

### Information about staff compensation that could have a material impact on the Bank's risk profile

In accordance with Standard 15 issued by the Financial Stability Board in September 2009, National Bank decided to voluntarily publish the compensation paid in 2010 to the members of its personnel who may have a material impact on the Bank's risk profile.

In its 2011 Circular, the Bank described the role and responsibilities of the Human Resources Committee with respect to the compensation policies and programs of all employees, including members of personnel who may have a material impact on the Bank's risk profile. It also describes the approval process and the principles on which the compensation policies and programs are based. Lastly, the Circular describes the features of the various programs, including the performance criteria, the variable compensation deferral policies, and the clawback provision.

The following tables show the compensation paid in 2010 to the five Named Executive Officers, and to employees who may have a material impact on the Bank's risk profile.

*The data listed are in millions of dollars.*

#### Compensation paid in 2010

Category	Number of employees	Fixed compensation	Variable compensation		Total compensation	Compensation at risk
		Base salary	Cash	Stock-based		
Named Executive Officers	5	\$2.6	\$4.1	\$9.5	\$16.2	84%
Identified personnel	93	\$17.6	\$71.0	\$48.7	\$137.3	87%
<b>Total</b>	<b>98</b>	<b>\$20.2</b>	<b>\$75.1</b>	<b>\$58.2</b>	<b>\$153.5</b>	<b>87%</b>

#### Deferred compensation <sup>(1)</sup>

Category	Number of employees	Vested	Non-vested	Total unpaid
Named Executive Officers	5	\$18.2	\$30.3	\$48.4
Identified personnel	93	\$13.0	\$99.5	\$112.6
<b>Total</b>	<b>98</b>	<b>\$31.2</b>	<b>\$129.8</b>	<b>\$161.0</b>

(1) The information presented is at October 31, 2010 and is based on the closing price of the Bank's common shares on the Toronto Stock Exchange as at October 29, 2010, the last day of trading, namely \$67.13.

No deferred compensation granted during a previous year but vested in 2010 has been reduced for performance purposes.

**Other compensation paid in 2010**

Four people received a signing bonus in 2010. The information was disclosed confidentially to the Office of the Superintendent of Financial Institutions (OSFI) in order to safeguard the confidentiality of the information. No severance was paid in 2010.