



NATIONAL BANK OF CANADA

CHAIRMAN OF THE BOARD OF DIRECTORS

MANDATE

The Chairman of the Board of Directors (the “Board”) of National Bank of Canada (the “Bank”) plays a key role in Board operations. He leads the Board’s activities and assumes the functions described below. He also fulfills the responsibilities assigned to him under the applicable legislation.

The Chairman of the Board is independent as defined by the Canadian Securities Administrators.

RELATIONS WITH DIRECTORS

1. The Chairman of the Board:

- a) **Leadership** - Assumes the leadership of the Board in the interests of the Bank, its shareholders and its clients, and chairs Board meetings;
- b) **Integrity and Probity** - Maintains the highest standards of integrity and probity within the Board;
- c) **Governance** - Promotes the highest standards of corporate governance and ensures compliance with the regulatory requirements applicable to the Bank;
- d) **Conduct of the Board Meetings** - Together with the President and Chief Executive Officer and the Corporate Secretary, defines the structure, agenda and activities of the Board and ensures that meeting agendas are prepared, taking into account, in particular, recurring regulatory matters and the suggestions and recommendations of directors;
- e) **Management of the Board Meetings** - Manages the time allotted for discussing each item put before the Board, listens to all directors’ views and fosters effective decision making and constructive debate among directors in the interests of the Bank. The Chairman of the Board does not have the deciding vote in the event of an equal number of votes on matters put to a vote of the Board members;
- f) **In Camera Meetings** - Ensures that the independent directors meet without any members of the Bank’s Management being present at the end of each Board meeting and chairs these in camera meetings;
- g) **Composition of the Board** - In conjunction with the Conduct Review and Corporate Governance Committee, determines the policies and codes governing the integrity, independence and involvement of directors,

assigns certain tasks to directors, including serving as Committee Chairs, and encourages directors to reflect on the parameters for any changes to the composition of Board;

- h) **Education Program and Development** - Together with the Conduct Review and Corporate Governance Committee and the Human Resources Committee, oversees the implementation of an orientation program for new directors and measures aimed at meeting the ongoing educational needs of existing directors;
- i) **Change in Function or Status** - Reviews, when required, any change reported by a director in his or her professional or personal status that could have an impact on his or her role as director and makes the appropriate recommendations to the Board;
- j) **Review and Performance** - Working with the Conduct Review and Corporate Governance Committee, supervises the process for assessing the performance and effectiveness of the practices of the Board and its committees, as well as the performance of directors. As part of the assessment process, the Chairman of the Board meets with the directors individually to follow up their contribution and seek their opinions on how to generally improve the effectiveness of the Board; and
- k) **Duties and Responsibilities** - Ensures that the Board effectively and independently fulfills the duties and responsibilities set out in its mandate and assigns tasks to Board members, as necessary.

RELATIONS WITH THE COMMITTEES OF THE BOARD

2. The Chairman of the Board:

- a) **Meetings of the Committees** - Attends, regularly as a guest, various meetings of the different committees of the Board and works in cooperation with them to ensure that their suggestions and recommendations are considered by the Board, while at all times remaining impartial;
- b) **Chairmanship of the Meetings of the Committees** - Chairs, when required, meetings of the committees of the Board;
- c) **Interim President and Chief Executive Officer** - Assumes the position of interim President and Chief Executive Officer in the event that the President and Chief Executive Officer of the Bank were unable to perform his duties for any reason, including in particular, his death, incapacity, dismissal or resignation, until a successor is named by the Board of Directors;

- d) **Duties of the Committees** - Ensures that the committees of the Board fulfill the responsibilities that were assigned to them by the Board and that the results of their activities are reported to the Board when appropriate; and
- e) **Chairs of the Committees** - Assists the committee chairs with any matters where his intervention could be useful.

RELATIONS WITH SHAREHOLDERS

3. The Chairman of the Board:

- a) **Shareholders Meeting** - Chairs the Annual Meeting of Shareholders as well as any special meeting of shareholders;
- b) **Interactions with the Shareholders** - Assists the President and Chief Executive Officer with any matters where his intervention could be useful as regards relations with shareholders or any other person;
- c) **Independence and Impartiality** - Ensures, at all times, that he is independent and impartial and avoids any real or potential conflicts of interest; and
- d) **Appearance of Independence and Impartiality** - Maintains, at all times, the appearance of independence and impartiality for himself and the Board as a whole.

RELATIONS WITH MANAGEMENT OF THE BANK

4. The Chairman of the Board:

- a) **Respect and Trust** - Maintains a relationship of trust and respect with the President and Chief Executive Officer and members of Management, while remaining objective and independent;
- b) **Necessary Resources and Information** - Ensures that the Board has the necessary resources and information to fulfill its mandate and responsibilities;
- c) **Communications** - Communicates as needed with the officers of the relevant sectors;
- d) **Suggestions** - Offers advice and suggestions to the President and Chief Executive Officer while remaining at arm's length in the day-to-day management of the affairs of the Bank;
- e) **Matters and Proposals** - Ensures that the matters under the responsibility of Management as well as any proposals by Management are, if necessary,

communicated to the Board in an appropriate, effective and timely manner;

- f) **Efficiency and Openness** - Promotes effective relations and open communication between the directors and Management; and
- g) **Annual Performance Appraisal of the President and Chief Executive Officer** - Participates, with the Human Resources Committee, in discussions for the annual performance appraisal of the President and Chief Executive Officer.

REGULATORY BODIES

5. The Chairman of the Board represents the Board, when required, at meetings with representatives of regulators or self-regulatory organizations having jurisdiction.

INDEPENDENT CONSULTANT

6. The Chairman of the Board may, when he deems it appropriate, engage independent external consultants to assist the Board in carrying out its duties and responsibilities. He establishes their mandate and sets their compensation. The Bank pays the professional fees and expenses due to these independent external consultants at the end of their mandates.

APPROVED BY THE CONDUCT REVIEW AND CORPORATE GOVERNANCE COMMITTEE ON OCTOBER 26, 2017.

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