

GENERAL PRE-APPROVAL NOTICE

C A N A D A

SUPERIOR COURT
(Class Actions)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO : 500-06-000205-035

UNION DES CONSOMMATEURS

Claimant/ Representative

and

MARIE-CLAUDE BIBAUD

Designated Person

-v-

NATIONAL BANK OF CANADA

Defendant

<p style="text-align: center;">NOTICE TO MEMBERS OF THE SETTLEMENT OF A CLASS ACTION CONCERNING CERTAIN NATIONAL BANK OF CANADA LINES OF CREDIT</p>

1. This notice is destined to persons belonging to the following Group:

“All natural persons residing in Quebec who, between July 27, 2000 and December 31, 2009, held one of the following lines of credit, extended to them in Quebec by the National Bank of Canada:

- a) *“Security Flex Line”;*
- b) *“Personal Flex Line” or “Student Line of Credit” when offered to students;*
- c) *“Superior Flex Line”;*

and who have paid service fees and/or user fees to the National Bank of Canada after using these lines of credit during this period.”

2. PURPOSE OF THE NOTICE

The following notice is intended to inform the members of the Group that the National Bank of Canada and the Union des consommateurs have agreed to settle the class action concerning the \$5.00 service fees and user fees that the National Bank of Canada had imposed to certain members of the Group (the “*Settlement*”);

The Settlement is subject to the Court’s approval. There will be a hearing for the approval of the Settlement on July 2, 2010 at 9:30 a.m. in room 16.12 of the Montreal Courthouse located at 1, Notre-Dame Street East in Montreal. The members of the Group who do not object to the Settlement are not required to present themselves at the hearing;

3. SUMMARY OF THE SETTLEMENT

Settlement Amount. The National Bank of Canada will pay the sum of 6 million dollars as a complete and final settlement of Group Members’ claims;

Group Members’ Compensation. Each Group Member residing in Quebec who held a “Security Flex Line” and who paid the National Bank of Canada a \$5.00 user fees between July 1, 2003 and April 30, 2005 (the “*Eligible Members*”) is entitled to receive an amount of \$99.15;

The Eligible Members who are still clients of the National Bank of Canada will directly receive the sum of \$99.15 during the month of September 2010, without them having to take any steps whatsoever;

The Eligible Members who are no longer clients of the National Bank of Canada must complete a Claim and send it to the Claims Administrator before **October 31, 2010** to receive the amount of \$99.15. A Claim Form is available on the websites of the National Bank of Canada and Union des consommateurs. The Eligible Member who is no longer a client of the National Bank of Canada can register by calling the Claims Administrator or by mailing the Claim Form to the Administrator. The Claim Form can also be obtained by contacting the Claims Administrator. All claims must:

- state the branch(s) of the Bank where the Claimant held an account linked to the “Security Flex Line” and if possible, the account number of said “Security Flex Line”; and

- be accompanied by a proof of payment of a \$5.00 fee imposed at least once between July 1, 2003 and April 30, 2005 when the Claimant used the “Protection Flex Line”, or a solemn declaration stating that the Claimant paid a \$5.00 user fees at least once between July 1, 2003 and April 30, 2005 when he or she used this line of credit;

Distribution of the Balance. At the end of the claim period, the amounts not distributed will be shared between the Fonds d’aide aux recours collectifs and the Fondation de l’Union des consommateurs;

Other Measures and Fees. A \$225,000.00 amount, included in the Settlement amount, will be distributed by National Bank of Canada to different groups devoted to the protection of consumer rights such as the Union des consommateurs, the Coalition des Associations des consommateurs du Québec (“CACQ”) and certain ACEFs;

Finally, the National Bank of Canada will pay all of the management costs as well as the fees and expenses of the Group’s counsel;

4. OBJECTION TO THE SETTLEMENT

If you do not agree with the Settlement, you can object to it by attending the approval hearing which will be held at the Superior Court on July 2, 2010 at 9:30 a.m. in room 16.12. In such case, you are asked to **state the grounds for your objection in writing** and to mail them to the Claims Administrator by **June 25, 2010, at the latest**. An Objection Form is available for download on the websites of the National Bank of Canada and the Union des consommateurs or by mail by contacting the Claims Administrator;

5. OPTING-OUT OF THE CLASS ACTION

If you are a Group Member and you do not wish to be bound by the Settlement, you must opt-out of it. Those who opt-out definitively lose their right to receive the \$99.15 compensation provided by the Settlement. Generally, it is only those who wish to institute an individual law suit, at their own costs, that should opt-out.

In order to opt-out of the Settlement and of the class action, you must mail an Opt-out Form to the Claims Administrator by June 25, 2010, at the latest. An Opt-Out Form can be downloaded from the National Bank of Canada and the Union des consommateurs websites or is available by mail by contacting the Claims Administrator;

6. FURTHER INFORMATION

The Settlement can be viewed on the National Bank of Canada website. Be advised that the National Bank of Canada staff branch will not be able to give you information regarding the Settlement. The office of the Administrator is open from Monday to

Friday from 9:00 a.m. to 5:00 p.m. In case of discrepancies between this notice and the Settlement, the latter will prevail;

The address of the National Bank of Canada website is:

www.bnc.ca/avispublic

The address of the Union des consommateurs website is:

www.consommateur.qc.ca/union/bnc

Claims Administrator contact information:

CLAIMS ADMINISTRATOR (1524-1)
National Bank of Canada
500 Place d'Armes – 8th Floor
Montréal, Québec H2Y 2W3
Phone: 1-877-919-7337

MONTRÉAL, May 15, 2010.

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The publication of this notice has been approved by the Court