

ANTI-MONEY LAUNDERING / ANTI-TERRORISM FINANCING QUESTIONNAIRE

PART 2: KNOW YOUR CLIENT / ANTI-MONEY LAUNDERING / ANTI-TERRORISM REQUIREMENTS

2.1 General AML, Practices and Procedures

1.	Is money laundering / terrorist financing considered in the financial institution's country as a crime?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
2.	Has the country in which the financial institution is located established Laws/Regulations concerning AML/CFT/KYC?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
3.	Is the financial institution subject to such Laws/Regulations?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4.	Has the financial institution been the subject of any investigation, indictment, conviction or civil enforcement action related to money laundering and terrorist financing in the past five years?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5.	Does the financial institution comply with FATF recommendations?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
6.	Does the financial institution have branches in any of the countries considered to be "non cooperative" by FATF?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
7.	Does the AML Compliance program require approval of the financial institution's Board or senior committee thereof?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
8.	Does the financial institution have a legal and regulatory compliance program according to internal and international laws, rules and standards that includes a designated Compliance Officer that is responsible for coordinating and overseeing the AML program on a day-to-day basis, which has been approved by Senior Management of the financial institution?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
9.	Has the financial institution developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions that have been approved by Senior Management?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
10.	In addition to inspections by the government, supervisors-regulators, does the financial institution have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
11.	Does the financial institution have policies covering relationships with politically exposed persons consistent with industry best practices?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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12.	Does the financial institution have appropriate record retention procedures pursuant to applicable law?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
13.	Does the financial institution require that its AML policies and practices be applied to all branches and subsidiaries of the financial institution both in the home country and in locations outside of the home country?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

2.2 Risk Assessment

14.	Does the financial institution have a risk focused assessment of its customer base and transactions of its customers?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
15.	Does the financial institution determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the financial institution has reason to believe pose a heightened risk of illicit activities at or through the financial institution?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

2.3 Know Your Customer, Due Diligence and Enhanced Due Diligence

16.	Does the financial institution have a policy that prohibits: a) The opening and maintenance of anonymous accounts (i.e. numbered accounts for which the financial institution does not know the owner)? b) The conduct of business with the banks having no physical presence in any country of jurisdiction – “shell banks”? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group).	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
17.	Has the financial institution implemented systems for the identification of its customers, including customer information in the case of recorded transactions, account opening, etc. (for example: name, nationality, street address, telephone number, occupation, age/date of birth, number and type of valid official identification, as well as the name of the country/state that issued it)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
18.	Does the financial institution have a requirement to collect information regarding its customers' business activities?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
19.	Does the financial institution collect information and assess its institution customers' AML policies or practices?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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20.	Does the financial institution have procedures to establish a record for each customer noting their respective identification documents and Know Your Customer information collected at account opening?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
21.	Does the financial institution take steps to understand the normal and expected transactions of its customers based on its risk assessment of its customers?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

2.4 Reportable transactions and prevention and detection of transactions with illegally obtained funds

22.	Does the financial institution have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
23.	Does the financial institution have policies or practices to identify transactions structured to avoid large cash reporting requirement?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
24.	Does the financial institution screen transactions for customers or transactions the financial institution deems to be of significantly high risk (which may include persons, entities or countries that are contained on lists issued by government / international bodies) that special attention to such customers or transactions is necessary prior to completing any such transactions?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
25.	Has the financial institution's regulator/government published lists of individuals/entities (control lists), to whom/which the financial institution is prohibited from providing financial services or with whom/which the financial institution is prohibited from conducting financial transactions (i.e.: suspected terrorists, money launderers, PEPs)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
26.	Does the financial institution search its customer database against these control lists to ensure it does not provide financial services to, or conduct business transactions with, these individuals/entities for the purpose of detecting unusual activity?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
27.	Does the financial institution have policies to reasonably ensure that it will not conduct transactions with or on behalf of shell banks through any of its accounts or products? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group).	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
28.	Does the financial institution have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
29.	Is the financial institution conducting business with political or senior official figures or members of any regime likely to be involved in corruption or other illegal activities?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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2.5 Monitoring

30.	Does the financial institution have a monitoring program for suspicious or unusual activity that covers funds transfers and monetary instruments (such as travellers cheques, money orders, etc.)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
31.	Is implementation of AML/CFT/KYC policies and procedures monitored on a permanent basis?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
32.	Is the financial institution required to report suspicious transactions and large volume transactions to a central agency? Name of the central agency: Financial Transactions and Reports Analysis Centre of Canada	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

2.6 AML Training

33.	Does the financial institution provide AML training to relevant employees that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the financial institution's products and services and internal policies to prevent money laundering?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
34.	Does the financial institution retain records of its training sessions including attendance records and relevant training materials used?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
35.	Does the financial institution have policies to communicate new AML related laws or changes to existing AML related policies or practices to relevant employees?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
36.	Does the financial institution employ agents to carry out some of its functions If so, does the financial institution provide AML training to relevant agents that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving your institution's products and services and internal policies to prevent money laundering?	Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> No <input type="checkbox"/>

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Documents to be attached with your answer:	Webpage (hyperlink)
1. Copy of the financial institution's license, charter and registration number	The charter of National Bank of Canada is ("NBC") is an inherent part of the Bank Act enacted by the Parliament of Canada. To access Schedule 1 of the Act, in which NBC is duly named, see the following: http://lois-laws.justice.gc.ca/eng/acts/B-1.01/page-325.html#h-234
2. Copy of the most recent annual report or most recent audited financial statement of the financial institution	http://www.nbc.ca/bnc/cda/content/0,1008,divId-2_langId-1_navCode-12994,00.html
3. Latest copy of the USA Patriot Act Certification or Re-Certification	http://www.nbc.ca/bnc/cda/content/0,2662,divId-2_langId-1_navCode-14013,00.html
4. List of the members of the financial institution's Board of Directors	http://www.nbc.ca/bnc/cda/content/0,2662,divId-2_langId-1_navCode-14007,00.html
5. List of the financial institution's senior officers (at least 3)	http://www.nbc.ca/bnc/cda/content/0,2662,divId-2_langId-1_navCode-14011,00.html

I confirm that the above information is current, accurate and reflective of my financial institution's Know Your Customer/Anti-Money Laundering/Anti-Terrorism policies.

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Date: July 6, 2011

Signature: (s.) Nicole Rondou