

DISCLOSURE LETTER

The undersigned, _____ (the Client) hereby acknowledges that _____ of _____ (the Dealer) has a referral agreement with National Bank Financial (NBF) and the Dealer has referred the Client to NBF for Fixed Income and Equity Trade Advice and Execution which the dealer may not be licensed or registered to legally provide. **It is illegal for the Dealer to give advice regarding a transaction if the Dealer is not registered to provide that advice.**

NBF is registered in all Canadian provinces and territories as an Investment Dealer. The Client acknowledges and agrees that NBF will only provide investment advice and order execution to the Client. Any general financial, tax planning, asset allocation or other advice which the Dealer is authorized to provide pursuant to securities legislation, provided to the Client by the Dealer, shall be the responsibility of the Dealer, not NBF. The Dealer is registered as a Mutual Fund Dealer to offer mutual funds to the Public. NBF is a member of the Investment Industry Regulatory Organization of Canada (IIROC). IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada.

The Client acknowledges and agrees that NBF may pay a referral fee to the Dealer. The rate at which this referral fee is paid is determined by the activity of the account, as per the attached schedule "A".

Name of Client

Signature of Client

Date

The Client

- authorizes
 does not authorize

NBF to provide the Dealer with his/her account holdings information.

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Account Number

**SCHEDULE A : DISCLOSURE OF
REFERRAL FEES**

In return for referring clients to NATIONAL BANK FINANCIAL, NATIONAL BANK FINANCIAL will pay to _____ (the Dealer) a referral fee of up to 30% of the commissions or fees generated by such clients on a per trade basis. For example:

EQUITY TRADES

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Full Commission</u>	<u>Full Commission</u>	<u>Referral Fee (up to) 30%</u>
1000	\$7.00	2.50%	\$175.00	\$25.00
1000	\$10.00	2.40%	\$240.00	\$72.00
1000	\$20.00	2.30%	\$460.00	\$138.00
1000	\$30.00	2.00%	\$600.00	\$180.00
1000	\$40.00	2.00%	\$800.00	\$240.00
1000	\$50.00	1.75%	\$875.00	\$262.00
1000	\$60.00	1.75%	\$1,050.00	\$315.00
1000	\$80.00	1.75%	\$1,400.00	\$420.00
1000	\$100.00	1.00%	\$1,000.00	\$300.00

BOND TRADES

<u>TERM</u>	<u>FULL COMMISSION</u>	<u>REFERRAL FEE UP TO 30%</u>
	Per \$100,000 par value	
1 year to under 18 months	0.25% \$250.00	\$75.00
18 months to under 3 years	0.50% \$500.00	\$150.00
3 years to 30 years	1.00% \$1000.00	\$300.00

Note: Fee-Based Accounts Referral Fees are 30%

Referral fees are paid on trade commissions of \$150 or more
Referral fees include applicable taxes

These rates reflect our *normal* full commission rate. Account Representatives can waive all or part of their referral fee resulting in a discount from these levels to Clients.

Bond commissions shown are our minimum suggested rates. On certain issues, such as Municipal Bonds, the normal charge is higher.