

NATIONAL BANK OF CANADA

CHAIRS OF COMMITTEES OF THE BOARD OF DIRECTORS

MANDATE

The chair of a committee of the Board of Directors (the “Board”) of National Bank of Canada (the “Bank”) plays a key role. He manages the committee’s work and his main duties and responsibilities are described below. He also carries out responsibilities provided by law.

The chair of a committee is independent as defined by the Canadian Securities Administrators.

MEETINGS OF THE COMMITTEES

1. The chair of a committee:

- a) **Conduct of the Committee** - Together with the Chairman of the Board and the Executive Officer designated by the Chief Executive Officer to assist the committee, defines the structure, agenda and activities of the committee so that it functions independently and effectively;
- b) **Management of Committee Meetings** - Manages the time allotted for discussing each item put before the committee, listens to all directors’ views and fosters effective decision making and constructive debate among committee members in the best interest of the Bank. The chair of a committee does not have the deciding vote in the event of an equal number of votes on matters put to a vote of the committee members;
- c) **Agenda** - Helps prepare the meeting agendas, taking into account, in particular, recurring regulatory matters and the suggestions and recommendations of committee members; and
- d) **Communication between Committee Chairs** - Communicates as needed with the chairs of the other committees or, when deemed appropriate, with the Chairman of the Board, to discuss matters relevant to the committee.

FUNCTIONING OF THE COMMITTEES

2. The chair of a committee:

- a) **Duties and Responsibilities of the Committee** - Ensures that the committee fulfills the duties and responsibilities set out in its mandate and assigns tasks to committee members as necessary;

- b) **Composition of the Committee** - Encourages the members of the committee to reflect upon the parameters on which any changes to the composition of the committee should be based;
- c) **Reporting to the Board** - Reports regularly to the Board on the committee’s activities;
- d) **Review of the Committee’s Effectiveness** - Participates in assessing the committee’s effectiveness;
- e) **Review of the Committee’s Mandate** – Leads the committee in the scope of the committee’s Mandate review;
- f) **Succession Planning** - Participates in developing a succession planning for its position; and
- g) **Education Program and Development** - Identifies the education and development needs of the members and, together with the Conduct Review and Corporate Governance Committee, as the case may be, oversees the implementation of an education program for new members and the measures aimed at meeting the development needs of existing members.

RELATIONS WITH THE MANAGEMENT OF THE BANK

3. The chair of a committee:

- a) **Trust and Respect** - Establishes a relationship of trust and respect with the officers of the relevant sectors, while remaining objective and independent;
- b) **Communication** - Communicates as needed with the officers of the relevant sectors;
- c) **Matters and Proposals** - Ensures that the matters under the responsibility of management as well as any proposals by management concerning subjects that fall under the committee’s purview are communicated to the committee in an appropriate, effective and timely manner; and
- d) **Effectiveness and Openness** - Promotes effective relations and open communication between the committee members and management.

RELATIONS WITH THE OVERSIGHT FUNCTIONS

4. The chair of the Audit Committee and the chair of the Risk Management Committee:

- a) **Trust and Respect** - Establish a relationship of trust and respect with the heads of the oversight functions, and with the independent auditor for the Audit Committee, while remaining objective and independent;

- b) **Communication** - Communicate as needed with the heads of the oversight functions and the independent auditor for the Audit Committee;
- c) **Matters and Proposals** - Ensure that the matters under the responsibility of the oversight functions, or the independent auditor for the Audit committee, as well as any proposals by these functions, or the independent auditor for the Audit Committee, concerning subjects that fall under the committee's purview are communicated to the committee in an appropriate, effective and timely manner; and
- d) **Effectiveness and Openness** - Promote effective relations and open communication between the committee members and the heads of oversight functions, and the independent auditor for the Audit Committee.

APPROVED BY THE AUDIT COMMITTEE ON OCTOBER 25, 2017.
 APPROVED BY THE RISK MANAGEMENT COMMITTEE ON OCTOBER 25, 2017.
 APPROVED BY THE HUMAN RESOURCES COMMITTEE ON OCTOBER 25, 2017.
 APPROVED BY THE CONDUCT REVIEW AND CORPORATE GOVERNANCE COMMITTEE ON OCTOBER 26, 2017.
 APPROVED BY THE BOARD OF DIRECTORS ON OCTOBER 26, 2017.

INDEPENDENT CONSULTANTS

- 5. The chair of a committee 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.

REGULATORY BODIES

- 6. The chair of a committee represents the committee, when required, at meetings with representatives of regulators or self-regulatory organizations having jurisdiction.

PROVISIONS RELATING TO CERTAIN COMMITTEES

- 7. **Audit committee** - The chair of the Audit Committee :
 - a) ensures that the committee fulfills its tasks and responsibilities pursuant to the Guidelines Relating to Mandates to the Independent Auditor and pre-approves, on behalf of the committee, the awarding of specific mandates in accordance with these guidelines; and
 - b) ensures that the Audit Committee members are financially literate within the meaning of *Regulation 52-110 regarding Audit Committees* or are able to become financially literate within a reasonable period of time following their appointment to the Committee.
- 8. **Risk Management Committee** - The chair of the Risk Management Committee ensures that an adequate number of committee members have sufficient knowledge of risk management in a financial institution or that they acquire such knowledge within the deadline imposed, if applicable.