

Business Continuity Plan Disclosure

It is the policy of National Bank of Canada Financial Inc. (“NBCFI”) to respond to a Significant Business Disruption (“SBD”) by safeguarding employees’ lives and Firm property, making a financial and operation assessment, quickly recovering and resuming operations, protecting all of the Firm’s books and records, and allowing NBCFI customers to transact business.

The following information outlines NBCFI planned responses to services disruptions. This information is provided pursuant to FINRA Rule 3510 – Business Continuity Plans (“BCP”) which requires member firms to maintain appropriate business continuity plans to address varying scenarios that may result in service disruption.

NBCFI is committed to providing the highest possible service to our clients in the event of a disruption to our normal operating environment. NBCFI anticipates two kinds of SBDs, internal or external. Internal SBDs, such as fire or power outage in NBCFI’s building(s), affect only NBCFI’s ability to communicate and do business. External SBDs, such as terrorist attack, city flood, or wide-scale regional disruption, prevent the operation of the securities markets and/or the operation of a number of brokerage firms. To that end we have developed a business continuity plan that addresses a number of scenarios:

- Single location
- Firm-only disruption
- Geographic (neighborhood, city or regional) disruption

Each of these scenarios is addressed by a series of actions that are designed to mitigate the risks that arise as these disruptions occur. For each type of disruption listed, our goal is to be able to recover to a satisfactory level of operation, no later than the close of business on the day of the disruption or the following day should the disruption occur after hours. Recovery time objectives are estimated deadlines to be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure – particularly telecommunications – can affect actual recovery times. In this regard, our plans are designed to restore services in the order of priority that our customers, counterparties and regulators would expect to facilitate minimal disruption and maintenance of appropriate service levels. Communication with affected employees is achieved through the use of a hierarchical ‘calling tree’ as well as the use of a contingency hotline, which permits custom messages to be recorded for affected business units. The firm’s intranet and internet sites are also used to convey information relative to the disruption.

In the event that NBCFI's New York and Boston offices are affected, we have UPS power to support selected applications and processes for short-term outages. For disruptions that require us to vacate the premises, we have the capability of redirecting telephone calls to remote locations that are well outside of the immediate vicinity until such time as we can recover to the closest our unaffected branch office location or to our parent company in Montreal or Toronto. Our plans for widespread geographic outages include the use of our branch offices that are not located in the New York metropolitan area or to our parent company in Montreal or Toronto. These plans can be implemented as soon as employees deemed critical to the continuity plan are relocated to that location.

NBCFI's BCP is designed to work in many different emergency situations, but these events are, by their nature, unpredictable and it is impossible to anticipate every scenario that could cause an SBD. The plan is tested on a periodic basis in an effort to simulate events and is subject to ongoing modification to address changing business and environmental conditions as well as specific test results. But such testing may not replicate the actual conditions we experience in a real emergency. It is required to be formally reviewed and its approval reconfirmed on an annual basis. The aforementioned measures are to make you aware of our efforts to try and ensure that our business operations will continue so that we may fully protect and serve our clients and employees in good times and bad.