

**MINUTES** of the Annual Meeting of the Holders of Common Shares of NATIONAL BANK OF CANADA, held at the Drummondville Expocenter, 550 Saint-Amant Street, Drummondville, Quebec, on Wednesday, April 15, 2015 at 10:00 a.m. (the "Meeting")

Together with Louis Vachon, President and Chief Executive Officer of National Bank of Canada (the "Bank"), the members of the Board of Directors (the "Board") and the members of the Office of the President, Jean Houde, Chairman of the Board, welcomed the shareholders. Jean Houde thanked the City of Drummondville for its warm welcome and went on to highlight the important economic and social role that the Bank has played in Central Quebec thanks to its employees' hard work and dedication, its clients' loyalty and its shareholders' confidence.

Jean Houde stated that, in accordance with the By-Law of the Bank, the Board had designated him to act as Chairman of the Meeting and Dominic Paradis, Vice-President – Legal Affairs and Corporate Secretary, to act as Secretary of the Meeting. He invited the audience to read the agenda for the Meeting and the code of procedure, which had been distributed before the Meeting.

The Chairman of the Meeting explained the procedure for interventions during the Meeting. He went on to say that some of the statements that would be made during the Meeting contained or could contain forward-looking statements. He indicated that more complete information on the subject was available in the Bank's 2014 Annual Report and in Management's Discussion and Analysis for the first quarter of 2015, which were available on the Bank's website as well as the SEDAR website.

#### **ATTESTATION OF QUORUM AND APPOINTMENT OF SCRUTINEERS**

The Chairman of the Meeting appointed Martine Gauthier and Sonia Ciavaglia of Computershare Trust Company of Canada to act as Scrutineers during the Meeting.

He noted that the required quorum of 10 shareholders, present or represented by proxy, had been achieved, and declared the Meeting properly convened.

#### **ADDRESS BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER <sup>(1)</sup>**

Louis Vachon welcomed the shareholders to the Meeting. He pointed out that the Bank had been present in Drummondville for over 100 years and introduced the members of the Office of the President.

He began his address by underscoring that the Bank had a strong regional presence, that it had been a key contributor to business creation, development and continuity and that it had a growing presence across Canada.

Louis Vachon stated how proud he was of the Bank's excellent financial performance and recapped some financial results for fiscal 2014, including net income, diluted earnings per share and return on equity. He also highlighted the Bank's financial strength and its steady dividend growth.

He presented the Bank's strategic priorities, which were to pursue the *One client, one bank* strategy by offering a distinctive, multi-channel client experience, to ensure ongoing balance among stakeholders, specifically, shareholders, clients, employees and the community, and to continue to expand its super-regional model. He then listed a few of the international investments made in 2014 and 2015 including NSIA, AfrAsia Bank Limited and ABA Bank. He added that this was a pilot project aiming to cautiously and profitably replicate the super-regional bank model outside Canada.

He highlighted the launches of the mobile apps for iPad and Android and the MyIdea application over the previous few months. Mr. Vachon went on to explain that the most important factor in achieving the shift toward a multi-channel bank was having a culture of cooperation. He also presented the Bank's new brand signature.

He then recapped the accolades earned by the Bank as one of the best employers in Canada and one of the greenest banks in the world. Louis Vachon expressed pride in the Bank's diversity and the percentage of women in executive positions, which was at 42% for senior management, and 44% for the Board.

He referred to the Bank's role as a key player in economic and social development, as well as its strong support of entrepreneurs.

Mr. Vachon concluded his address by pointing out that the Bank had made a donation to the Centre DEL (Development and Leadership Centre) of Collège Saint-Bernard in Drummondville and supported Canadian tennis tournaments, including some in Drummondville. He added that the Bank had delivered a strong performance in fiscal 2014.

In closing, he thanked the Bank's Board of Directors, management team, shareholders, employees, and partners who, year after year, contribute to the Bank's success.

#### **RECEIPT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITOR'S REPORT**

The Chairman of the Meeting declared having received the consolidated financial statements of the Bank for the fiscal year ended October 31, 2014 and the independent auditor's report thereon.

#### **REVIEW OF GENERAL PRACTICES GOVERNING VOTING**

Dominic Paradis reviewed the general voting procedure. He stated that the voting on each of the proposals would proceed by way of secret ballot, and that the results of the vote would be presented as soon as the Scrutineers' reports were given to the Chairman of the Meeting. He added that a report on the voting results would be available on the Bank and SEDAR websites after the Meeting.

#### **PRESENTATION OF MANAGEMENT PROPOSALS <sup>(2)</sup>**

##### Election of directors

The Chairman of the Meeting indicated, as mentioned in the Management Proxy Circular (the "Circular"), that Bernard Cyr had ceased to be a member of the Board in August 2014 and that Gérard Coulombe was not standing for re-election as a director.

He stated that, in accordance with a resolution adopted by the Board, the number of directors to be elected was 16.

Dominic Paradis named the nominees standing for election as directors: Raymond Bachand, Maryse Bertrand, Lawrence S. Bloomberg, Pierre Boivin, André Caillé, Gillian H. Denham, Richard Fortin, Jean Houde, Karen Kinsley, Louise Laflamme, Julie Payette, Roseann Runte, Lino A. Saputo, Jr., Andrée Savoie, Pierre Thabet and Louis Vachon. Marie-Christine Marcoux, a shareholder of the Bank, moved that each of these nominees be proposed for election until the close of the subsequent annual meeting or sooner if he or she leaves his or her position, and Claude Laurent, a shareholder of the Bank, seconded the motion.

The Chairman of the Meeting invited the holders of common shares to vote on management's first proposal.

##### Advisory vote on the Board's approach to executive compensation

The Chairman of the Meeting indicated that, in 2014, the Board, assisted by the Human Resources Committee, had continued its review of good governance practices regarding executive compensation. He thanked the members of the Human Resources Committee of the Bank for their work on this matter.

Johanne Larouche, a shareholder of the Bank, moved that, on an advisory basis and not to diminish the role and responsibilities of the Board, holders of common shares accept the approach to executive compensation described in the Bank's Circular. Manon Dumoulin, a shareholder of the Bank, seconded the motion.

Daniel Thouin, a representative and proxyholder of *Mouvement d'éducation et de défense des actionnaires* ("MÉDAC"), commented on executive compensation, and proposed voting against the proposal. Mr. Houde thanked Mr. Thouin for his comment.

The Chairman of the Meeting invited the holders of common shares to vote on management's second proposal.

##### Appointment of the independent auditor

Claude Laurent, a shareholder of the Bank, moved that the chartered professional accountants firm Deloitte LLP be appointed to act as independent auditor of the Bank for the fiscal year beginning on November 1, 2014 and ending on October 31, 2015. Johanne Larouche, a shareholder of the Bank, seconded the motion.

<sup>(1)</sup> The slides used for the address by Louis Vachon were entered in the records of the Bank and are available on the Bank's website.

<sup>(2)</sup> The texts of the management proposals are presented in their entirety in the Circular.

The Chairman of the Meeting invited the holders of common shares to vote on management's third proposal.

#### **PRESENTATION OF SHAREHOLDER PROPOSALS <sup>(3)</sup>**

The Chairman of the Meeting indicated to the shareholders that the Bank had received, by the prescribed deadline, a proposal from MÉDAC on stock options. This proposal had been included in the Circular for presentation at the Meeting. He added that the Bank and MÉDAC had agreed to include a compensation report proposal in the Circular for information purposes only. Consequently, only the stock option proposal would be submitted to a vote.

Before proceeding with the presentation, discussion and voting on the shareholder proposal, the Chairman of the Meeting outlined certain guidelines to be followed. He also referred the shareholders to the Circular for the Bank's position on this proposal.

The Chairman of the Meeting invited the representative of MÉDAC to present the proposal submitted by MÉDAC.

Before the presentation of the shareholder proposal, Michel Desjardins, a representative and proxyholder of MÉDAC, congratulated Louis Vachon on being named CEO of the Year for 2014 by *Canadian Business* magazine. He also highlighted that the representation of women on the Bank's Board had reached 44%.

##### First shareholder proposal

Michel Desjardins presented the shareholder proposal on stock options.

The Chairman of the Meeting invited the holders of common shares to vote on this shareholder proposal.

Daniel Thouin then presented the proposal on the compensation report that had been included in the Circular for information purposes only and was not being submitted to shareholder vote.

#### **QUESTION PERIOD**

The Chairman of the Meeting outlined the rules applicable to this portion of the Meeting and gave the floor over to Louis Vachon for the question period, which dealt with the following topics:

- The percentage of asset-backed commercial paper losses recovered since 2008;
- The offer of real estate investment trust specialized funds;
- Wealth management and business transfers; and
- Arm's length mortgages using RRSPs.

#### **VOTING RESULTS**

Following receipt of the Scrutineers' report, the Chairman of the Meeting announced to the shareholders the results of the votes on the following proposals:

##### **Management's proposals**

###### Election of directors

The Chairman of the Meeting announced that all the nominees for the position of director had been elected with at least 85.59% of the votes cast.

###### Advisory vote on the Board's approach to executive compensation

The Chairman of the Meeting announced that 93.70% of the votes had been cast **FOR** this proposal.

###### Appointment of the independent auditor

The Chairman of the Meeting announced that 99.75% of the votes had been cast **FOR** this proposal.

##### **Shareholder proposal**

###### Shareholder proposal

The Chairman of the Meeting announced that 94.90% of the votes had been cast **AGAINST** this proposal.

#### **TERMINATION OF THE MEETING**

The question period having ended and there being no further business, the Chairman of the Meeting thanked the shareholders and declared the Meeting terminated.

*(s) Jean Houde*  
Chair

*(s) Dominic Paradis*  
Secretary

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<sup>(3)</sup> The texts of the shareholder proposals and the Bank's position are presented in their entirety in the Circular.