
**NOTICE OF TRANSACTION – CLASS ACTION CONCERNING CERTAIN FEES
CHARGED BY NATIONAL BANK OF CANADA FOLLOWING A BORROWER’S
DEFAULT UNDER THEIR MORTGAGE AGREEMENT AND THE ISSUANCE OF A
PRIOR NOTICE OF THE EXERCISE OF AN HYPOTHECARY RIGHT**

(SUPERIOR COURT OF QUEBEC NO: 700-06-000009-185)

TAKE NOTICE that a settlement has been reached in the class action concerning certain fees charged by National Bank of Canada (the “**Bank**”) following a borrower’s default under their mortgage agreement and the issuance of a prior notice of the exercise of an hypothecary right. The persons concerned by this settlement are the following (the “**Class Members**”):

MAIN GROUP

All natural persons and all legal persons established for a private interest, partnerships, associations or other groups without legal personality (individually a “Member” or collectively the “Members”) who were given a prior notice of the exercise of an hypothecary right by the defendant, National Bank of Canada, and from whom the defendant and/or its employees, representatives, agents or attorneys required fees for professional services or illegitimate fees to recover the capital or the interest secured by the mortgage or to preserve the charged property, for the period (the “Relevant Period”) from May 10, 2015 to the date of the final judgment on the merits, inclusively;

CONSUMER GROUP

All natural persons (individually a “Member” or collectively “Members”) who were given a prior notice of the exercise of an hypothecary right by the defendant, National Bank of Canada, and from whom the defendant and/or its employees, representatives, agents or attorneys required fees for professional services or illegitimate fees to recover the capital or the interest secured by the mortgage or to preserve the charged property, during the period (the “Relevant Period”) from May 10, 2015 to the date of the final judgment on the merits, inclusively.

The Class Members’ representative, Ms. Vera Madic, and the Class Members’ counsels believe that the settlement represents the best way to resolve the dispute in a fair and equitable manner and will ask the Quebec Superior Court to approve it at a hearing to be held on July 5, 2021, at 10 AM, in room B1.04 of the Saint-Jérôme Courthouse, located at 25 Martigny Street West, in Saint-Jérôme. The Court has also authorized participants to attend the hearing virtually.

At this hearing, the Class Members’ counsels will seek approval of their fees equal to 30% of the settlement amount plus costs, disbursements and applicable taxes.

Summary of the Settlement

You are concerned by this settlement if you meet the definition of Class Member set out above.

Pursuant to this settlement, the Bank agrees to pay, without prejudice or admission and for the sole purpose of avoiding the expense and delay of litigation, the sum of \$2,000,000 (the "**Settlement Amount**") to certain Class Members as a full and final settlement of all claims against it. It is important to note that only Class Members who meet certain established criteria will be eligible to receive an indemnity.

First, the Settlement Agreement provides that no indemnity will be paid to the following Class Members: (a) those against whom the Bank has exercised a taking in payment; and (b) those against whom the Bank has exercised a sale under judicial authority that resulted in a realizable value inferior to the Bank's claim.

Further, the Settlement Agreement provides that only the following fees and expenses charged to Class Members will be subject to indemnification under this settlement: insurance costs, collection costs, monthly management fees, maintenance or repair costs, and attorneys' fees and disbursements (the "**Eligible Fees**"). Other fees and expenses charged to Class Members shall not be subject to indemnification.

The Settlement Amount shall be distributed, net of the Class Members counsels' fees, costs, disbursements and applicable taxes, on a pro rata basis, to those Class Members to whom the Bank, according to its records, has charged Eligible Fees.

In consideration thereof, all persons, who were given a prior notice of the exercise of an hypothecary right by the defendant, National Bank of Canada, and to whom the defendant and/or its employees, representatives, agents or attorneys required fees to recover the capital or interest secured by the mortgage or to preserve the charged property, for the period from May 10, 2015 until the judgment approving the settlement, grant a full and final release to the defendant, National Bank of Canada, and its insurers, agents, assigns, shareholders, directors, heirs, successors, related companies, and any other person whomsoever, from any and all claims, actions, and demands, whatever its nature, for costs and/or fees charged following the issuance of the prior notice of the exercise of an hypothecary right and in respect of anything arising out of the facts alleged in the legal proceedings.

Provided you are eligible, you do not need to take any steps to obtain your indemnity. If the settlement is approved by the Court, the Bank will send a cheque to the last known address of eligible Class Members. If your address has changed since you received the prior notice of the exercise of an hypothecary right, or if you wish to ensure that the indemnity will be sent to your current address, we ask that you send your mailing information by June 22, 2021 to the following email address: gpaquette@paquettegadler.com and archives@adamsavocat.com.

Objection to the Settlement

You may tell the Court that you do not agree with this settlement. To do so, you must write to the Class Members' counsels by June 22, 2021. You must explain why you do not agree with the settlement and include your name, address, telephone number and signature. The Class Members' counsels will forward your letter to the Court. If you object, you need to attend the approval hearing before the Court to explain why.

Other Information

If you have any questions about this class action and its settlement, please contact:

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In the event of any inconsistency between this notice and the Settlement Agreement, the Settlement Agreement shall prevail.

The publication and distribution of this notice has been approved by the Court.