

February 29, 2008

Send to: eurovarswapprotocol@isda.org

Dear Sirs,

ISDA European Variance Swap Protocol - Adherence

The purpose of this letter is to confirm our adherence to the ISDA European Variance Swap Protocol as published by the International Swaps and Derivatives Association, Inc. on February 5, 2008 (the "**Protocol**"). This letter constitutes an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of any ISDA Master Agreement entered into prior to the Implementation Date between us and each other Adhering Party.

1. Specified Terms

Each of the following Annexes will be applicable if specified below as applicable:

Annex 1	Interdealer MCA	[Applicable]
Annex 2	ISDA March 2007 MCA	[Applicable]
Annex 3	Long-form Confirmations	[Applicable]

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. Contact Details

Our contact details for purposes of this Adherence Letter are:

1155 Metcalfe Street, 19th floor
Montreal, Quebec, H3B 5G2
Attention: Guylaine Renaud



Facsimile: (514) 866-8229
Telephone: (514) 394-7515
E-mail: guylaine.renaud@tres.bnc.ca

Our contact details for purposes of Side Letter Condition negotiations are:

1155 Metcalfe Street, 19th floor
Montreal, Quebec, H3B 5G2
Attention: Guylaine Renaud
Facsimile: (514) 866-8229
Telephone: (514) 394-7515
E-mail: guylaine.renaud@tres.bnc.ca

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

NATIONAL BANK OF CANADA

By:

Name: FRANÇOIS BOURASSA
Title: SENIOR MANAGER, TRADING AND STRUCTURED PRODUCTS
Signature: FRANÇOIS BOURASSA

Name: WILLIAM BONNELL
Title: VICE-PRESIDENT, RISK MANAGEMENT
Signature: WILLIAM BONNELL