

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 heart of which is your mutual fund representative. Specifically, it commits to:

- Know your personal and professional financial situation and investment goals;
- Recommend products and services based on the information you have provided;
- Protect the privacy of your personal information.

However, you always remain responsible for any decision made regarding 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. The range of products and services we offer allows you to benefit from multiple benefits such as the expertise of recognized portfolio managers and an excellent diversification of your investments.

○ **Different types of accounts:**

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.

○ **Products offered:**

- **NBI Investment Funds:** These investment funds are those offered by NBSI. They pool the money of several investors like you. These amounts are then invested in different asset classes managed by reputable portfolio managers.
- **NBI Portfolios:** These portfolios include investment funds offered by NBSI and 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.
- **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 (MLGIC):** These MLGICs 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 MLGIC 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 selected investments on a discretionary basis.
- **Systematic Investment or Systematic Withdrawal Programs:** These programs 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 the suitability of your investments also when transferring assets into an NBSI account whether you are dealing or in a significant change to your personal circumstances. In addition, information about your personal and financial situation are required to determine your investment needs and goals as well as suitability and must be validated or updated at least every 36 months. It is important to inform your mutual fund representative of any change in your financial and / or personal 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 the consistency between each of the elements that were used to establish your investor profile, i.e., your investment objectives, your financial and personal situation, your investment horizon, your investment knowledge and your risk tolerance (attitude and ability). The suitability obligation also applies to transactions you propose, but do not fit your investor profile. If so, we must notify you as these are unsolicited transactions.

Advice adapted to your personal situation

In order to properly assess the suitability of your investments, we need to know the essential facts about you. To do this, we use the Personalized Investment Guide, which is used to determine your investor profile based on your financial goals and risk tolerance. Your mutual funds representative should consider this information to develop an investment strategy adapted to your needs and recommend investment solutions that are right for you.

In addition to your personal and financial situation, you will be asked for other information when opening the 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 goals:** 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 of the money invested;
- **Risk tolerance:** Your attitude to deal with risk and your ability to assume them during market declines and the value of your portfolio.

Each investment has a different potential for risk and return. You should not agree to invest if you do not know the nature and extent of the risks to which an investment exposes you. We invite you to review the risk information in the fund overview and simplified fund prospectus and discuss it with your mutual fund representative before investing.

Simple transactions and regular communications

You can make 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 if applicable. Cash transactions are not accepted. Once a client, you can make your transactions through our website, at the www.nbc.ca address. Remember that cheques must be made at the behest of *National Bank Savings and Investments Inc.* Transactions in registered accounts may be subject to withholding taxes which will be withheld at source upon redemption.

- **Confirmation of your transactions:** An execution notice will be issued as soon as possible after each transaction made. In the case of the establishment of a systematic investment program on a monthly or more frequent basis, trade confirmation will only be issued for the first transaction carried out. The trade confirmation includes the following information regarding each transaction: the type of account through which the transaction was made, the number of securities covered by the transaction and their description, the price per security at which the transaction was made, the date of the transaction, the amount deducted from sales and other expenses, and the name of the mutual funds representative who carried out the transaction.
- **Account statement:** We also send you an account statement each quarter to provide you with an overall picture of your investment portfolio held with NBSI. At your request, you may be sent an account statement monthly rather than quarterly. The account statement indicates, among other things, the type of account, the account number, the value of your investments, the composition of your portfolio, the number and description of each security purchased, sold or transferred, and the dates of each transaction in your account, including transactions made 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 Cost and Compensation Report:**
 - The performance report shows the activity and performance of the account over the past year and since the account was opened, which allows us to assess progress in achieving the objectives.
 - The expense and compensation report show the amounts received directly or indirectly by NBSI for services and advice rendered over the past year, including amounts paid by you. Fees are represented in Canadian currency.

A transparent compensation

There are no fees associated with opening a NBSI account. However, federal, provincial or territorial fees and sales taxes apply with respect to closing a registered account.

- **Management costs and operating costs**

Management and operating fees vary from fund to fund and series to series and are charged to the fund, usually as a percentage of the daily average 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; equity fund fees are generally higher than bond or money market funds. These fees are directly deducted from the fund's assets and are used to pay the fund's costs (portfolio management, record keeping, custody of securities, reporting, etc.) and to generate the investment fund manager's profit margin. A portion of the management fee, 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 offset 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.). This amount reduces the value of your investments. The percentage used to calculate the amount is fully disclosed in the fund facts and prospectus.

For more information on the nature of the compensation of our mutual fund representatives or our fees, please consult the account agreement, fund facts or simplified prospectus of the funds you hold or contact us.

Protection of vulnerable people

A regulatory framework governs the protection of vulnerable people as investors. Thus, to protect your interests, NBSI invites 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, to understand information, or to measure the foreseeable consequences of a financial decision you may or may not make.
- Concerns about possible financial abuse concerning you.
- Attempt to obtain your current contact details in the situation where you are not reachable after several attempts.
- Attempts to obtain the name and contact details 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 (TCP)

Your consent informs the trusted contact person:

- The object and reasons for this communication.
- Obtain confirmation or information according to the following specific situations:
 - Observations regarding your physical or psychological state of health which 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 invite him to take these steps, if necessary (opening of a protection regime, approval of the mandate in case of incapacity, power of attorney, etc.).

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 it is updated or revoked by verbal or written notice from you to NBSI.

Temporary Holds:

- When a temporary hold is applied, your account is supervised and must comply with our responsibilities 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 have time to analyze and investigate the situation, and to take the necessary measures if necessary.
- When a temporary hold is applied to an account, you will be informed of the reasons for the hold. In addition, you will be kept informed throughout the process. If the hold is extended beyond 30 days, you will be informed verbally and / or in writing of the reasons justifying it.
- During the temporary hold process, precautionary measures may be put in place to allow the payment of your invoices and to meet your financial needs, if 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 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 and / 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 for you to know how we identify conflicts of interest and how we manage them, as well as how we try to minimize their impact.

So, we are providing you with the following enhanced disclosures regarding 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 should any additional material conflicts of interest be 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 in your best interest, as well as those that are reasonably foreseeable. We avoid any situation that would create a 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 one or both of the following will occur: 1) it could impact a client's investment decision or decision to use our services or 2) it has an impact on the recommendations or the 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 that are summarized in NBSI's Compliance 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 those linked to the markets.
- 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 and 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, non-proprietary products and 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 compensated for the services provided. As a result, we may be incentivized to sell some products and services which maximize our revenues. We may also be incentivized to have our clients acquire more products and services offered by NBC and its subsidiaries, as the individual and collective compensation of our employees may be based, in part, on the volume of sales of our products and services.
- These conflicts are managed by having incentives and compensation practices that do not favour a product or service over one that would be more suitable for you. We also have robust and effective risk-based account surveillance and compliance systems monitoring for items such as concentration and suitability. We disclose the fees that may be charged to you in compliance with applicable securities law and avoiding duplication of clients' fees and charges. Finally, we provide our representatives with training programs on conflict of interest in order to help them to identify, escalate and address conflicts of interest.
- **Related entities:** NBC and its subsidiaries may receive various forms of compensation related to the business that you may do with us. As part of NBSI's offering to a client, 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 and trust and custody fees. We may

suggest you use the services of NBC or one of its subsidiaries as your financial needs evolve over time for example, it may be appropriate due to your situation's complexity and/or asset size.

- See our website nbc.ca ("Important Information" section) for the list of our related entities and related or connected issuers.
- Your information may also be shared with NBC and its subsidiaries, to manage our relationship with you and to offer additional products and services. 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 restrict 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 the client assuming a loss. 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 complying with 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's representatives:** In the ordinary course of performing their duties, our directors, officers, employees and representatives may find their personal interests to be in potential conflict with those of a client. Such conflicts could include items such as using confidential information for personal purposes, accepting or giving gifts, entering into financial transactions on a personal basis with clients or having authority over a client's financial affairs.
- We manage this conflict by ensuring that our representatives comply with NBC's Code of Conduct and NBSI compliance policies and procedures, which prohibits employees (i) in particular the use of confidential information acquired in the course of their duties or in the course of their duties; (ii) to take advantage of a situation, in order to obtain an advantage of any kind; or (ii) accept or give gifts, entertainment and compensation that may influence decisions to be made in the performance of their duties.
- 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 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 these securities be redeemed and the proceeds reinvested in securities offered by NBSI, as the remuneration for NBSI products is more profitable for us. If these third party securities are not redeemed, and are held 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 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 representatives may sit on a board of directors or pursue other personal outside business interests.
- We manage these conflicts by complying with legal and regulatory requirements and restrictions on individuals who act for more than one regulated entity. We are also asking our representatives to disclose their outside activities and review the potential risks and conflicts of interests associated with them. We do not allow participation in outside activities representing a risk or a conflict of interest, unless approved by NBSI.
- **Other conflicts of interest situations:** From time to time, other situations may arise which create potential or real conflicts of interest. NBSI is committed to continuing to do what is necessary to identify and address these situations fairly and reasonably, and in the best interest of our clients.

Document "Statement of Principles on Conflicts of Interest"

You can view the "Statement of Principles on Conflict of Interest" document, which is regularly updated to reflect any significant changes that may occur. This document is available in the "Regulatory Documents" section on our website by clicking 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 is on your account statement. You can also contact Client Service from 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.