The National Bank of Canada (the "Bank") short form base shelf prospectus dated June 20, 2014, as amended or supplemented (the "Prospectus"), the prospectus supplement to the Prospectus dated September 24, 2015 (the "Prospectus Supplement") and the pricing supplement No. L02 dated November 23, 2015 (the "Pricing Supplement") (together, the "Prospectus"), containing important information relating to the Note Securities described in this document, have been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the Prospectus is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the Note Securities offered. Prospective investors should read the Prospectus, and any amendment thereto, for disclosure of those facts, especially risk factors relating to the Note Securities offered, before making an investment decision. Capitalized terms used herein and not otherwise defined have the meaning ascribed thereto in the Pricing Supplement, the Prospectus Supplement and the Prospectus. *The Note Securities constitute Fund Linked Note Securities under the Prospectus.* **NBC Linear Note Securities Program.**

NBC NOTE SECURITIES

NBC Linear Note Securities linked to a portfolio of Preferred Share ETFs, Class F, due on December 8, 2020

SELLING PERIOD:

November 24, 2015 to December 1, 2015

ISSUANCE DATE:

December 8, 2015

MATURITY DATE:

December 8, 2020

INVESTMENT HIGHLIGHTS:

- Reference Portfolio: Units of Canadian and American exchange-traded funds linked to preferred shares
- Term: 5 years
- Note Securities Currency: Canadian dollars
- Rebalancing Dates: Semiannual
- ROC Payments: None
- Return type: Total return (Dividends and other distributions on the constituents making up the Reference Portfolio will be notionally reinvested in and accrue to the Reference Portfolio)
- FX Hedge Type: FX Hedged (for the Reference Asset denominated in USD)
- Early Trading Charge: No early trading charge
- Daily secondary market available under normal market conditions

→ **Should you have any questions, do not hesitate to contact your advisor.**

FUNDSERV CODE: NBC2360

NATIONAL BANK

Dated November 23, 2015

Summary of the Offering

Issuer:	National Bank of Canada
Issuer Credit Rating:	Long-term deposits rated DBRS: AA (low) / S&P: A / Moody's: Aa3 The Note Securities have not been rated by any rating agencies.
Principal Amount:	$100
Minimum Subscription:	$5,000 (50 Note Securities) and integral multiples of $100 (1 Note Security) in excess thereof.
Issuance Date:	December 8, 2015
Final Valuation Date:	December 3, 2020, subject to postponement in certain circumstances as described in the Prospectus and Prospectus Supplement.
Maturity Date:	December 8, 2020

Reference Portfolio:

Reference Asset name	Reference Asset ticker	Price Source	Closing Level	Reference Asset type	Reference Asset Currency and FX Hedge Type	Reference Asset Initial Weight
Units of the Horizons Active Preferred Share ETF - Class E	HPR	TSX	Closing price	Exchange-traded fund	CAD	50%
Units of the BMO Laddered Preferred Share Index ETF	ZPR	TSX	Closing price	Exchange-traded fund	CAD	25%
Units of the iShares U.S. Preferred Stock ETF	PFF	NYSE Arca	Closing price	Exchange-traded fund	USD (FX Hedged)	25%

Note Securities Currency: Canadian dollars

Rebalancing Dates:

Rebalancing Date
June 8, 2016
December 8, 2016
June 8, 2017
December 8, 2017
June 8, 2018
December 10, 2018
June 10, 2019
December 9, 2019
June 8, 2020

ROC Payment type:	None
Reference Portfolio Initial NAV:	$100.00
Structuring Trailer Percentage:	0.50%. The Structuring Trailer Percentage will be paid out of the Daily Maintenance Amount and therefore will indirectly reduce the Reference Asset NAV.
FX Funding Amount spread:	0.30%
Independent Agent Fee:	Up to $0.15 per Note Security (0.15% of the Principal Amount of each Note Security sold), paid by the Bank out of its own funds.
Agents:	National Bank Financial Inc. ("NBF") and Laurentian Bank Securities Inc. Laurentian Bank Securities Inc. will act as Independent Agent.
Listing and Secondary Market:	The Note Securities will not be listed on any securities exchange or quotation system. NBF intends to maintain until the Final Valuation Date, under normal market conditions, a daily secondary market for the Note Securities. If the price or the level of the Reference Asset is not published or, in an applicable case, if trading in the Reference Asset is disrupted or suspended, or if any other Market Disruption Event occurs, NBF will generally deem that normal market conditions do not exist. NBF may, in its sole discretion, stop maintaining a market for the Note Securities at any time without any prior notice to Holders. There can be no assurance that a secondary market will develop or, if one develops, that it will be liquid. In addition, any sale of Note Securities facilitated by NBF may be subject to an early trading charge, deductible from the sale proceeds of the Note Securities. Holders who have purchased Note Securities using the FundSERV network will be limited to the FundSERV network to sell Note Securities.
Eligibility for Investment:	Eligible for RRSPs, RRIFs, RESPs, RDSPs, DPSPs and TFSAs. See "Eligibility for Investment" in the Prospectus Supplement and in the Prospectus.
Early Trading Charge:	No early trading charge.
Cost related to the Distribution Amount:	The Distribution Amount for a given dividend or other distribution paid by the issuer of a Reference Asset and on its ex-dividend date will be equal to the present value of the dividend amount or other distribution, minus an amount equal to any applicable withholding taxes that would be applicable if the Reference Assets were held by a Canadian Investor (up to 15%), and converted into the Reference Asset Currency if applicable, using the applicable FX Rate. The present value is the value of the dividend amount or other distribution to

be paid, discounted using the relevant Interest Rate plus the FX Funding Amount spread and the number of days between the ex-dividend date and the payment date.

Suitability for Investment

The Note Securities are not suitable for all investors. In determining whether the Note Securities are a suitable investment for you please consider that:

- the Note Securities provide no protection for your original principal investment, other than the minimum Maturity Redemption Payment of 1% of the Principal Amount per Note Security and the sum of all ROC Payments, if any, and if the Reference Portfolio NAV is less than the Remaining Principal Amount on the Final Valuation Date, you will receive an amount which is less than your original principal investment over the term of the Note Securities;
- in order for you to earn a return on your investment, the Reference Portfolio NAV has to increase sufficiently to offset the Up-front Selling Commission, if applicable, and the Up-front Structuring Amount, if applicable, which reduce the Reference Portfolio NAV;
- in order for you to earn a return on your investment, the Reference Asset Return Amount and the Reference Asset FX Amount of the Reference Assets have to increase sufficiently to offset the Daily Maintenance Amount reducing the Reference Asset NAV Change in order to increase the Reference Portfolio NAV;
- your investment strategy should be consistent with the investment features of the Note Securities;
- your investment time horizon should correspond with the term of the Note Securities; and
- your investment will be subject to the risk factors summarized in the section "Risk Factors" in the Pricing Supplement, the Prospectus Supplement and the Prospectus.

Risk Factors

The Note Securities differ from conventional debt and fixed income investments; repayment of the entire Principal Amount is not guaranteed. The Note Securities entail downside risk and are not designed to be alternatives to conventional debt and fixed income investments or money market instruments.

Investing in the Note Securities involves risks that are described under "Risk Factors" in the Pricing Supplement, the Prospectus Supplement and the Prospectus, including, without limitation, the section therein entitled "Certain Risk Factors related to the Fund Linked Note Securities". Purchasers are urged to read the information about these risks, together with the other information in the Pricing Supplement, the Prospectus Supplement and the Prospectus, before investing in the Note Securities. **Holders who are not prepared to accept the risks described in the Pricing Supplement, the Prospectus Supplement and the Prospectus should not invest in the Note Securities.**

NOTICE

The Note Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit taking institution. The Note Securities differ from conventional debt and fixed income investments; repayment of the entire Principal Amount is not guaranteed. The Note Securities entail downside risk and are not designed to be alternatives to conventional debt and fixed income investments or money market instruments.

Amounts paid to Holders will depend on the performance of the Reference Portfolio. Neither the Bank, its affiliates, the Agents, nor any other person or entity guarantees that Holders will receive an amount equal to their original investment in the Note Securities or guarantees that any return will be paid on the Note Securities. Since the Note Securities are not protected and the Principal Amount will be at risk (other than the minimum Maturity Redemption Payment of 1% of the Principal Amount), it is possible that Holders could lose some or substantially all of their original investment in the Note Securities.

For the various risks associated with such an investment, please see the "Risk Factors" section of this document and the "Risk Factors" section in the Pricing Supplement, the Prospectus Supplement and the Prospectus. Any prospective investor must be able to bear the risks involved and must meet the suitability requirement of the Note Securities. Please see the section "Suitability of the Note Securities for Investors" in the Pricing Supplement and the Prospectus Supplement.

NATIONAL BANK