



Group Corporate Affairs

National Australia
Bank Limited
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Australia

ASX Announcement

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National shareholders to end Board impasse

The National Australia Bank has received a request by seven non-executive Directors to hold an Extraordinary General Meeting (EGM) to enable shareholders to end an impasse over the actions and behaviours of one non-executive Director, Mrs Catherine Walter.

The National's Chairman, Mr Graham Kraehe, confirmed that irreconcilable differences exist between Mrs Walter and the other non-executive Directors of the Board. "Mrs Walter has lost the trust and respect of the other non-executive Directors because of recent actions and behaviours as a Director," he said.

"The non-executive Directors agree that Mrs Walter has made and continues to make unfounded attacks on the integrity of the PricewaterhouseCoopers report into irregular foreign currency options trading, that Mrs Walter failed to co-operate with the investigation into irregular foreign currency options trading in a manner that was acceptable to the Board, that Mrs Walter failed to give satisfactory assurances that she would act only within the Board during the investigation into irregular foreign currency options trading and that Mrs Walter has impugned the integrity of her fellow Directors.

"All of the other non-executive Directors have emphasised that these concerns are not related to findings arising from investigations into irregular currency options trading at the National, nor Mrs Walter's previous role as Chairman of the Principal Board Audit Committee, nor the right to express a separate view.

"The non-executive Directors are unanimous in their view that without the trust and respect of her fellow Directors, Mrs Walter can no longer function effectively as a Board Director of the National."

Mr Kraehe said that the non-executive Directors have asked Mrs Walter to resign from the Board but that Mrs Walter has declined to resign. "The impasse is undermining the proper processes of the Board, and in these circumstances, I have no other option but to support the request from the other non-executive Directors and ask shareholders to resolve the situation so that we can move forward and rebuild the National's reputation."

For further information:

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