

FULLY-PAID SECURITIES LENDING PACKAGE FOR RETAIL CLIENTS

This package is divided into the following three parts:

- (1) Part I (“**Important Information**”) contains a series of questions and answers (“**Q&A**”) to help you understand securities lending generally, and key facts about Natcan Trust Company (“**NTC**”)’s Fully-Paid Securities Lending (FPL) Program for Retail Clients (the “**Program**”) specifically. These Q&A include a description of some of the key terms and conditions of the *Securities Lending Agency Agreement* which your introducing broker or portfolio manager (as applicable, your “**Manager**”) has signed on your behalf, as well as the *Global Master Securities Lending Agreement* which NTC has signed on behalf of all clients participating in the Program;
- (2) Part II (“**Risk Disclosures**”) explains some of the risks inherent to securities lending; and
- (3) Part III (“**Collateral Account Opening Form**”) must be signed by you in order to open a collateral account with NTC for the purposes of the Program.

PART I: IMPORTANT INFORMATION

What is securities lending?

A securities loan is essentially the transfer of a lender’s legal ownership of securities to a borrower, in exchange for the borrower’s delivery of collateral, payment of lending fees, and promise to return to the lender equivalent securities at the end of the loan.

Who are the parties involved in a securities loan transaction?

Securities lending usually involves three main parties:

1. The **Lender** (in this case, a retail client such as yourself), as owner of the securities loaned. Lenders participate in securities lending so that they can earn additional revenue on their securities.
2. The **Borrower** (in this case, the Financial Markets division of National Bank Financial Inc.), which borrows the securities in order to use them for its own operations or activities, such as to cover short sales, or for the purposes of lending the securities to other clients or counterparties. Typical borrowers include financial institutions such as investment dealers, banks or investment funds.
3. The **Lender’s Agent** (in this case, NTC), which, on behalf of the Lender, negotiates, initiates, administers and recalls securities loans with the Borrower. Sometimes the Lender’s Agent may also provide services relating to the collateral delivered by the Borrower in respect of such loans. In exchange for all of these services, the Lender’s Agent receives fees from the Lender equal to a share of the lending fees paid by the Borrower.

How is NTC’s Program structured?

Under NTC’s Program, eligible retail clients may loan fully-paid securities sourced from their accounts carried by or custodied with the National Bank Independent Network division of National Bank Financial Inc. (“**NBIN**”). The Financial Markets division of National Bank Financial Inc. is the sole borrower of clients’ securities under the Program (the “**Borrower**”).

What are “fully-paid securities”?

“Fully-paid securities” are fully-paid-up securities and excess margin securities which NBIN is required to maintain segregated for your benefit since these securities have been completely paid for by you, and have not been pledged by you as collateral in connection with the purchase of other securities on margin. For the purposes of the Program, your securities are only considered to be “fully-paid” if you also do not have a debit balance in your account.

What agreements will I be bound by if I participate in the Program?

Securities loans under the Program are governed by an industry standard *Global Master Securities Lending Agreement* (“**GMSLA**”) between the Borrower and NTC as your agent, as well as a *Securities Lending Agency Agreement* (“**SLAA**”) signed by NTC and your Manager on both your behalf and its own behalf. You may ask your Manager for a paper copy of either or both agreements when you sign up for the Program, or you may view electronic versions at any time at: <https://www.nbin.ca/repositories/publicsite/pdf/SLAA.pdf> and <https://www.nbin.ca/repositories/publicsite/pdf/GMSLA.pdf>. The key provisions of both agreements are described further in this package under “*What are some of the key terms and conditions of the SLAA and GMSLA?*”

What will I receive from the Borrower in exchange for my loaned securities?

In exchange for your loaned securities, the Borrower will pay lending fees (the “**Lending Fees**”). You will be entitled to retain half of the Lending Fees, and will pay NTC an amount equal to half of the Lending Fees as compensation for its services under the Program. The Lending Fees will therefore be divided equally between you (50%) and NTC (50%).

For each loan, the Borrower will also provide you with high quality collateral as protection against the Borrower’s potential default. This collateral will be held by NTC as securities intermediary and collateral agent for your benefit.

How do I know if I’m eligible for the Program?

The Program is only available to residents of Canada. Your Manager will determine if you are eligible for the Program based on their assessment of the Program’s suitability for you given your investor profile and other relevant factors. You may ask your Manager for more information regarding your eligibility for the Program.

If I’m eligible, how do I participate in the Program? What new accounts will I need to open?

In order to participate in the Program, you must identify which of your existing cash or margin accounts you wish to designate as your “source” securities accounts for the purposes of the Program (your “**Securities Accounts**”).

You must also open both (a) a collateral account with NTC, by signing the *Collateral Account Opening Form* contained at Part III of this package (your “**Collateral Account**”), and (b) an FPL account (your “**FPL Account**”) by submitting a signed *FPL Account Request Form*, which contains the key appointments, authorizations, confirmations, acknowledgements and/or consents you will need to provide in order to participate in the Program.

The purpose of each of these accounts is described in greater detail below.

What kinds of accounts can I use as my “source” Securities Accounts for the Program?

You may designate any non-registered (CDN or USD) cash or margin account as your “source” Securities Accounts for the Program, as long as you have not granted any third-party interests in securities held in those accounts (for example, via control agreements, hypothecs, liens or any other types of security interests or charges). Registered accounts (RRSP, RRIF, TFSA, RDSP, DPSP, RESP, etc.) are not eligible for the Program.

What is an “FPL Account”?

An FPL Account is not a securities account, but rather a new account type created to provide you with information about your securities loan transactions. The FPL Account essentially allows you to easily track which of your securities are currently on loan (and have therefore been removed from your source Securities Account).

Loaned securities shown in your FPL Account are not held by National Bank Financial Inc. for your Securities Account while on loan, and you are not considered to be a customer of National Bank Financial Inc. with respect to such loaned securities. To understand the implications of this, please refer to Part II (Risk Disclosures) under “*No CIPF Coverage*”.

However, your securities loan transactions under the Program will be protected by the collateral held for your benefit by NTC and recorded in your Collateral Account.

What is a “Collateral Account”?

Your Collateral Account will be used to record your entitlements to collateral delivered by the Borrower in exchange for the loan of your securities. The collateral will be held, controlled and managed by NTC on your behalf and for your benefit in accordance with the GMSLA and SLAA.

What if I don’t want certain securities in my Securities Account to be loaned out?

You can completely exclude such securities from the Program when you first sign up for the Program by filling out Schedule A of the *FPL Account Request Form*, or at any other time by sending NTC written instructions through your Manager. This prevents the excluded securities from ever being loaned out. If you forget to formally exclude certain securities and they are actually loaned out, you may recall or sell them at any time so that the loan is terminated. Please see the “Loan Recalls and Sales” section below for more detail. However, please note that your Manager or NTC may restrict your participation in or eligibility for the Program should you frequently recall loaned securities, so you should formally exclude from the Program any securities which you know you will never want loaned out.

Are my DRIP securities eligible for loan under the Program?

You may make available for loan under the Program securities which participate in an issuer’s dividend reinvestment plan (“**DRIP**”). However, securities on loan are not eligible for DRIP benefits, and therefore should be excluded from the Program if you wish to receive these benefits without needing to recall the loaned securities ten (10) business days before the record date for an issuer distribution or dividend payment. If you fail to recall your loaned DRIP securities on time, you will receive compensation payments (instead of DRIP benefits) with respect to cash dividends paid by the issuer during the term of the loan.

What is a “maximum account lending ratio”?

This refers to the maximum percentage of securities in your Securities Account that you’re willing to make available for loan through the Program, calculated based on the daily total dollar market value of all assets held in (or sourced from, if on loan) your Securities Account, including assets which are not actually eligible for loan under the Program. For example, if you’re comfortable with all of the assets in your Securities Account being

loaned out at the same time, your maximum account lending ratio would be 100%. However, if you want to always retain at least 10% of your portfolio assets in your Securities Account at any given time, your maximum account lending ratio would be 90%. If you have other accounts with your Manager or NBIN, the value of assets in such other accounts will not be considered when calculating your maximum account lending ratio.

Please note that even if you decide to set your maximum account lending ratio at 100%, NTC will ensure that a residual position in any loaned security always remains within your source Securities Account, so that you and/or your Manager continue to receive notifications from the issuer of such securities regarding upcoming proxy votes or corporate events. Please see the "Voting and Dividend Reinvestment Plans" section below for more detail.

What are some of the key terms and conditions of the SLAA and GMSLA of which I should be aware?

- **Securities Available for Loan and Restrictions.** Pursuant to the standing instructions you must provide in your *FPL Account Request Form* directly (and via your Manager on your behalf under the SLAA), you authorize NTC to loan any securities held in your Securities Account, subject to any specific restriction instructions regarding security exclusions or maximum account lending ratios stipulated in your *FPL Account Request Form*. If allocated for a loan, the loaned securities will be removed from your Securities Account and delivered to the Borrower. Information regarding your loaned securities will be provided through your FPL Account until the loan is recalled or terminated, at which point equivalent securities will be returned to your Securities Account. You may direct your Manager to communicate new restriction instructions to NTC (or revoke previous instructions) at any time regarding securities held in your Securities Account which you wish to make unavailable to the Program.
- **Collateral.** NTC will only accept collateral that satisfies the requirements described in the SLAA, and will monitor the market value of the collateral on a daily basis in order to prevent collateral deficiencies. NTC will make collateral calls against the Borrower whenever required to satisfy any temporary shortfalls.
- **Lending Fees.** Lending fees offered by a securities borrower are typically a function of supply and demand. NTC will only accept loan opportunities and rerates of existing loans on your behalf if the Lending Fees offered by the Borrower correspond to a fair lending fee rate in the context of the market. However, NTC does not guarantee that you will obtain the highest possible lending fee available on the market. The securities lending market is an over-the-counter (OTC) market, and NTC has sole discretion to take into account factors such as prevailing market rates for loans of various sizes and durations, lending fee rates being offered to or accepted by the Borrower or its affiliates for identical securities, utilization rates and demand for the securities. NTC will endeavour in good faith to maximize your overall returns on loan opportunities allocated to you under the Program whenever exercising its discretion, which could in some circumstances mean prioritizing higher utilization rates or loan durations over higher lending fee rates in relation to your loan transaction. You generally have an opportunity to earn higher revenues when the loaned securities are or become "hard-to-borrow" (limited in supply relative to demand), while revenues will generally be lower when this is not the case. The Lending Fees paid by the Borrower may vary over the course of a loan as frequently as daily, since fees may be adjusted depending on market conditions such as the current market value of the loaned securities and current market lending fee rates. You can ask your Manager to recall a securities loan, or withdraw your participation from the Program completely (upon fifteen (15) business days' prior written notice) at any time should you be unhappy with the Lending Fees or net revenues you receive in connection with the loan of your securities under the Program. Lending Fees will be credited to your Securities Account.
- **Agent Fees and Manager Fees.** In exchange for its services to you as securities lending agent, collateral agent, and securities intermediary for collateral delivered under the Program, NTC will be entitled to receive from you fees (the "**Agent Fees**") corresponding to a fixed percentage (50%) of the Lending Fees paid to you by the Borrower. If NTC shares a percentage of its Agent Fees with your Manager (as compensation for your Manager's responsibilities and services provided to you under the Program), this fact will be disclosed in your *FPL Account Request Form*. If applicable, the specific percentage shared by NTC with your Manager may vary throughout a calendar year (10%-20%) depending on the annual cumulative amount of Lending Fees paid by the Borrower in relation to loan transactions for which the Manager has provided its services. Please contact your Manager if you would

like more details regarding this compensation arrangement. You will also be able to view the specific dollar value of amounts shared by NTC with your Manager in the monthly NTC Client Reports described below; and the dollar amounts of any Manager Fees will also be included in your annual fees and compensation report. Manager Fees have no impact on your net revenues earned on any loan of your securities since you will always retain a fixed percentage (50%) of Lending Fees paid by the Borrower. Lending Fees and Agent Fees will accrue daily, but will be credited or debited (as applicable) from your Securities Account on a monthly basis in arrears, during the following calendar month.

- **Account Statements.** Information regarding outstanding loans (such as the market value of loaned securities, and any loan initiations, recalls or terminations during that month) will be shown in the FPL Account sections of the account statements you receive for your Securities Account. Information regarding Lending Fees and Agent Fees credited or debited to/from your Securities Account during a month will be provided via your account statement for that month.
- **Confirmations.** The Borrower will issue a Confirmation report on any day on which any of the following activities have occurred with respect to your securities: loan initiations, lending fee rerates, loan recalls or loan terminations. These Confirmations will be delivered to you via your Manager.
- **NTC Client Reports.** NTC will prepare and deliver to your Manager monthly reports (“**NTC Client Reports**”) providing information regarding each of your securities loan transactions during that month, including the quantity and market value of securities loaned, lending fee rates applied for each loan (including any rerates), Lending Fees accrued in connection with each loan (with a breakdown of such Lending Fees according to net revenues earned by you, dollar amounts paid by you to NTC as Agent Fees and dollar amounts shared by NTC with your Manager, if applicable), and the collateral held by NTC for your benefit with respect to such loans. Your Manager will share these reports with you.
- **Consent to Electronic Delivery.** Confirmations and NTC Client Reports will be delivered to you electronically via your Manager. In signing the *FPL Account Request Form*, you will have consented to the electronic delivery of these documents even if you have not consented to electronic delivery with respect to your account statements or other communications issued with respect to your source Securities Account.
- **Distributions.** While your securities are on loan, you remain entitled to receive amounts equivalent to any interest, dividends and other distributions of any kind whatsoever received by the Borrower from the issuer of your loaned securities, subject to any applicable tax withholding or deductions. It is your sole responsibility to seek independent tax or legal advice as to the tax impacts of any amounts or securities received from the Borrower.
- **Voting and Dividend Reinvestment Plans.** While your securities are on loan, you will not be entitled to vote on such securities or participate in dividend reinvestment plans (each, a “**DRIP**”) offered by the issuer of such securities. However, while your securities are on loan, your Manager will continue to receive the same notifications it previously received regarding proxy votes and corporate events relating to such securities. Your Manager may recall loaned securities on your behalf for the purposes of exercising your voting rights by providing NTC with written notice ten (10) business days prior to the applicable record date. Your voting rights can only be exercised once the securities are credited back to your Securities Account. Similarly, your Manager must provide NTC with ten (10) business days’ prior notice if you intend to participate in a DRIP with respect to any securities on loan.
- **Loan Recalls and Sales.** Your Manager may recall loaned securities on your behalf at any time and for any reason, including to sell the securities. If sell instructions are issued through NBIN, an automatic recall of your loaned securities will be triggered. However, if you or your Manager decide to sell your loaned securities through a third-party executing broker, your Manager must first issue a formal recall notice to NTC, which NTC will promptly deliver to the Borrower. Upon the Borrower’s receipt of a recall notice, the Borrower will deliver to you securities of an identical type, nominal value, description and amount as the loaned securities (“**Equivalent Securities**”) within the standard settlement cycle for securities of that kind, except in the context of recalls for the purposes of voting or DRIPs, in which context the Borrower has until the expiration of the applicable ten (10) business day prior notification period to deliver your Equivalent Securities. If you have sold your securities, NTC will ensure that the net sale proceeds are credited to your Securities Account by the applicable settlement date. The Borrower

alone bears the risks of any operational or administrative delays upon your recall or sale of loaned securities, and is responsible for covering the costs and expenses of any buy-in executed by the purchaser of your securities.

- **NTC's Immediate Recall of Loans.** In the event NTC becomes aware of a potential credit-related "Event of Default" by the Borrower under the terms of the GMSLA (such as an act of insolvency), NTC will promptly recall all of your outstanding loans. The Borrower will then be obligated to return Equivalent Securities to your Securities Account within the applicable standard settlement cycle. Upon the Borrower's delivery of the Equivalent Securities, NTC shall return the corresponding Collateral to the Borrower.
- **Events of Default.** In the event the Borrower fails to deliver any Equivalent Securities owed to you upon NTC's recall of your loans as described above, NTC may (if it believes it to be in your best interests) elect to treat this as an Event of Default by the Borrower. Please see the "Tax Impacts" risk disclosure regarding Dispositions for more information on this point. In these circumstances, NTC will liquidate the collateral pursuant to the GMSLA, purchase replacement securities on your behalf, and use these purchase costs to calculate a net balance owed between you and the Borrower. If the Borrower owes you a net balance (for example, if there was a collateral deficiency relative to the aggregate market value of the Equivalent Securities owed by the Borrower and any other amounts owed under the GMSLA), NTC will indemnify you by purchasing additional replacement securities to make you whole. If NTC cannot purchase replacement securities because the market for such securities has become illiquid, you will instead receive the liquidated collateral proceeds and a cash indemnity by NTC for any net balance owed by the Borrower.
- **Borrower's Right to Liquidate Loans upon your Default.** The Borrower shall be entitled to liquidate its securities loans with you if an "Event of Default" (as defined under the GMSLA) occurs with respect to you. An Event of Default includes, but is not limited to, acts of insolvency such as your making of a general assignment for the benefit of your creditors, or your inability or admission in writing of an inability to pay your debts as such debts become due.
- **Conflicts of Interest.** National Bank Financial Inc. (which is both the carrying broker or custodian of your Securities Account through its NBIN division, as well as the Borrower through its Financial Markets division, "NBF FM") is an affiliate of NTC. NTC is responsible for ensuring that any Lending Fees or rerates accepted on your behalf correspond to a fair lending fee rate in the context of the market. However, NTC may not have access to the markets or borrowers offering the highest rates since NBF FM is the sole borrower as principal under the Program. Moreover, NBF FM (and any affiliate to which NBF FM relends your securities) may earn a profit or "spread" between the Lending Fees you receive and the revenues earned by NBF FM and/or such affiliates when using those securities for their own relending activities, short-selling activities or internal operations. This means that NTC's affiliates, including but not limited to the Borrower, may directly or indirectly profit from the rates negotiated by NTC on your behalf under the Program. NTC manages these potential conflicts of interest in good faith by using its best efforts to maximize your overall returns on loan opportunities that have been allocated to you.
- **Your Manager and Questions or Complaints.** Your Manager is responsible for ensuring your securities lending activities under the Program are consistent with your investment objectives and suitable for you based on their know-your-client (KYC) and suitability assessments, as well as their knowledge of the risks inherent to securities lending. Your Manager is also responsible for conveying to NTC your instructions regarding your lending activities under the Program.

If you have any questions or complaints regarding any of your accounts under the Program and activity therein, they should be directed to your Manager. Your Manager will contact NBIN or NTC (as appropriate) on your behalf if necessary.

- **Withdrawing from the Program.** If you wish to withdraw your participation from the Program you must notify your Manager as soon as possible. Your Manager is responsible for conveying your withdrawal request to NTC in writing at least fifteen (15) business days before your intended date of withdrawal. Upon receipt of this notice, NTC will initiate the process of recalling all outstanding loans entered into on your behalf with the Borrower.

PART II : RISK DISCLOSURES

The following are the principal risks inherent to securities lending. Your Manager is responsible for understanding and explaining these and any other risks inherent to securities lending, so for more information, please contact your Manager.

No CIPF Coverage. The Canadian Investor Protection Fund (CIPF) does not provide coverage with respect to securities loan transactions. Your loaned securities will not be protected by CIPF since they are not held in or for your Securities Account while on loan, and your FPL Account is neither a “securities account” nor a “customer account” within the meaning of CIPF’s coverage policy. Your sole protection with respect to loaned securities will be your entitlements to the collateral held for you benefit by NTC as your agent and securities intermediary under the GMSLA, and NTC’s indemnity under the SLAA.

Exposure to Market Price Changes. Although legal title to your securities is transferred to the Borrower once loaned, you retain certain economic rights of ownership, such as exposure to changes in the market price of the loaned security. In the long-term, this market exposure is the same as if you had never loaned the securities, since in either case your long-term equity position is subject to increase or decrease over time. However, in the context of your securities loans, a decrease in the market price of loaned securities entails a corresponding decrease in the amount of collateral held for your benefit with respect to the loan since your collateral entitlements are a function of the loaned securities’ current market value. Also, since lending fees are adjusted to the daily market value of securities loaned, market downturns may lead to lower lending revenues than initially anticipated.

Margin Accounts. If your Securities Account is a margin account, only excess margin securities that are also fully paid are eligible for loan under the Program. Securities on loan do not count towards the margin requirements applicable to your account. Consequently, if some of your excess margin securities are loaned out and you subsequently initiate a margin loan, you may incur a cash debit balance in your Securities Account. If the debit lasts for more than three (3) business days, all loans involving securities sourced from this account will be terminated since the securities will no longer qualify as fully paid for the purposes of the Program.

Temporary Collateral Shortfalls. Due to fluctuations in the market value of loaned securities and operational limitations, there may be occasional temporary (intra-day) collateral shortfalls. However, in the event the aggregate market value of your loaned securities has increased overall during the day, additional collateral will be provided by the Borrower by the end of such day.

Tax Impacts. You are responsible for seeking tax advice from your own tax and legal advisors regarding all of the potential tax impacts of your participation in the Program. The following are a few of the issues you should enquire about:

- *Residence, Trusts and Registered Accounts.* You may not participate in the Program if you are a non-resident of Canada for the purposes of the *Income Tax Act (Canada)* (the “**Tax Act**”). Trusts and registered accounts (RRSP, RRIF, TFSA, RDSP, DPSP, RESP, etc.) are also not eligible for participation in the Program.
- *Dispositions.* Your loan of securities to the Borrower (and the Borrower’s return of Equivalent Securities upon recall or termination of your loan) should not be treated as a disposition of the loaned securities, and you should be considered to have continued owning such loaned securities for purposes of the Tax Act. Where the Borrower fails to deliver Equivalent Securities, you may be considered to have disposed of the loaned securities for proceeds equal to the fair market value of any other property received. For example, if an Event of Default occurs with respect to the Borrower, you may be considered to have disposed of the loaned securities for proceeds equal to the proceeds from the liquidation of the collateral and any amounts received under the Natcan Indemnity. A deemed disposition could have negative tax implications (for example, you may be treated as having experienced a capital gain).

- **Distributions and Compensation Payments:** Amounts received by you from the Borrower as compensation for taxable dividends on loaned stocks of Canadian issuers should generally be treated as taxable dividends on such stocks for the purposes of the Tax Act, subject to the applicable detailed rules and limitations. Amounts received by you from the Borrower as compensation for distributions on loaned trust units should generally be treated as a distribution from the trust having the same character as if you continued to hold the units of the trust. Amounts received by you from the Borrower as compensation for distributions on other loaned securities should generally be treated as interest for the purposes of the Tax Act. However, where the loaned securities are stocks of foreign issuers (including U.S. issuers), there may be adverse tax consequences to you as compared to if you had not loaned the securities. NBF may be required to withhold foreign taxes with respect to compensation received from the Borrower for taxable dividends on stocks of foreign issuers. Furthermore, you will likely not be entitled to any foreign tax credit under the Tax Act in respect of either (a) any withholdings made by NBF, or (b) in respect of any foreign taxes withheld on distributions on the loaned securities (which foreign tax credit which might otherwise have been available to you had you not loaned the securities).
- **Lending Fees:** You will need to include the full amount of Lending Fees paid by the Borrower when computing your income for a taxation year. However, you should be entitled to deduct any Agent Fees paid by you to NTC (including any amounts NTC shares with your Manager) when computing your income since these constitute fees that are incurred by you to earn income in connection with your securities loans.

Securities Loans and Short Sales. It is likely that your loaned securities will be used to facilitate short selling. These activities could put downward pressure on the price of your loaned securities. If you do not want certain of your securities to be used to support short-selling activities, you should exclude them from the Program when filling out your *FPL Account Request Form*, or via written instructions issued through your Manager to NTC at any other time.

No Guarantee that your Securities will be Loaned. NTC does not guarantee that the securities in your Securities Account will actually be loaned out. Lending opportunities will vary, and NTC acts as securities lending agent for other lenders who may hold securities identical to yours. NTC makes every effort to be fair and balanced, but is not required to put your lending interests above those of other lenders, and may choose at its sole discretion if and when to use your securities for any loan opportunities.

Waiver of Voting Rights. Although you must waive your voting rights with respect to securities on loan, your Manager may recall loaned securities on your behalf in accordance with the SLAA (at least ten (10) business days' prior to the applicable record date) in order to exercise such voting rights. If you or your Manager elects not to do so, any person to whom the Borrower has loaned your securities may exercise such voting rights as they see fit, and may vote in a manner that is contrary to your preferences or interests.

PART III : COLLATERAL ACCOUNT OPENING FORM

ACCOUNTHOLDER NAME(S) (“**you**”): _____
[If your source Securities Accounts are joint accounts, both joint account holders must fill out this form as joint accountholders of the Collateral Account]

INTRODUCING BROKER/PORTFOLIO MANAGER NAME (your “**Manager**”): _____

FPL ACCOUNT NUMBER *[to be filled in by your Manager]*: _____

You have appointed Natcan Trust Company (“**NTC**”) as your securities lending agent, collateral agent and securities intermediary for collateral under NTC’s Fully-Paid Securities Lending Program for Retail Clients (the “**Program**”). You hereby request that NTC open a collateral account (your “**Collateral Account**”) to record your entitlements to collateral delivered to you by the sole borrower (National Bank Financial Inc., the “**Borrower**”) under the Program.

You acknowledge, accept and agree to the following key terms and conditions regarding your Collateral Account:

1. Collateral credited to your Collateral Account is held, controlled and managed by NTC on your behalf and for your benefit pursuant to the Global Master Securities Lending Agreement (“**GMSLA**”) signed by NTC on your behalf, and the Securities Lending Agency Agreement (“**SLAA**”) signed by your Manager on your behalf. You may request a copy of these documents from your Manager, or may access copies thereof at any time at <https://www.nbin.ca/repositories/publicsite/pdf/SLAA.pdf> and <https://www.nbin.ca/repositories/publicsite/pdf/GMSLA.pdf>.
2. NTC will prepare and deliver monthly reports to your Manager, providing information regarding all of your securities loan transactions during the month in question, including: (a) a summary of the value of all loaned securities and collateral held for your benefit as of the date of the report; (b) a summary of all net revenues earned by you on each of your securities loans during that month, as well as any fees paid by you to NTC (and shared by NTC with your Manager, if applicable) in connection with such loans; (c) a daily breakdown of all the information described at (b); and (d) a detailed list of all collateral credited to your Collateral Account as of the date of the report (each, a “**NTC Client Report**”). Your Manager will share these reports with you.
3. If an Event of Default (as defined under the GMSLA) occurs with respect to the Borrower and you have outstanding securities loan transactions under the Program (as reflected in your FPL Account), NTC will exercise your rights and obligations with respect to the collateral in accordance with the terms of the GMSLA and SLAA. NTC will also exercise your rights and your obligations under the GMSLA should the Borrower decide to terminate and liquidate its loans with you due to an Event of Default occurring with respect to you.
4. If you have any questions regarding your entitlements to collateral held by NTC and credited to your Collateral Account, you may contact your Manager, who will contact NTC on your behalf. The collateral and the indemnity provided by NTC under the SLAA will be your only sources of protection with respect to securities loan transactions under the Program.
5. Natcan Trust Company is an affiliate of National Bank Financial Inc., both of which are wholly-owned subsidiaries of National Bank of Canada.

X _____ X _____ Accountholder Signature(s) (Authorized Signatory(ies) if legal entity account) <i>If your source securities accounts are joint accounts, both joint accountholders must sign here</i>	_____ Date
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