responsible if a pre-authorized payment cannot be charged to your credit card account. You remain responsible for the payment of your invoice to the merchant even after this agreement is terminated. You must contact the merchant in writing to request that pre-authorized payments stop being charged to your credit card account.

11. How Partial Payments are Applied

11.1 Payment Portion Corresponding to the Minimum Payment

- **If you do not benefit from a promotional rate**, the payment will be applied in the following order:
 - 1) interest;
 - 2) miscellaneous fees (e.g. annual fees);
 - 3) cash advances outstanding from the previous balance;
 - 4) purchases outstanding from the previous balance and
 - 5) cash advances and purchases appearing on your statement for the current period.
- **If you benefit from a promotional rate**, the payment will be applied in the following order:
 - 1) interest;
 - 2) miscellaneous fees and
 - 3) purchases or cash advances bearing interest at the lowest rate, regardless of the order they appear on the statement.

11.2 Payment Portion Exceeding the Minimum Payment

- **If a single interest rate applies**: see order described in the previous section.

- **If different rates apply:** we will divide the remaining balance into separate groups based on the interest rate. We will then apply the payment to the different groups according to the portion each group represents with respect to the remaining balance (prorated).

12. Unauthorized Use

12.1 Duty to inform us

You must inform us immediately:

- in case of loss or theft of a card or cheque associated with your credit card account or
- if you or an authorized user suspect that your credit card account is being used without authorization.

12.2 Responsibility for unauthorized transactions

You will not be responsible for unauthorized transactions made in store, over the phone, online, on a mobile device and transactions at an ATM when:

- you have used reasonable care in protecting a card or a cheque associated with your account from loss or theft and
- you promptly reported the loss, theft or possible unauthorized use of a card or cheque associated with your credit card account.

However, you may be held liable for all losses incurred by us in the case of gross fault on your part in the protection of your PIN or other password.

12.3 Cooperation in an Investigation

You must cooperate fully in any investigation surrounding the circumstances of the unauthorized use of your credit card account and, if applicable, file a police report. You allow us to take any measures we deem necessary to recover the card and to report the loss or theft to the appropriate authorities.

13. Loyalty Programs

Several of our cards offer loyalty programs. If you have one of these cards, the terms and conditions of the loyalty program were remitted to you with your credit card. You are bound by the terms and conditions of the loyalty program when the credit card account is first used.

14. Statements of Account

14.1 Frequency

Monthly statement: you will receive a monthly statement indicating the debits and credits charged to your account for the period covered by the statement.

No statement: if the credit card account was not used during the month and the balance is **\$0**, no statement will be provided.

Statement for a 3-month period: at the end of the **3**-month period, we will send you a statement covering this period when the following conditions are met:

- no purchase or cash advance was made;
- no interest or fee was charged to your account;
- no payment was made and
- the account balance is less than **\$10**.

14.2 Communication Method (Notices and Statements)

Notices and statements sent by mail are deemed to have been delivered to you when sent at your last address appearing in our records.

Notices and statements sent electronically are deemed received by you the moment they are sent from our systems.

You must notify us immediately if you have not received a statement within **10** days of the date you normally receive it.

14.3 Statement Verification

You must check each statement within **60** days of its date of issuance and notify us of any error, discrepancy or possible fraudulent transaction appearing on the statement. After this **60**-day period, you will no longer be able to contest items appearing on your statement. The balance will then be considered to be final and accurate.

14.4 Estimate of the Number of Years and Months

Your statement provides an estimate of the number of years and months required to pay the entire unpaid balance on the statement should you make the minimum payment only each month.

14.5 Supporting Documents

You may obtain, at any time and free of charge, a copy of supporting documents for each transaction on your statement.

15. Foreign Currency Transactions

A transaction made in a foreign currency will appear on your statement in Canadian dollars.

To convert the amount of a transaction in a foreign currency to Canadian dollars, we use the same daily exchange rate as *Mastercard Worldwide*. The conversion takes place on the date the transaction is completed or, at the latest, on the date the transaction is posted to your account. A fee of **2.5%** will then be charged on the amount converted in Canadian dollars.

Please note that a transaction includes a debit or a credit to your account. Therefore, the applicable exchange rate may be different depending on the date and time of the transaction.

16. Confidential Password

You must preserve at all times the confidentiality of your PIN and other passwords. You must notify us immediately if the confidentiality of your PIN or other password has been compromised (including those of an authorized user) or if you or an authorized user suspect another person of knowing it.

17. Modification of the Agreement

17.1 At our sole discretion, we may at any time modify the terms and conditions listed below by giving you at least **30** days' prior notice:

- the liability of the Cardholder;
- the designation, liability, information that may be provided to, and any other requirements applicable to the authorized user;
- the requirements and restrictions applicable to the credit limit and Mastercard cheques;
- the requirements and restrictions applicable to interest and non-interest fees (e.g. calculation of interest, grace period) but excluding the modification of the interest rates, interest fees and non-interest fees mentioned in section **17.2** of the agreement;
- the payment and application of payments;
- the use of the account and the card, including valid forms of consent when the card is used (e.g. password);
- the loss or theft of a card or cheque;
- the card privileges, including loyalty programs and any optional services;
- the remote transactions or foreign currency transactions;
- the requirements and restrictions applicable to statements of account, passwords, confidentiality and the change of address;
- any amendments to the agreement and
- the cancellation of the agreement, the settlement of disputes with third parties and the assignment of rights.

At least **30** days prior to the modification, we will send you a written notice, setting out the old and new provisions, as well as the effective date. This notice may be sent to you by electronic transmission, when applicable. You may refuse these modifications by terminating the agreement, without cancellation indemnity, in the manner provided in section **18.2** within **30** days of the effective date.

A modification to this agreement does not create a new agreement and the provisions of this agreement that have not been modified remain in full force and effect. If you, or an authorized user, use the card or account or if a balance remains unpaid after the effective

date of this modification, you will be deemed to have acknowledged this modification and to have agreed to be bound by it.

17.2 Regardless of section **17.1** of the agreement, we may modify the interest rate, non-interest fees and the annual fees upon **30** days' prior notice. This notice will contain the old and new provisions, as well as the effective date of the modifications.

17.3 We consider that any notice that is provided to you is also provided to the authorized users. You must inform the authorized user of any change pertaining to your credit card account and to the advantages offered with the credit card, including changes to insurance coverage.

18. Cancellation and Payment on Demand

18.1 Cancellation by the Bank

At our discretion: The card credit account is made available at our discretion. We may terminate at any time all or part of the right to use the credit card account, in particular if the terms and conditions of the agreement are not respected.

Our recourse: If you fail to comply with the terms and conditions of this agreement, we may cancel this agreement and demand the full or partial repayment of any and all amounts due and exercise all our recourse, including those arising from any collateral.

Written Notice: Prior to cancelling the agreement, we will send you a written notice and, unless exempted by law, a statement of account. Within **30** days of receipt of this notice, you may remedy the default or file a motion before the court to have the payment conditions of the agreement modified.

“Clause required under the Consumer Protection Act.

(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must send the consumer a notice in writing and a statement of account.

Within **30** days following receipt by the consumer of the notice and the statement of account, the consumer may:

- (a) either remedy the fact that he is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections **104** to **110** of the Consumer Protection Act (chapter **P-40.1**) and, where necessary, to communicate with the Office de la protection du consommateur.”.

Consequences: If we close your credit card account, the authorized user also loses the right to use the credit card account. 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.

Insolvency: If you assign your property for the benefit of your creditors, submit a proposal to your creditors or request bankruptcy protection under insolvency legislation, the total amount outstanding under the agreement will become due and payable immediately.

18.2 Cancellation by the Cardholder

You may cancel this agreement by contacting us. We will then close the credit card account and cancel the cards and any cheques drawn on the credit card account. However, you will remain responsible for all amounts due under this agreement at the time of cancellation until payment in full. This agreement will remain in effect until we receive payment in full. You must inform the authorized users that the account has been closed and that the cards and the cheques drawn on your credit card account have been cancelled.

19. Settlement of Disputes with Third Parties

We are not responsible for problems associated with purchases or the quality of the goods or services purchased using the credit card account. Any dispute with a merchant, including any right to compensation, must be settled directly with the merchant. In the event of a dispute with a merchant, you remain responsible for the payment of the entire balance of your account. Certain advantages or services related to the credit card account may be offered by a third party. We are not responsible for such offers. Any claim, including any right to compensation, must be settled directly with the third party.

20. Assignments of Rights

At any time and without your consent, we may assign to any person amounts owed to us under the agreement and arising from the use of the credit card account, with or without the benefit of the rights under the agreement or arising from any collateral. However, 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 your heirs and legal representatives.

21. Transactions at an ATM using a credit card

If you have a bank account with us, you may access your bank account by using your credit card at an ATM. In this case, the contract you entered into when you opened your bank account will apply to this transaction.

If you do not have a bank account with us and use your credit card at an ATM to obtain cash advances, the cardholder agreement will apply to this transaction.

22. Other Agreements

Other agreements entered into with us may also apply to the credit card account. In particular, the agreement governing the use of automated services and electronic banking solutions, provided with the card and which you accepted when the credit card account was first used, applies to transactions made at an ATM using the credit card. In the event of conflict, the provisions of this agreement will prevail over other agreements.

23. Applicable Legislation and Jurisdiction

This agreement is governed exclusively by the laws of the province or territory where you reside. You will be treated as a resident of your latest address on file and the law of that province will govern your agreement. If you reside outside Canada, the laws in effect in the province of Quebec govern 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, to the exclusion of any other tribunal or court of law.

24. Change of Address

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

If you move to another province, you agree to the terms and conditions applicable to that province. Therefore, no further notice will be provided to you upon a change in address. The applicable changes will appear on your next statement.

25. Language

The parties have requested that the agreement be drawn up in English. *Les parties confirment leur volonté que le présent contrat soit rédigé en anglais.*

26. Clauses required under the Consumer Protection Act (Quebec)

“Clause required under the Consumer Protection Act.

(Open credit contract for the use of a credit card)

(1) If the consumer uses all or part of the credit extended to make

full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider. The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

- (2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

- (3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant.

On receipt of the notice, the merchant must cease to collect the preauthorized payments.

On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

- (4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to **\$50**. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.
- (5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.
- (6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within **21** days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.
- (7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within **60** days after the date the consumer's request was sent.
- (8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections **103.1**, **122.1**, **123**, **123.1**, **124**, **126**, **126.2**, **126.3**, **127** and **127.1** of the Consumer Protection Act (chapter **P-40.1**) and, if further information is necessary, to contact the Office de la protection du consommateur.”

27. Credit Card Payment Protection Insurance

You have the option, with your credit card and for a fee, to obtain optional payment protection insurance for your credit card. You will find below the terms and conditions for this optional

Terms and Conditions

	Distinction Plan	Regular Plan	Autonomy Plan	65 + Plan
Age - Eligibility at enrollment	18 to 64 years old			
Premium rate for every \$100 of outstanding balance on the account, as at the monthly statement date	\$1.20 plus applicable taxes	\$0.99 plus applicable taxes	\$0.79 plus applicable taxes	\$0.69 plus applicable taxes
Protections and benefits payable				
Death	Max. \$25,000 Up to 71 years old	Max. \$10,000 From 71 to 80 years old	Max. \$10,000 Up to 71 years old	Max. \$10,000 From 71 to 80 years old
End of protection according to age	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. \$10,000
Accidental death	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. the Lesser of \$50,000 or the authorized credit card limit	Max. \$10,000
End of protection according to age	Up to 71 years old	Regardless of age	Up to 71 years old	Regardless of age

Terms and Conditions (continued)

Distinction Plan	Regular Plan	Autonomy Plan	65 + Plan
Age - Eligibility at enrollment	18 to 64 years old		65 years old and older
Critical illness diagnosis (cancer, stroke, heart attack) End of protection according to age	Max. \$25,000 71 years old	Not covered	Not covered
1st diagnosis of cancer End of protection according to age	Not covered	Not covered	Not covered
Accidental dismemberment End of protection according to age	Max. \$25,000 71 years old	Max. \$10,000 71 years old	Max. \$10,000 71 years old
Disability Monthly payment: the greater of \$10 or: End of protection according to age	20% of sum insured Max. \$25,000 71 years old	10% of sum insured Max. \$10,000 71 years old	10% of sum insured Max. \$10,000 71 years old
Involuntary job loss Monthly payment: the greater of \$10 or: End of protection according to age	20% of sum insured Max. \$25,000 65 years old	Not covered	Not covered
Life events	\$100 by event Max. 1 event / year 71 years old	Not covered	Not covered
End of protection according to age	Not covered	Not covered	Not covered

insurance. You may cancel this insurance at any time by contacting the insurer, National Bank Life Insurance Company, at **1-877-871-7500** or by sending the insurer a cancellation request. In addition, if you ask to cancel the insurance within **30** days of signing your credit card application, no premium will be collected.

28. Consent to Collection, Use and Disclosure of Personal Information

In this section, the terms “you” and “your” also refer to the authorized user, unless indicated otherwise.

28.1 Collection

We collect personal information about you, such as identity, contact or financial information, and information on your account and card use habits, to offer you regular financial services related to the issuance, management, renewal or replacement of the card and insurance products related to the card (where legislation permits), by any technological or electronic means or by telephone, as the case may be, but also in order to understand and meet your needs, to determine your eligibility for various products and services we offer and, generally, to protect your interests and ours. You agree to provide us with the necessary personal information for the purposes mentioned in this agreement. In particular, the cardholder authorizes us to obtain personal information about him from persons likely to have such information or to confirm its accuracy (credit reporting and assessment agencies, financial institutions, public registries, regulatory authorities and organizations, employers, professionals and persons given as reference).

28.2 Use and Disclosure

28.2.1 The personal information we collect, and which is necessary to provide you with the requested products and services, may be used and disclosed to the persons mentioned in the preceding paragraph, to any person working for and with us, including our suppliers and agents, as well as to other third parties, to the extent permitted by law, for the following purposes:

- a) to assess the creditworthiness and determine the eligibility of the cardholder for the various products and services he requested, including the benefits, programs and services related to the use of the card, if applicable, as well as to verify the accuracy of the information provided;
- b) to provide on a continuing basis the various financial products and services requested;
- c) to evaluate your continuing eligibility to these products and services, and as for the cardholder, including with the credit reporting and assessment agencies;
- d) to allow the processing and storage of data, the collection of accounts and to carry out inspections, audits and investigations regarding transactions made with the Card;

- e) to contact you, including by email or SMS;
- f) to protect you, ourselves and our service providers, against errors and fraud, including with respect to the privileges associated with the credit card account, thereby allowing us to monitor transactions and claims and, as needed, to provide credit card statements to our providers and exchange personal information with merchants;
- g) to allow us to compile data for statistical purposes, to assess the quality of our customer service and, generally, to carry out our activities and to ensure their compliance, thereby authorizing us to record and monitor telephone conversations and other exchanges with you;
- h) to enable us to adopt the necessary measures and to exchange the required information with our subsidiaries and affiliates for risk management purposes, to update your profile and to comply with the laws and rules that apply to us, such as the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- i) to identify and to distinguish you from other persons in our databases and with credit reporting and assessment agencies, financial institutions, public registries, regulatory authorities and organizations, employers, professionals and persons given as reference. We may use your social insurance number for these specific purposes, unless you have declined to disclose it when completing the application form;
- j) to preserve the integrity of the credit granting process, which implies that the cardholder's credit file will be conveyed to credit reporting and assessment agencies and, as applicable, to credit product insurers or to other lenders; and
- k) in other cases and under conditions where legislation allows us to use and disclose your personal information without your consent.

28.2.2 We may also use some of your identity and financial information to offer you our other products and services and those of our subsidiaries and select business partners*, either by mail, by telephone or by electronic means (such as email) to the addresses and numbers provided by you. We may also disclose this information to our subsidiaries and select business partners, where legislation permits, so that they too may offer you their own products and services in the same manner.

* Our select business partners are well established and carefully selected firms. The list of our select business partners and subsidiaries is available online at nbc.ca or by calling, toll free, at **1-888-622-2783**.

28.2.3 You agree to our use and disclosure of your personal information for the purposes stated above. You acknowledge that you may, at any time, withdraw your consent to the use and disclosure of your personal information for the purposes mentioned in section **28.2.2**, subject to reasonable prior notice. To withdraw your consent, simply notify us by calling at **514-394-1427** in the

Montreal area, or toll free at **1-888-622-2783**, or by coming in person to one of our branches. The requested product or service will not be refused solely because you do not authorize the use or disclosure of the information for the purposes indicated in section **28.2.2** hereinabove. However, you will be informed of the consequences of withdrawing your consent, in particular of the fact that you will no longer receive information on the products and services likely to be of interest to you. You understand that such a decision will not preclude us from sending regulatory inserts or from printing messages on a statement of account, on a statement or on a banner on a website or on an online transaction site.

28.3 Preservation, Access and Correction

We will keep your personal information as long we need it, as prescribed or permitted by law, even if you no longer do business with us. You acknowledge that you may have access to your personal information and have it corrected, if need be, by sending a written request to this effect either to a branch or by email to confidentiality@nbc.ca.

Furthermore, you undertake to promptly notify us of any change to your personal information. We are authorized to act on the basis of the information we hold about you as long as you will not notify us of a change. If you fail to notify us of any such change, you cannot hold us liable for any damages you may incur owing to the inaccuracy of the information we hold about you.

Privacy Policy

Obtaining consent

Your consent is essential. Before we obtain your consent in writing or by phone, we take care to clearly explain our practices to you.

Providing services

To be able to offer the products and services you want and that are best suited to your needs, we need to gather some basic information about you. For example, when you open an account, we will ask you for your name, address and telephone number.

If you require financial advice, or investment, financing or trust services, we will need to collect information about your financial situation. In addition, certain laws and regulations require us to gather specific information about you, including information about your identity and your investor profile.

We may record your telephone discussions with our representatives or use video surveillance in our branches to capture your image. The purpose of the recording will be explained each time you are recorded.

With your consent, we may also obtain information about you from third parties to help us assess your eligibility for our financial products and services. For example, for credit products, we contact other lenders, financial institutions or credit bureaus to get your credit history.

Identifying you

We need your social insurance number (SIN) in order to comply with tax legislation. For example, if you open an account that earns interest, or if you invest in an RRSP or RRIF, we will ask you for your SIN so that we can issue tax receipts.

Your SIN also makes it easier for us to identify you with other financial institutions, credit reporting and assessment agencies, public registries, and regulatory authorities and bodies. Although you are not required to disclose your SIN for identification purposes, we think it is in your interest to do so.

Respecting your choices

With the appropriate consent¹, the Bank and its affiliates or subsidiaries may contact you to offer you products and services that might be of interest. The consent you give us to contact you by telephone or fax takes precedence over the National Do Not Call List².

Should you not wish to receive our product and service offers or other promotional materials, contact your branch, your representative or the relevant partner³. If you no longer want to receive promotional emails, 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 choices will not impact the services you receive. Otherwise, we are required to use and disclose some of your personal information in order to open, maintain and manage your account. In these situations, if you refuse or withdraw your consent we will be required to cancel our services.

Respecting your privacy

Under certain circumstances, we must disclose your information to third parties. When we do share your information, we share only what is necessary.

a) When required to serve you

We may share your information with our affiliates and subsidiaries in order to offer you products and services, manage our risks, comply with applicable legislation and update your client profile. We inform them of changes made to your file, which helps to streamline your requests and transactions so that they can be processed more quickly.

1 We are not always required to contact you to obtain your consent since legislation sometimes allows for implied consent. For example, Canada's Anti-Spam Legislation allows us to send promotional emails to individuals with whom we have existing business relationships, provided they are able to unsubscribe from these messages. For more information on Anti-Spam Legislation, go to www.fightspam.gc.ca.

2 For further information about the National Do Not Call List, go to www.lnnte-dncl.gc.ca or call 1-866-580-3625.

3 Regardless of the choice you make, we 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.

- **Our service providers**

We sometimes contract outside providers to perform certain services such as printing cheques, issuing bank cards or managing your investments.

Our service providers are carefully selected. Suppliers are required to sign a confidentiality agreement to access personal information, and may only use that information for the purposes outlined in the agreement. Furthermore, they are required to ensure the same level of protection as is provided by us. When we contract suppliers, they are only given the information necessary to perform the requested services.

- **Services provided outside Canada**

Some of our service providers are located outside Canada. Others, though located in Canada, may store or process your information outside the country. In either case, your information may be subject to the laws of the country in which it is held, including the United States.

If you have any questions about the services provided by our suppliers or the countries where your information may be held, please contact the Privacy Officer (contact details at the beginning of this policy).

b) When required by law

There are certain situations where we are legally permitted or required to disclose information about you. We may therefore disclose your information to various authorities or agencies, including international authorities, notably those in the United States.

c) When we need to protect our own interests

If we are involved in court proceedings, we may have to disclose personal information about you. Furthermore, if we have to return a cheque for insufficient funds, a third party would then know that your account was overdrawn. Likewise, if we employ an agency to collect funds, a third party would know that you are not meeting your financial obligations.

d) When the public interest is endangered

We are authorized to investigate any suspected criminal activity and report certain situations. We may contact the authorities and disclose certain information.

Accessing your information

Unless legal restrictions apply, you have the right to access the information we hold about you free of charge. You must send your request in writing to your branch or your representative at a subsidiary. You can also submit a request through Internet Banking Solutions using the email option in the menu at the top of your account overview. We will respond to your request within **30** days of receipt, unless we inform you that it will take longer, as permitted by law under certain circumstances.

Keeping information accurate

We take reasonable measures to keep personal information as accurate, complete and current as possible. We rely on you to inform us of any change, errors or inaccuracies concerning your information. If need be, we will do what we can to inform third parties with whom we have shared your information of any changes.

Safeguarding your personal information

We take reasonable precautions to safeguard your information from loss, theft and destruction, and from unauthorized access, disclosure, duplication, use or modification, regardless of how or where it is stored. To this end, we have implemented various security measures, such as:

- **Physical measures:** Including the protection of infrastructures, e.g., 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.

Furthermore, the passwords, user names and personal identification numbers (PIN) you use to access certain financial services are confidential and only you know them. Our employees cannot access this information and will never ask you for it. Never disclose your passwords, user names or PINs and avoid including personal information in emails. We encourage you to read the “ABCs of Security” at nbc.ca.

Retaining and destroying information

We retain your information only as long as it is needed. If you stop doing business with us, we must retain certain information in order to, among other reasons, comply with laws, settle future transactions or obtain proof of past transactions. When this information is no longer necessary, it is destroyed. When destroying your information, we follow strict rules and ensure that only authorized personnel has access to it.

Questions

If you have any questions or comments about our information handling practices, please contact the Customer Service Manager at your branch or your representative at a subsidiary, or write to us at one of the addresses below:

Privacy Officer

700 De La Gauchetière Street West, Suite 5416-1

Montreal, Quebec H3B 3B5

confidentiality@nbc.ca

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) 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".

3) 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:

ADR Chambers – Banking Ombudsman Office

P.O. Box 1006

31 Adelaide Street E.

Toronto, Ontario M5C 2K4

Phone: **1-800-941-3655**

Fax: **1-877-803-5127**

E-mail: contact@bankingombuds.ca

Website: bankingombuds.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 safeguard your personal information.

Security Tips

The following security tips apply to you and 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;
- 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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