NATIONAL BANK

OPEN CREDIT AGREEMENT

(see the Consumer Protection Act, ***section 125*** *for the province of Quebec only)*

Date: ____/__/__

☐ New line of credit ☐ Modification to your existing line of credit no. ______.
This agreement replaces your previous agreement.

☐ Personal flex line of credit ☐ Student line of credit ☐ RRSP line of credit ☐ Integrated line of credit

1. Summary of important dates, amounts and rates (information box)

This information box summarizes the conditions of the line of credit granted to you. However, please note that you must read the agreement in its entirety. In this agreement the words "we" and "us" designate National Bank of Canada and the word "you" designates the borrower (or each borrower).

Initial Credit Limit	**$_____**
Annual interest rate	**Prime rate _ _____% = _____% per year** (as at the date indicated at the top of this agreement) Your interest rate varies based on variations to our prime rate. The interest rate will be adjusted automatically on the date of each change in our prime rate. Our prime rate is the variable annual interest rate that we announce publicly from time to time as the reference rate we use to set the interest rates on demand loans we grant in Canadian dollars in Canada. You can find the current prime rate on notices posted at any National Bank of Canada branch, at www.nbc.ca or by calling us at the number indicated at the start of **section 1**.
Date from which interest is charged	Interest accrues from the date of each advance and continues to accrue until your line of credit is repaid in full. There is no interest-free grace period.
Minimum payment	Your minimum payment corresponds to the amount of the interest accrued each month on the advances made under your line of credit.
Transactions in a foreign currency	Transactions in a foreign currency are converted into Canadian dollars as follow: **Transactions made using your debit card:** At the rate and based on the conversion method determined by the network used. We apply a **2.5%** charge to the conversion rate used by this network. The conversion takes place no later than the date we post the transaction to your account. **Transactions made by cheques drawn on your account:** At our exchange rate at the time the amount of the cheque is converted. Our exchange rate is available at www.nbc.ca. In addition to the exchange rate, we apply a **3%** charge on the converted amount. Fees will also apply for each cheque drawn on your account in a foreign currency. These fees are indicated in your *Guide to Personal Banking Solutions*.

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Annual Fee	**$12** annually, payable in **12** monthly instalments of **$1** charged to your line of credit every month on the date of your monthly statement.
Other fees	Fee each time your payment cannot be processed because another financial institution refuses a pre-authorized debit: **$.** This fee is charged when the payment is refused.
Collection charges	You must pay any legal fees we incur in order to recover any unpaid amounts, realize a security interest or exercise our rights and remedies.

Other important information:

Optional services	You can obtain optional life, disability or critical illness insurance. Cancellation fees and conditions will be communicated to you in a separate document before insurance takes effect.
Specific transactions	You can obtain advances under your line of credit through various transactions in your line of credit account (such as online transfers) without additional fees, or through specific transactions (such as cheques, transfers to another person and debit card purchases) for additional fees. The details of these specific transactions and the applicable fees are described in your *Guide to Personal Banking Solutions.*
Your initial credit rate (Quebec only)	Your credit rate, calculated in accordance with the Consumer Protection Act, is equal to your annual interest rate indicated above. Your credit rate will vary based on variations in our prime rate.
Table of examples of credit charges (Quebec only)	Below is an example of how much credit charges you would pay on your line of credit for a period of **30 days** at the rate shown above, which is used for illustrative purposes only:

Credit rate	If the average balance of your line of credit is	Credit charges are
10.95%	**$100 - $499**	**$0.91 - $4.55**
10.95%	**$500 - $999**	**$4.56 - $9.12**
10.95%	**$1,000 - $2,000**	**$9.12 - $17.50**

2. Main terms and conditions of your line of credit (cost of borrowing disclosure statement)

INFORMATION ON YOUR LINE OF CREDIT	
1. Telephone number you can call to obtain information	**1-888-835-6281** (toll free) or **514-394-5555** (Montreal area) **7** days a week, from **6** a.m. to midnight You can also visit our website at www.nbc.ca.
CREDIT LIMIT	
2. Credit limit	**$_____** You can use your line of credit up to this amount. You can obtain advances under your line of credit by carrying out transactions in your account. If we allow you to exceed your credit limit, the excess amounts are also advances under your line of credit and bear interest at the same rate. Please refer to **section 3** below to learn more about how to use your line of credit.

3. Electronic alert	**$100** or the amount you choose. If you have provided us with an email address, we will send you an electronic alert when the credit available in your line of credit falls below this amount. It will also be possible to receive an electronic alert on your mobile phone when this service becomes available. You can choose not to receive electronic alerts or to modify your preferences (including the amount selected for the alert) through our online banking services.
INTEREST	
4. Variable interest rate	All advances under your line of credit bear interest at the following variable interest rate: **Prime rate _ _____% = _____% per year** (as at the date indicated at the top of this agreement) Your interest rate varies based on variations in our prime rate. The interest rate will be adjusted automatically on the date of each change in our prime rate. Our **prime rate** is the annual interest rate that we announce publicly from time to time as the reference rate we use to set the interest rates on demand loans we grant in Canadian dollars in Canada. You can find our prime rate on notices posted in all our branches, at www.nbc.ca or by calling us at the number indicated on line 1 above.
5. Promotional interest rate	All advances made during the promotional period indicated below bear interest at the rate indicated below: Promotional period: **First _____ months** after the date indicated at the top of this agreement. Promotional rate: **Prime rate _ _____% = _____% per year** (calculated as at the date indicated at the top of this agreement) This rate varies based on variations in our prime rate.
6. Calculation of interest	Interest is calculated on the daily balance of the advances at the variable interest rate then in effect. The daily balance does not fluctuate on non-business days. Accured interest is charged to your line of credit every month on the statement date. The amount of interest varies every month based on your use of the line of credit, your unpaid balance and variations in the variable interest rate.
7. Date from which interest accrues	Interest accrues from the date of each advance and continues to accrue until your line of credit is repaid in full. There is no interest-free grace period.
STATEMENTS	
8. Period for which a statement is provided	Monthly, on the date of your monthly statement
9. Contents of your statement	Your statement includes, in particular: a) The date and amount of each transaction debited or credited to your account b) The minimum payment amount owed for the period covered by the statement c) The date when your minimum payment is due d) The average interest rate charged over the period covered.

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PAYMENTS	
10. Minimum payments	Every month, you need to make a minimum payment within **21** days after the date of your statement. Minimum payments are mandatory. The minimum payment represents the accrued interest charged to your line of credit. See line **6** above. Your minimum payments are made by preauthorized debits in the bank account of your choice. The conditions applicable to pre-authorized debits are set out in another document that you must sign. You can select the date of your minimum payments in this document. In addition to the mandatory minimum payment, you can make recurring optional payments and additional payments as described on lines **11** and **12**.
11. Recurring optional payments	You can make recurring optional payments in the amount of your choice. Your optional payments are made each month by pre-authorized debit from the bank account you selected on the pre-authorized debit form. Your optional payments must be made within **21** days of the date of your statement. To repay your line of credit more quickly: your recurring optional payment must be debited the business day[1] before, the same day or the day after your minimum payment is debited. As such, the minimum payment and the optional payment will be debited. If your optional payments are debited more than one business day[1] before your minimum payment, debits will be carried out as follows: - If the amount of the optional payment is higher or equal to the minimum payment amount: only the optional payment will be debited. - If the amount of the optional payment is less than the minimum payment amount: the optional payment will be debited as expected, and an amount to cover the difference between the minimum payment and the optional payment will be debited on the scheduled debit date for the minimum payment. For example: - Minimum payment amount for June: **$100** - Minimum payment debit date: July **15** - Recurring optional payment debit date: July **10** - Recurring optional payment amount: **$75** On July **10**, the optional payment amount of **$75** will be debited from your bank account and on July **15**, an amount of **$25** will be debited to cover the missing minimum payment amount. The conditions applicable to pre-authorized debits are set out in another document that you must sign.
12. Additional payments	At any time, you can make additional payments and repay the balance of your line of credit, in full or in part, in addition to the minimum payments and recurring optional payments. These additional payments can be made through deposits in the line of credit account. An additional payment can reduce the minimum payment amount for a period if it is made prior to the minimum payment. The same rules apply as for optional payments. See line **11** above: the amount of additional payments is added to the amount of optional payments.

[1] Three business days for payments from an account with another financial institution.

13. Deferring your minimum payments	Exceptionally, we may allow you not to make your minimum payments for a certain period of time, according to conditions that are then agreed upon with you. If we allow such a deferral, interest continues to accrue during this period and to be charged to your line of credit each month.
OPTIONAL SERVICES AND SPECIFIC TRANSACTIONS	
14. Optional services	You can obtain optional life, disability or critical illness insurance. Cancellation fees and conditions will be communicated to you in a separate document before insurance takes effect.
15. Specific transactions	You can obtain advances under your line of credit through various transactions in your line of credit account (such as online transfers) without additional fees, or through specific transactions (such as cheques, transfers to another person and debit card purchases) for additional fees. The details of these specific transactions and the applicable fees are described in your *Guide to Personal Banking Solutions*.
FEES	
16. Transactions in a foreign currency	Transactions in a foreign currency are converted into Canadian dollars as follow: **Transactions made using your debit card:** At the rate and based on the conversion method determined by the network used. We apply a **2.5%** charge to the conversion rate used by this network. The conversion takes place no later than the date we post the transaction to your account. **Transactions made by cheques drawn on your account:** At our exchange rate at the time the cheque is converted. Our exchange rate is available at www.nbc.ca. In addition to the exchange rate, we will apply a **3%** charge on the converted amount. Fees will also apply for each cheque drawn on your account in a foreign currency. These fees are indicated in your *Guide to Personal Banking Solutions*.
17. Annual Fee	You must pay the following annual fees: **$12** annually, payable in **12** monthly instalments of **$1** charged to your line of credit each month on the date of your statement.
18. Other fees	You must pay this fee each time your payment cannot be processed because another financial institution refuses a pre-authorized debit: **$** . This fee is charged when the payment is refused.
19. Collection charges	You must pay any legal fees we incur in order to recover any unpaid amounts, realize a security interest or exercise our rights and remedies.
20. Description of property given as security	

3. Other conditions

1. Access to your line of credit

1.1 Through advances without additional charges

For all lines of credit except the RRSP line of credit, you can obtain advances free of charge through transfers:

- In one of our branches
- Using a National Bank automated banking machine
- Using National Bank online services
- Through our call centre available at the number indicated at the end of **section** Erreur! Source du renvoi introuvable.

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1.2 Through advances with additional charges

For all lines of credit except the RRSP line of credit, you can obtain advances through:

- Specific transactions (for example: cheques, bank drafts) completed in your line of credit account;
- Your debit card if it is linked to your line of credit.

The applicable fees for each transaction are detailed in your *Guide to Personal Banking Solutions.* You can also sign up for one of our banking packages for your line of credit account by contacting us at the number indicated at the start of **section 1**.

1.3 Advances on the RRSP line of credit

You can only use your RRSP line of credit to purchase an RRSP investment from us or from any of our affiliates. To do so, you must contact us at the number indicated at the start of **section 1**.

2. Payment of fees

Fees indicated in section *Fees* in the table of **section 2** are charged to your line of credit and become advances.

3. Your statements

3.1 You must check your statements within 30 days

You must check all information appearing on your statement. You must notify us of any error or irregularity regarding the information on your statement within **30 days** of the date of each statement.

You will not be able to challenge the information appearing on the statement if you do not notify us of the errors or irregularities within **30 days** of the date of the statement. At the end of this period, the information appearing on your statement will be considered definitive and accurate, except for errors and irregularities reported to us within this timeframe, and payments and deposits made on unauthorized endorsements.

3.2 Where we send your statements

You can consult your monthly statements using our online banking services. A notification will be sent to your email address in our records when the statement is produced.

If you have not signed up for electronic communications, we will send your statements by mail to your last known address indicated in our files, unless you tell us otherwise.

You must notify us immediately if you do not receive a statement within **10 days** of the date you usually receive one.

4. Your payments

4.1 How you can make additional payments and repay your line of credit at any time

You can make additional payments and repay all or part of the balance owing under your line of credit at any time. These additional payments can be made via deposits in your line of credit account.

4.2 You cannot deduct amounts from your minimum payments (no offset)

Even if we have a debt toward you, you cannot reduce your minimum payments or request that this debt be used to repay your line of credit. Any amount that you owe under this agreement must be paid in full. In other words, no offset or deduction is possible.

5. Your liability if there are several borrowers

Each of you is personally liable for all obligations under this agreement. Subject to clause **10(2)** below, each of you can be called upon separately to pay all amounts owed. You waive your right to have us divide our claim between all of you. You also waive your right to have us sue the other borrowers or seize their assets before claiming the entire amount from you.

6. Our right to modify the terms and conditions

6.1 How we can modify the annual fees and the interest rate

We may:

- modify the amount of the annual fees;
- modify the interest rate and fees;
- charge new fees.

We will then send you a notice **30 days** prior to the date when the change takes effect indicating:

- the new or modified provision;
- the former version of the modified provision;
- the date of the modification.

6.2 Other changes we can make

We can also:

- increase the amount of the minimum payments, including by adding new amounts to your minimum payments;
- modify the nature and conditions of the optional services and specific transactions offered, including the amount of the fees;

- modify how you can access your line of credit, as well as cancel or suspend your right to obtain new advances;
- reduce your credit limit;
- modify how you must make your payments and the date of your payments;
- request a guarantee or security to guarantee your obligations under your line of credit.
- make any other modifications to this agreement.

If the modification results in an increase in your obligations or a decrease in our obligations, you have the right to refuse the modification and cancel your agreement, without any charge or penalty. You must send us a notice no later than **30 days** after the modification takes effect to benefit from this right.

We will send you a notice **30 days** prior to the date when the change takes effect providing the information indicated in clause **6.1**. This notice will indicate that you have the right to refuse the modification and cancel your agreement, without fees or penalties, if applicable.

7. Our right to terminate your line of credit

7.1 Our right further to a written notice

Your line of credit is made available at our sole discretion. We can terminate your line of credit in the following situations:

- If you do not provide us with additional information regarding your personal financial situation when we request it
- For student lines of credit:
  - If you cease to be a student or
  - If you fail to provide us each year with proof that you are attending school on a full or a part time basis, or
- At any time

If we do cancel your line of credit, we will send you a written notice and unless exempted by law, a statement of account. You must repay the balance owing under your line of credit, including the interest, within **30 days** of receipt of this notice.

If we choose to terminate your right to use the line of credit, we may exercise all our remedies.

7.2 Legal disclosure

“Clause required under the *Consumer Protection Act*.

(Clause of forfeiture of the benefit of the term)

Before availing themselves of that clause, the merchant must forward the consumer a notice in writing and a statement of account.

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

a) either remedy the fact that they are in default;

b) or present an application to the court to have the terms and conditions of payment prescribed in this agreement 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.

8. Your right to cancel this agreement

8.1 Your right to cancel

You can request to have this agreement cancelled after you have signed it. If you exercise this right:

- We will close your line of credit account. If you have an integrated line of credit, the deposit account can remain open, but is no longer linked to the line of credit;
- You remain liable for the payment of amounts owed on the line of credit at the time of cancellation until they are repaid in full;
- You will be released from the other obligations set out in this agreement.

If you request to cancel this agreement within **14 days** of its signature, we will send you an acknowledgment of receipt. You must then repay all amounts owed within **5 days** of the acknowledgment of receipt. The amounts owed represent:

- the balance of the line of credit
- accrued interest until the line of credit is repaid in full, and
- transaction fees, if applicable.

In any case, this agreement will continue to apply until payment in full of the amounts owed.

8.2 Your right when there are several borrowers

If there are several borrowers, each of you has the right to cancel this agreement.

Subject to clause **10(2)** below, if one of the borrowers exercises this right, a new application will have to be submitted by the other borrowers to obtain a new line of credit, if applicable.

8.3 How to request cancellation

You can request that this agreement be cancelled by contacting us at the number indicated at the start of **section 2**.

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9. Transfer of this agreement

You cannot transfer your rights under this agreement to another person and you cannot have your obligations to us taken on by someone else. If you wish to do so, you must ask for our prior consent.

We can refuse your request for a good reason, for example, if the person to whom you wish to transfer your rights does not meet our credit requirements.

10. Language

You confirm it is your wish that this agreement and all related documents be drawn up in English. *Vous confirmez votre volonté que ce contrat et tous les documents s'y rattachant soient rédigés en anglais.*

11. Other legal disclosures

Here is the full text of the other clauses that we are legally obligated to reproduce for the province of Quebec:

"Clause required under the *Consumer Protection Act*.

(Open credit agreement other than those 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 agreement was entered into on the making of and in relation to the sale, lease or service agreement, 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 agreement 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 agreement 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**) 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.

(**4**) 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.

(**5**) 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.

(**6**) 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, 126, 126.2, 126.3, 127 and 127.1** of the **Consumer Protection Act (chapter P-40.1)** and, where necessary, to communicate with the "Office de la protection du consommateur".

SIGNATURES

You acknowledge having read this open credit agreement and received a copy of it. (Quebec only) The French version of this agreement is available here [Documentation financement (bnc.ca)](), **under the Remise de la version française de contrats / Marges de crédit section. You confirm having received this French version. *(Québec seulement) La version française de ce Contrat de crédit variable est disponible ici*** [Documentation financement (bnc.ca)]()***, sous la section Remise de la version française de contrats Marges de crédit. [Vous] [confirmez] avoir reçu cette version française.* You undertake to comply with the conditions of this agreement.**

You also accept the conditions of the Deposit Account Agreement of National Bank of Canada and its subsidiaries, including the conditions regarding the collection, use and disclosure of your personal information. For a joint account, you acknowledge that the co-holder may share with third parties the financial information pertaining to the product. You have received and read this agreement and the documents that complete it: the Fee Guide, the brochure on deposit protection, and the policies concerning protection of personal information, complaints, and access to funds.

Date (YYYY-MM-DD)	Borrower's signature (1) *(ID: 1572191)* Borrower's first and last name (1):
Date (YYYY-MM-DD)	Borrower's signature (2) *(ID: 1572191)* Borrower's first and last name (2):
Date (YYYY-MM-DD)	Borrower's signature (3) *(ID: 1572191)* Borrower's first and last name (3):
Date (YYYY-MM-DD)	Borrower's signature (4) *(ID: 1572191)* Borrower's first and last name (4):
Date (YYYY-MM-DD)	Borrower's signature (5) *(ID: 1572191)* Borrower's first and last name (5):

Reminder:

If you have chosen to receive our regulatory brochures electronically (online), you can always consult them again or download a copy from our website at **[www.nbc.ca/financing-documentation]()**.