NATIONAL BANK OF CANADA AGM Date: 2013-04-24

1.01 Re-election of Maryse Bertrand **For**

1.02 Re-election of Lawrence S. Bloomberg **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as he has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.03 Election of Pierre Boivin **For**

1.04 Re-Election of André Caillé **For**

1.05 Re-Election of Gérard Coulombe **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as he has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.06 Re-Election of Bernard Cyr **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as he has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.07 Re-Election of Gillian H. Denham **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as she is on the board of Morneau Shepell Inc., a company that provides consulting services to the Board. There are insufficient independent directors on the Board.

1.08 Re-Election Jean Douville **Withhold**
Non-Executive Chairman. Independent by the Company, but not considered independent as he has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.09 Re-Election of Paul Gobeil **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as he has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.10 Re-Election Jean Houde **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as he has is the former business development advisor for Samson Belair/Deloitte & Touche s.e.n.c.r.l., the company's auditors. There are insufficient independent directors on the Board.

1.11 Re-Election Louise Laflamme **For**

1.12 Re-Election of Roseann Runte **Withhold**
Non-Executive Director. Independent by the Company, but not considered independent as she has been on the Board for over nine years. There are insufficient independent directors on the Board.

1.13 Re-election of Lino A. Saputo, Jr. **For**

1.14 Re-Election of Pierre Thabet **For**

1.15 Re-Election of Louis Vachon **For**

2 Advisory vote on executive compensation **Oppose**

The Board seeks shareholder approval for an advisory, non-binding vote on executive compensation. The voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The Human Resource Committee (HRC), which is tasked with setting executive compensation, is not fully independent according to PIRC guidelines.

No specific performance measures are disclosed for the annual bonus. The company does not adequately disclose the performance targets and vesting scales for the Restricted Stock Unit plan other than to indicate it is granted based on the price of the bank's shares and capped at an unnamed percentage of base salary. There are no performance criteria tied to the company's Stock Option Plan beyond share price.

Mid-term variable pay through the Performance Share Unit Plan is based on growth in the Bank’s TSR compared to the S&P/TSX Banks Sub-index over three years, as well as on share price. 100% of the award vests if relative TSR is equal to 1.00 and if relative TSR is equal to 1.25 or greater, the maximum (125% of the award) will vest. The minimum adjustment range is 75% for a relative TSR of less than 0.75. PIRC considers the performance targets for the Performance Share Unit Plan not to be sufficiently challenging. Further, the committee does not provide material disclosures to assure shareholders that targets are challenging for the company's other medium and long-term incentive plans. In addition, growth in share price is rewarded in more than one incentive plan, raising concerns that the company is awarding executives multiple times for achieving the same performance. Severance arrangements are clearly described although ‘good reason’ is not adequately determined as it includes material reduction in salary. Share-based incentive plans provide for accelerated vesting in case of change in control, which does not meet best practice. Severance upon a change-in-control is equal to three times base salary plus the annual bonus, but is paid for a period of 24 months, which is contrary to best practice.

3 Appoint the auditors Samson Bélair/Deloitte & Touche **Withhold**

The non-audit fees were approximately 2.1% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 8.1% of audit and audit related fees. While the non-audit fees are within acceptable limits, we note that Mr Houde, a member of the Audit Committee, is the former business development advisor for Samson Belair/Deloitte & Touche s.e.n.c.r.l., raising concerns about the independence of the auditor.

4* Approve the by-laws relating to the aggregate compensation for directors **For**

The Board is seeking approval by special resolution, the approval of the By-Law relating to director compensation to increase the aggregate compensation which may be paid to all of the directors of the Bank during a fiscal year from £1,800,000 (approved by shareholders in 2004) to $2,500,000. In fiscal 2012, compensation paid to all directors totalled $1,597,916.67 or 88.8% of the authorized aggregate amount. The resolution requires the affirmative vote of two-thirds of the votes cast to pass. The Company is required by law to set aggregate compensation for directors who are not officers of the Company. The Company argues that increased regulation and complexity has increased the workload for directors and the numbers of meetings required by the Board. It states that if approved, the amount will be the lowest among the six major Canadian banks. Considering there has been no increase in the aggregate director compensation since 2004, the proposed increase is acceptable.

5 Shareholder Resolution: Report on pension plan best practice **For**

Proposed by Mouvement d’éducation et de défense des actionnaires (MÉDAC). The proponent requests that the Board of Directors annually reassure shareholders and stakeholders that the pension plans offered by the Bank are managed according to the best practices of sound management. It cites concerns regarding the management and solvency of the company's pension plans. The proponent asks for an oral report and 'certification' to be given to

shareholders at the annual meeting as to the condition of the company's pension plans and the oversight exercised by the board. The Board recommends shareholders oppose the proposal. A Retirement Committee was set up by the Board in 2001, on a voluntary and proactive basis to examine pension issues and to control risks. The Company further highlights that "In 2005, the Bank adopted a capitalization policy for its pension plans, setting out the management plan for employee/employer cost sharing and surpluses and deficits. Over the past three years, the Bank has increased the proportion of employee contributions to better share plan cost."
It is considered that sound management of company pension plans is in the shareholders best interest, as it can have a bearing on the financial position of the company. The proposal to provide a verbal report to shareholders at the annual meeting is not considered onerous and therefore Triodos supports this resolution.

6 Shareholder Proposal: Adopt a policy to offer all the institution's employees the same type of pension plan **For**

Proposed by: The Mouvement d'éducation et de défense des actionnaires (MÉDAC).
The proponent requests the board of directors to "adopt a policy to offer all the institution's employees the same type of pension plan (defined contributions or defined benefits), regardless of the employees' level in the hierarchy. The pension plan will use the same scale to calculate years of credited service, be based on only fixed salary and become payable at a predetermined retirement age." MEDAC argues that senior management currently receive more favourable pension arrangements than those of other employees, which provides them with 'discriminatory advantages upon retirement.'
The Board recommends voting against the proposal. It argues that variable pension arrangements are needed in order to for it to provide market-competitive compensation to employees. It notes that only the President & CEO has a special arrangement, allowing him to receive additional years of service to compensate him for years served at the bank where no pension arrangements were in place.
It is considered that favourable pension arrangements for executives can serve to increase overall executive pay. Providing equitable pension arrangements to all employees regardless of seniority is considered best practice, therefore Triodos supports this resolution.