

The 161<sup>st</sup> Annual Meeting of Shareholders<sup>1</sup> of National Bank of Canada was held online and via conference call on April 24, 2020 at 10:00 a.m.

Jean Houde, Chairman of the Board and the Meeting, welcomed the shareholders. He explained that, for social distancing reasons, he was in Quebec City while the rest of the team was in Montreal and that slight delays in transmission could therefore result. On the call with him were Louis Vachon, President and Chief Executive Officer, and Dominic Paradis, Senior Vice-President – Legal Affairs and Corporate Secretary, who would act as the Secretary of the Meeting. The directors, director nominees, members of senior management and Deloitte representatives attended the Meeting online.

Before beginning, he highlighted the solidarity demonstrated in Quebec and the rest of the country during this pandemic. While the financial services industry had stepped up to deal with the crisis for the benefit of all Canadians, he thanked frontline workers and their families and added that they deserved our sincere gratitude in these difficult times.

Mr. Houde explained that, because of COVID-19, the Bank, like all other financial institutions, had chosen to hold an exclusively virtual annual meeting. The Bank's priority and duty as a responsible corporate citizen was to ensure the safety of its employees, clients and shareholders. He underscored, however, the importance of being able to meet with shareholders in person, hold discussions with them and allow them to intervene in person. For that reason, he added that the Bank planned to hold next year's annual meeting in person.

He announced that Manon Brouillette, former President and Chief Executive Officer of Videotron, and Yvon Charest, former President and Chief Executive Officer of iA Financial Group, were standing for election for the first time. He praised and thanked Gillian H. Denham, whose term was ending that day, after more than nine years of loyal service.

At Mr. Houde's request, Dominic Paradis explained how to vote online. Jean Houde then provided details concerning the program for the Meeting. He indicated that certain statements contained or could contain forward-looking statements.

#### QUORUM AND CONSTITUTION OF THE MEETING

Mr. Houde appointed Martine Gauthier of Computershare Trust Company of Canada to act as Scrutineer for the Meeting. It was confirmed that the notice of Meeting had been sent to shareholders in accordance with the *Bank Act*.

As quorum was attained, Jean Houde declared the Meeting duly convened and constituted.

#### ADDRESS BY THE CHAIRMAN OF THE BOARD

Jean Houde highlighted the Bank's excellent results in 2019 and the first quarter of 2020.

In these turbulent times, he expressed pride in being surrounded by an agile, people-oriented and experienced team that has already had to navigate other crises led by Louis Vachon. The Bank's investments in its transformation in recent years and the unstinting efforts of its employees have made it possible for the Bank to support clients through this period of uncertainty. He commended the Bank's 26,000 employees who were ensuring that it remained open for business and were giving advice and listening to clients' concerns in complete safety. Mr. Houde reiterated that the Board was working with senior management to take concrete, proactive measures to support and protect the health of employees and their families. In conclusion, he mentioned that the Bank was well positioned to respond in this time of crisis.

#### ADDRESS BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Louis Vachon welcomed everyone. He reiterated that the Meeting was being held virtually. He introduced the members of the Office of the President, including the newest member, Nathalie Généreux. He announced that Dominique Fagnoule would be retiring on October 31 and thanked and congratulated him for his excellent work.

He explained that the Bank was handling the current situation with four stakeholders in mind: clients, employees, shareholders and the community. He listed and described the measures taken by the Bank to support both individual and business clients. He went on to detail the safety measures put in place for employees, whom he thanked for their support during the crisis.

As for shareholders, he highlighted the excellent performance in 2019 and commented on the Bank's solid foundation. He discussed coming out of lockdown and the reopening of the economy.

He spoke to the Bank's commitment to the community by listing the donations made and steps taken to help various organizations. He described the Bank's corporate culture, which focused on adapting to change.

He provided an overall picture of the Bank and, in closing, thanked shareholders, employees, clients, as well as partners and service providers. He expressed confidence that the Bank, an economic and social driver that had already pulled through many crises in its 161 years of existence, would be able to navigate the current crisis and continue to make a positive impact.

#### ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Jean Houde confirmed that the financial statements had been sent to shareholders who had requested them and that they were also available online. He confirmed that the financial statements had already been approved by the Board in accordance with the *Bank Act* and declared having received the consolidated financial statements of the Bank for the fiscal year ended October 31, 2019 and the independent auditor's report thereon.

#### VOTING

At the request of Mr. Houde, Dominic Paradis explained the general rules applicable to online voting. The results would be made known at the end of the voting period and posted after the Meeting on the Bank and SEDAR websites. He explained to the shareholders the process for asking questions online about the proposals.

#### MANAGEMENT PROPOSALS<sup>(2)</sup>

##### Election of directors

Jean Houde reminded everyone that the Board's composition was diversified in terms of male-female parity, experience and geographic representation. He added that Board succession was based on an ongoing process of identifying potential directors whose profiles matched the Bank's values. He thanked the current directors for their dedication.

In accordance with a resolution adopted by the Board, he indicated the number of directors to be elected (15).

Mr. Paradis listed the director nominees: Jean Houde, Raymond Bachand, Maryse Bertrand, Pierre Blouin, Pierre Boivin, Manon Brouillette, Yvon Charest, Patricia Curadeau-Grou, Karen Kinsley, Rebecca McKillican, Robert Paré, Lino Saputo, Jr., Andrée Savoie, Pierre Thabet and Louis Vachon, and moved that each of these nominees be elected until the close of the next annual meeting or sooner if he or she were to leave his or her position.

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

Jean Houde stressed that by requesting a vote on its approach to executive compensation, the Board demonstrated its commitment to shareholders. He stated that in 2019, in a context of continuous change, the Board and its Human Resources Committee had continued their review of good governance practices regarding compensation.

Mr. Paradis 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 disclosed in the Bank's Circular.

##### Appointment of the independent auditor

Dominic Paradis moved that the professional accounting firm of Deloitte LLP be appointed to act as independent auditor of the Bank for the fiscal year beginning November 1, 2019 and ending October 31, 2020.

#### SHAREHOLDER PROPOSALS<sup>(3)</sup>

Jean Houde indicated that the Bank had received four proposals from the *Mouvement d'éducation et de défense des actionnaires* ("MÉDAC"). After discussions with the Bank, MÉDAC accepted to have only one of them put to a vote.

<sup>(1)</sup> All registered holders or beneficial owners of Common Shares of the Bank.

<sup>(2)</sup> The proposals submitted by the Bank's management are presented in their entirety in the Circular.

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

He asked Denis Brind'Amour, Senior Manager – Legal Affairs and Assistant Secretary and a Bank shareholder, to read out and present, on MÉDAC's behalf and with its consent, the text submitted in advance by MÉDAC and Proposal No. 1 to proceed to a vote.

**Shareholder Proposal No. 1: Disclosure of the pay ratio**

Denis Brind'Amour read out the proposal and the supporting text.

Mr. Houde stated that the Bank had recommended that shareholders vote against MÉDAC's proposal for the reasons set out in the Circular. He announced that the voting period was now closed.

**QUESTION PERIOD**

Jean Houde reminded the shareholders and proxy holders that they could submit questions online and explained the procedure for asking questions on the platform.

Denis Brind'Amour read out the question submitted by MÉDAC, which concerned the virtual format of the Annual Meeting. Mr. Houde answered.

Mr. Vachon then answered a question concerning the impacts of COVID-19 on the Bank.

**VOTING RESULTS <sup>(4)</sup>**

Mr. Houde presented the preliminary voting results, as reported by the Scrutineer. The shareholders holding 177,276,376 Common Shares of the Bank, representing 52.7% of the shares issued and outstanding, voted by proxy or via voting instruction form. The results were as follows:

- All the director nominees were elected and received at least 98.8% of the votes for their election.
- The advisory resolution to accept the Board's approach to executive compensation was adopted with 94.2% of the votes cast for the approach.
- Deloitte was appointed independent auditor for the fiscal year ending October 31, 2020 with 97.6% of the votes cast for the independent auditor.
- Proposal No. 1 submitted by MÉDAC was defeated with 91.5% of the votes cast against the proposal.

**TERMINATION OF THE MEETING**

Jean Houde wanted to reassure the shareholders that the situation related to COVID-19 was being monitored closely. He reiterated that the Bank was strong and well positioned to continue growing once the crisis was over.

The question period having ended and there being no further business, Jean Houde thanked the shareholders and the employees for their contribution to the Bank's success and declared the Meeting terminated.

*(s) Jean Houde*  
Chairman

*(s) Dominic Paradis*  
Secretary

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<sup>(4)</sup> The final voting results can be viewed at: <https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relation-investisseurs/assemblee-annuelle/2020/nbc-agm-2020-votes-results.pdf>