

NATIONAL BANK OF CANADA (the "Bank")**POLICY REGARDING THE DIVERSITY OF THE BOARD OF DIRECTORS (the "Board")****Diversity of the Board**

The Bank believes in the importance of having diversified representation among its directors, reflecting the diversity of our clients, employees and shareholders. We are committed to diversity at all levels of our organization. Our director recruiting process reflects this value by aiming to encourage selections who will contribute to the Bank's success. The goal is to have the Board made up of individuals from diverse backgrounds to benefit from a broad range of experience and viewpoints.

Accordingly, evaluation of new director candidates by the Board's Conduct Review and Corporate Governance Committee (the "**Committee**") will include consideration of the following:

- (a) complying with the criteria set out by applicable legislation;
- (b) ensuring that the Board is composed of directors who possess extensive knowledge and competencies, diverse points of view and relevant expertise, enabling them to make a positive contribution to the Bank;
- (c) seeking a balance in terms of the knowledge and competencies of directors to ensure that the Board of Directors can fulfil its role in all respects; and
- (d) seeking directors with characteristics representative of the communities in which the Bank is present and conducts its business, such as gender, age, designated groups¹, sexual orientation, ethno-cultural groups and geography.

Methods used

In order to satisfy the principles set out above, the Board has adopted the following methods:

- (a) the goal of striving for parity between men and women among its directors and having at least one-third of the Board directors be women by having half of candidates selected to fill vacant director positions be women;
- (b) the Committee actively seeking out individuals who belong to the groups previously mentioned to include in the pool of candidates for a director position;
- (c) surveying directors regarding the diversity of the Board when completing the annual assessment of the Board; and
- (d) calling on the services of outside consultants by the Board to help find candidates who will meet the principles set out above as needed.

APPROVED BY THE CONDUCT REVIEW AND CORPORATE GOVERNANCE COMMITTEE ON
DECEMBER 11, 2018.

APPROVED BY THE BOARD OF DIRECTORS ON DECEMBER 11, 2018.

¹ Under the meaning in the *Employment Equity Act*, S.C. 1995, c. 44.