

National Australia Bank Limited

ABN 12 004 044 937

Registered Office:

24th Floor, 500 Bourke Street

Melbourne, Victoria 3000

Australia

Notice of General Meetings



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Notice is hereby given that three General Meetings of National Australia Bank Limited ("the National") will be held at the Melbourne Concert Hall, 100 St Kilda Road, Melbourne, Victoria, Australia, on Friday, 21 May 2004. The first meeting will commence at 2.30 pm. The second meeting will commence immediately following the conclusion of the first meeting. The third meeting will commence immediately following the conclusion of the second meeting.

The business before the meetings will be as follows:

Meeting 1 - Removal of Mrs Walter as a Director¹

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mrs Catherine Walter be and is hereby removed as a Director of National Australia Bank Limited."

Meeting 2 - Removal of non-executive Directors²

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. "That Catherine Mary Walter be and is hereby removed from office as a director on and with effect from 5 pm on the date seven days from the date of this meeting."³
2. "That Graham Kraehe be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
3. "That Kenneth Moss be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
4. "That Brian Clark be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
5. "That John Thorn be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
6. "That Edward Tweddell be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
7. "That Peter Duncan be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
8. "That Geoffrey Tomlinson be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."

¹This meeting is convened by the National following the receipt of Notices of Intention on Friday 26 March 2004 to move a resolution for the removal of Mrs Catherine Walter as a Director of the National, pursuant to s203D of the Corporations Act signed by Mr Graham Kraehe, the Chairman of the National, Dr Kenneth Moss, the Senior Independent Director of the National, Dr Brian Clark, Mr Peter Duncan, Mr John Thorn, Mr Geoffrey Tomlinson and Dr Edward Tweddell, who are all non-executive directors of the National.

²This meeting is convened by the National following receipt of a Notice of Intention on Sunday 28 March 2004 from Mrs Catherine Walter to move resolutions in the form set out for the removal of each of the non-executive Directors of the National.

³This resolution will be of no effect if the resolution to be put to Meeting 1 is passed.

Meeting 3 - Censure of Board, request for search for Chairman, removal of non-executive Directors, view as to re-election of non-executive Directors and views as to retirement benefits⁴

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. "That the members of the company censure the Board of Directors of the company as a whole for being ultimately responsible to the members for the failings which led to the forex losses."
2. "To request the Board of Directors to immediately begin the search for a new Board Chairman of international standing able to provide the leadership necessary for renewal and restructure of the Board, the governance and its culture."
3. "That Catherine Mary Walter be and is hereby removed from office as a director on and with effect from 5pm on the date seven days from the date of this meeting."⁵
4. "That Graham Kraehe be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
5. "That Kenneth Moss be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
6. "That Brian Clark be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
7. "That John Thorn be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
8. "That Edward Tweddell be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
9. "That Peter Duncan be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
10. "That Geoffrey Tomlinson be and is hereby removed from office on and with effect from 5pm AEST on the date 7 days preceding the date upon which his current term as a director would otherwise have come to an end."
11. "That it is the view of the company that upon removal or previous retirement none of the current non-executive directors should offer themselves for re-election."
12. "That the company calls upon each of the current non-executive directors of the company to forego all retirement allowances and benefits payable to them upon their retirement, whether they are removed pursuant to a resolution of members or retire before removal."
13. "That the company calls upon each of the current non-executive directors to individually inform the meeting whether they will commit to forego all retirement allowances and benefits."

Garry F Nolan
Company Secretary
13 April 2004

⁴This meeting is convened by the National at the request of Mrs Catherine Walter in accordance with a Notice of Calling of Company Meeting pursuant to Corporations Act 2001, s249CA and Notice of Intention to Move a Resolution for Removal of Directors under Section 203D(2) of the Corporations Act. This notice duplicates some resolutions from Mrs Walter's first notice in respect of which Meeting 2 is convened.

⁵ This resolution will be of no effect if the resolution to be put to Meeting 1 is passed.

Information for Shareholders:

Members of the National

Persons holding shares of the National which are listed for quotation on the Australian Stock Exchange at 7.00 pm in Melbourne on Wednesday, 19 May 2004 will be treated as Shareholders of the National for the purposes of each of the Meetings.

Proxy votes

A Shareholder entitled to attend and vote at the Meetings is entitled to appoint no more than two proxies to attend and vote on behalf of the Member at each of the Meetings. Proxy forms for each Meeting are enclosed. Where two proxies are appointed, each proxy must be appointed to represent a specified number of votes or proportion of the Shareholder's voting rights. If no number or proportion is specified, each proxy may exercise half of that Shareholder's voting rights.

A proxy need not be a Shareholder in the National.

Three proxy forms and a return envelope are enclosed. You should complete and return all three forms to ensure that your votes are effective for all three meetings.

To be effective, the completed proxy forms and the power of authority (if any) under which the proxy forms are signed, or a certified copy of the relevant authority, must be received by or faxed to the National at least 48 hours before the start of the relevant Meeting. For Meeting 1, that is, by 2.30 pm (Australian Eastern Standard Time) on Wednesday 19 May 2004. For Meetings 2 and 3, that is, by at least the time which is 48 hours before the time at which the relevant meeting starts.

Proxies must be received by the National at the address indicated on the enclosed envelope, delivered to the registered office at Level 24, 500 Bourke Street, Melbourne, Victoria 3000, Australia or faxed on (61 3) 9473 2461.

Please read the instructions on each Proxy Form carefully before completing it to ensure your votes are correctly recorded.

EXPLANATORY MEMORANDUM

The role of the Board Committee

Decisions as to the form and content of this Notice of General Meetings (including decisions as to which resolutions should be put to the General Meetings) have been made by a Committee of the Board charged with drawing up this notice and explanatory memorandum. That Committee comprised Mr John Stewart, Managing Director & Chief Executive Officer of the National; Mr Garry Nolan, Company Secretary of the National; and Mr Kerry McDonald, Mr John Moule and Sir David Fell, who are non-executive directors of subsidiaries of the National. This Committee was appointed because each of the non-executive Directors of the National may have a personal interest in the content of the Notice and this Explanatory Memorandum.

The number of meetings to be held

In order to avoid any dispute as to the validity of the relevant meetings, the National has decided to convene three separate meetings because it received three separate notices, including two notices from Mrs Catherine Walter, a Director of the National. There is a significant degree of duplication between the resolutions which are to be put to shareholders at Meetings 2 and 3, which are the meetings convened in response to Mrs Walter's notices.

Meeting 1: Removal of Mrs Walter as a Director

This General Meeting is convened following the receipt of Notices of Intention on Friday 26 March 2004 ("Notices of Intention") to move a resolution for the removal of Mrs Catherine Walter as a Director of the National, pursuant to s203D of the Corporations Act. Those Notices of Intention were signed by Mr Graham Kraehe, the Chairman of the National, Dr Kenneth Moss, the Senior Independent Director of the National, Dr Brian Clark, Mr Peter Duncan, Mr John Thorn, Mr Geoffrey Tomlinson and Dr Edward Tweddell, who are all non-executive Directors of the National. The resolution proposed by those persons would remove Mrs Walter as a Director of the National with immediate effect.

Recommendation

The non-executive Directors of the National other than Mrs Walter recommend that you vote in favour of this resolution.

No recommendation has been received from Mrs Walter at the time of going to print.

Mr John Stewart, Managing Director & Chief Executive Officer, does not consider that it is appropriate that he make a recommendation as he is an executive Director.

For the resolution to be passed it must be approved by 50% of the votes validly cast on the resolution by Shareholders eligible to vote.

Meeting 2: Removal of non-executive Directors

This General Meeting is convened following the receipt of a Notice of Intention on Sunday 28 March 2004 ("Notice of Intention 2") to move resolutions in the form set out in the notice for the removal of each of the non-executive Directors of the National. This Notice of Intention 2 was signed by Mrs Walter, who is a non-executive Director of the National. The resolutions proposed by Mrs Walter would remove her as a Director of the National with effect from 5.00pm on the date 7 days from the date of this meeting and would remove each other non-executive Director of the National on the date being 7 days preceding the date upon which his current term as a Director would otherwise come to an end.

Recommendation

The non-executive Directors of the National other than Mrs Walter recommend that you vote against each of these resolutions.

No recommendation has been received from Mrs Walter at the time of going to print.

Mr John Stewart, Managing Director & Chief Executive Officer, does not consider that it is appropriate that he make a recommendation as he is an executive Director.

For each resolution to be passed it must be approved by 50% of the votes validly cast on the resolution by Shareholders eligible to vote.

Meeting 3: Censure of Board, request for search for Chairman, removal of non-executive Directors, view as to re-election of non-executive Directors and views as to retirement benefits

On Sunday 28 March 2004 Mrs Walter served a document comprising a "Notice of Calling of Company Meeting pursuant to Corporations Act 2001, s249CA" and "Notice of Intention to Move a Resolution for Removal of Directors under Section 203D(2) of the Corporations Act."

This document was in addition to Notice of Intention 2 referred to above.

Under section 249CA of the Corporations Act a director is entitled to call a meeting of the company's members. Accordingly, this General Meeting is convened in response to Mrs Walter's request.

No legal effect of resolutions 1, 2, 11, 12 and 13

The National has obtained advice from its Solicitors and Senior Counsel in relation to resolutions 1, 2, 11, 12 and 13 which Mrs Walter has requested be put to Shareholders at Meeting 3 ("the opinion resolutions"). The National considers that each of the opinion resolutions relates to a matter outside the power of the general meeting to determine or which is beyond the capacity of the National to give effect to and, even if passed, would have no legal effect.

From time to time, the National has received other requests to put resolutions to Shareholders which have had similar difficulties. The National's practice has been not to put such resolutions to Shareholders on the basis that it is not appropriate to submit to Shareholders matters which they have no power to implement or which are otherwise without legal effect. This is the usual position and is well supported by relevant case law.

In this instance however, the resolutions are put by a Director in circumstances where significant differences exist between that Director and all of the other non-executive Directors of the National. For this reason, the National has decided that all of these resolutions should be put before the Shareholders. However, Shareholders should note that none of the opinion resolutions is capable of having any legal effect.

Recommendations

The non-executive Directors of the National other than Mrs Walter recommend that you vote against each of these resolutions.

No recommendation has been received from Mrs Walter at the time of going to print.

Mr John Stewart, Managing Director & Chief Executive Officer, does not consider that it is appropriate that he make a recommendation as he is an executive Director.

For each resolution to be passed it must be approved by 50% of the votes validly cast on the resolution by Shareholders eligible to vote.

All meetings - Directors' statements

In accordance with section 203D(4) each non-executive Director is entitled to put his or her case against his or her removal as a Director to members by:

- (a) giving the company a written statement for circulation to members; and
- (b) speaking to the motion at the relevant meeting.

All non-executive Directors were notified of the time by which statements were required to be received by the National in order to be included with the Notice of General Meetings.

Mrs Walter's Statement

No written statement has been received from Mrs Walter at the time of going to print. The National will send Mrs Walter's written statement to persons who receive this Notice of General Meetings if it is received in time to permit such distribution, or distribute it to members attending the meetings and read it out at the meetings before the resolution is voted on, in accordance with the National's obligations under s 203D of the Corporations Act.

Other non-executive Directors' Statement

A single written statement has been received on behalf of all of the non-executive Directors of the National other than Mrs Walter and is enclosed.

Under the Corporations Act where a statement exceeds 1,000 words, the National is not obliged to despatch the statement. The statement of the non-executive Directors of the National other than Mrs Walter comprises approximately 1,400 words. The National decided to allow the additional words on the bases that the relevant non-executive Directors could have used 1,000 words each (a total of 7,000 words) and that it was not appropriate to insist on form over substance.

Additional information

The following information is provided by the National by way of background for shareholders.

Background to the Meetings

In January 2004 the National made a series of public announcements relating to unauthorised foreign exchange option transactions, which culminated in an announcement on 27 January 2004 that the total losses from unauthorised foreign currency trading activities were A\$360 million.

The National retained PricewaterhouseCoopers ("PwC") in January 2004 to deliver a report on the circumstances in which the National had incurred those foreign currency trading losses.

In order to ensure that the PwC investigation was not affected by certain conflicts facing PwC as a result of past and current relationships in areas relevant to the investigation, the National also retained Deloitte Touche Tohmatsu ("Deloitte") to review whether the PwC report fairly and completely described and assessed the areas in which PwC faced a conflict of interest. In addition, to ensure a high standard of governance was adhered to in producing the report for the National, the National retained Blake Dawson Waldron ("BDW") as its probity and governance advisers in respect of the PwC investigation. BDW were asked to advise the National as to whether PwC was reasonably likely to be regarded as being independent for the purposes of undertaking its investigation and providing its report. BDW also provided advice in relation to procedures to be adopted to address various independence issues.

On 12 March 2004 the National released to the Australian Stock Exchange Limited the full PwC report, the separate report from Deloitte and the probity and governance advice from BDW in relation to the PwC enquiry. Deloitte reviewed and reported on certain matters in which PwC were involved and otherwise concluded that, nothing had come to their attention which caused them to believe that the PwC report did not fairly and completely describe and assess the relevant PwC work. BDW's advice confirmed that PwC may reasonably be regarded as being independent for the purposes of providing their report. In forming this conclusion, BDW considered certain issues raised by Mrs Walter, a director of the National, in respect of the PwC investigation. Copies of each of these documents are available from <http://www.nabgroup.com> or by contacting the Office of the Company Secretary.

Mrs Walter advanced certain criticisms in relation to the PwC report and the conduct of other non-executive Directors in respect of that report. These criticisms included allegations that other non-executive Directors of the National had inappropriately influenced the direction of the PwC report, which those other directors strongly deny.

The Australian Prudential Regulation Authority ("APRA") also conducted an enquiry into the irregular currency options trading at the National. The National released APRA's report to ASX on 24 March 2004. Copies of that report are also available from <http://www.nabgroup.com> or by contacting the Office of the Company Secretary. The APRA report reached conclusions consistent with those contained in the PwC report.

Following these investigations, the National announced a four point action plan covering board changes, management changes, risk and control frameworks and culture. The National is addressing the weaknesses in control procedures identified by the PwC report. In addition to the four point action plan, the National has commenced a program to implement the actions required by APRA, which includes an increase in the internal target total capital adequacy ratio to 10%, the adoption of the APRA standard model to determine market risk capital and addressing cultural issues that were identified by both PwC and APRA.

On 26 March 2004, the National received a notice from seven non-executive Directors of their intention to move a resolution for the removal of Mrs Walter as a Director.

On 28 March, the National received from Mrs Walter a notice of her intention to move resolutions for the removal of each of the non-executive Directors, on a staged basis, and a notice calling a meeting of the National to consider those and other resolutions.

The meetings described in this notice are convened by the National in response to each of the notices described above.

In light of Mrs Walter's criticisms of the PwC report, the National sought further advice from BDW in respect of the PwC investigation and report. On 1 April 2004 the National released this advice to the Australian Stock Exchange. The conclusion of that further advice was that nothing in those criticisms caused BDW to withdraw, amend or qualify its probity and governance opinion of 12 March 2004. Copies of that further advice are available from <http://www.nabgroup.com> or by contacting the Office of the Company Secretary.

In the current circumstances, the National considers it important that the Board related issues are addressed as expeditiously as possible, so that the National has a Board which is able to efficiently and effectively address the National's current challenges and opportunities.

Effect of removal or resignation of directors

Section 201A(2) of the Corporations Act provides that a public company must have at least three directors, two of whom must ordinarily reside in Australia. Article 10.1 of the National's Constitution requires the National to have at least 5 Directors. Under Articles 10.12 and 12.16, any Director remaining in office may appoint additional persons to be Directors, to the extent necessary to bring the number of Directors up to the minimum specified in the Constitution.

If the removal or resignation of existing non-executive Directors were to place the National in a position where only Mr John Stewart (the Managing Director & Chief Executive Officer of the National) remained in office, it would be open to Mr Stewart to appoint to the Board persons (including persons who are currently directors of subsidiaries of the National) to fill casual vacancies so as to form a "caretaker" board. If less than 5 Directors including Mr Stewart remained in office, a number of steps would be available to the National, including the appointment of persons who are currently directors of subsidiaries of the National to fill casual vacancies to the extent necessary to bring the number of Directors up to the minimum specified in the Constitution.