

Statement of corporate governance practices

We are committed to high standards of governance that are consistent with regulatory expectations, evolving best practices and aligned with our strategy and risk appetite. We believe good governance contributes to effective and transparent oversight by establishing the processes, practices and structures through which we work to meet our strategic objectives and achieve long-term value for our shareholders.

These core principles drive our approach to corporate governance:

Ethical Culture

By setting the tone from above, the board champions the values of trust, integrity and good governance.

Stewardship

Directors are the stewards of RBC, exercising independent judgment in overseeing management and safeguarding the interests of shareholders.

Strategic Oversight

Directors are key advisors to management, advising on strategic direction, objectives and action plans, taking into account business opportunities and RBC's risk appetite.

Risk Oversight

The board oversees the frameworks, policies and systems to identify and manage risks to the businesses and seeks to embed a strong risk management culture throughout RBC.

Independence

Independence from management is fundamental to the board's effective oversight and mechanisms are in place to ensure its independence.

Accountability

Transparency is a key component of good governance. The board is committed to clear and comprehensive financial reporting and disclosure and constructive shareholder engagement.

Continuous Improvement

The board is committed to continuous improvement of its corporate governance principles, policies and practices.

The board exercises its authority in accordance with the *Bank Act* and other applicable laws and regulations, including those imposed by the Canadian Securities Administrators (CSA), the TSX, the New York Stock Exchange (NYSE) and the U.S. Securities and Exchange Commission.

New in 2017:

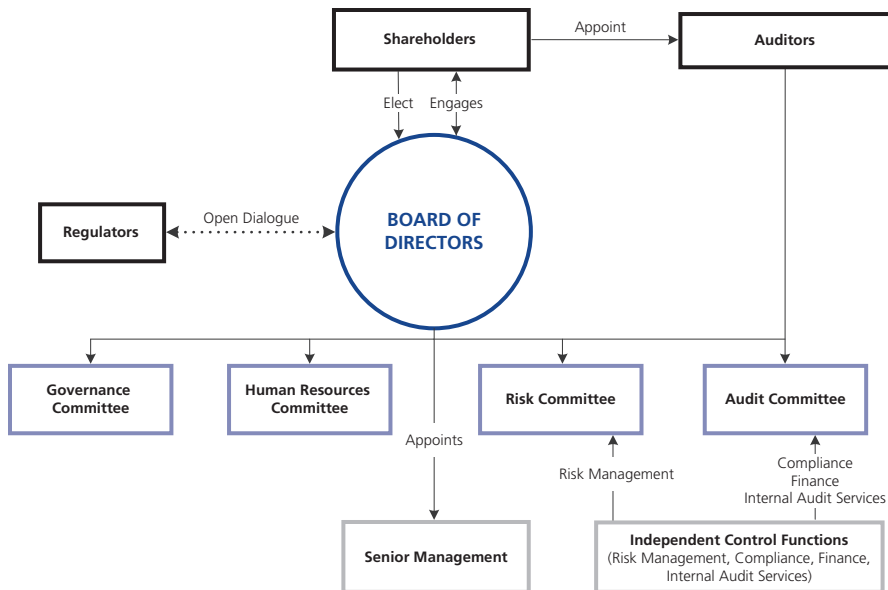
- ✓ We adopted a Proxy Access Policy following engagement with various stakeholders as well as consultations with legal experts and regulators.
- ✓ We developed a refreshed, principles-based approach to orientation for directors built around the key pillars of orientation, integration and individual director development.

Note: In this Statement of Corporate Governance Practices "RBC" and "the Bank" mean Royal Bank of Canada and "CEO" means the President and Chief Executive Officer of the Bank.

Governance structure

The fundamental relationships among the board, its committees, management, shareholders and other stakeholders are established by our governance framework.

Through this framework our ethical values and strategic and corporate objectives are set, and plans for achieving those objectives and monitoring performance are determined.



Board structure

Board of Directors Independent Board Chair			
Audit Committee All Independent	Human Resources Committee All Independent	Governance Committee All Independent	Risk Committee All Independent

The board and each of its committees have a mandate which identifies areas of responsibility and oversight. The Governance Committee annually reviews the board and committees’ mandates to appropriately allocate responsibilities, taking into account regulatory guidance and best practices. Such reviews ensure that the board and its committees are adaptive and responsive to new requirements and best practices, and that oversight is efficient and streamlined. Mandates of the board and each committee are available on our website at rbc.com/governance.

The Governance Committee recommends committee membership as well as Board and Committee Chair succession. In the normal course, and subject to annual reappointment by the board, directors serve on a committee for a minimum of three years. Each committee, through its Chair, reports to the board following each meeting.

RBC Code of Conduct

We hold ourselves to the highest standards of conduct to build the trust of our clients, investors, colleagues and community. The RBC Code of Conduct (Code) promotes standards of ethical behaviour that apply to directors, senior management and all employees.

The board approves the Code annually and collaborates closely with management to set the tone from above and promote a strong governance culture that influences RBC at every level. The Code sets out fundamental principles that guide the board in its deliberations and reflect the Bank's global businesses, as well as new and emerging risk areas.

Our Code fosters an open environment in which questions and concerns may be brought forward. It creates a frame of reference for dealing with sensitive and complex issues and provides for accountability if standards of conduct are not upheld.

Waivers of the application of the Code are considered only in exceptional circumstances. In the case of executive officers and directors, waivers must be reported to the Governance Committee or the board and must be publicly disclosed in accordance with law.

No waivers from the Code were granted in 2017 for executive officers or directors.

We have an online learning program and annual employee testing and certification to demonstrate familiarity with, and to enhance understanding of, the values and principles outlined in our Code. Directors are required to acknowledge each year that they have read and understand the Code and certify they are in compliance. We have also adopted policies and procedures to address more specific aspects of ethical business conduct, such as anti-bribery, anti-corruption and insider trading.

Regular reporting on ethics and compliance to the Governance Committee assists the board in monitoring compliance with our Code. A copy of our Code is available at rbc.com/governance and has been filed with the securities regulators at sedar.com.

RBC reporting hotline

Our stakeholders rely on the accuracy of our financial reporting. We have established mechanisms for directors, officers, employees and third parties to report, on a confidential and anonymous basis, any allegations of wrongdoing relating to accounting, auditing or internal accounting controls. Details on our reporting hotline can be found at rbc.com/governance. All credible issues are investigated internally or by an independent external party and any significant issues are raised to the Chair of the Audit Committee.

Conflicts of interest

In practice, conflicts of interest can arise as a result of professional and contractual arrangements, directorships and other business interests. Where the personal or business interests of directors and executive officers may conflict with those of RBC, they are required to disclose the nature and extent of a conflict of interest at the earliest possible date. Such disclosure must be made in writing or by requesting to have it entered in the minutes of the meeting. In the event of a conflict of interest, the director or executive officer will leave the relevant portion of the meeting and the director will not vote or participate in the decision.

Independence of the board

To be effective, the board must be independent of management. The board has adopted a Director Independence Policy, which incorporates the 'affiliated persons' regulations under the *Bank Act* and the definition of 'independence' in CSA Guidelines. This policy has been filed with securities regulators at sedar.com and is available on our website at rbc.com/governance. It sets higher standards for members of our Audit Committee and our Human Resources Committee.

All 2018 director nominees are **independent** except for our CEO.

Assessing independence

A director will be considered independent only if the director is unaffiliated with RBC and the board has determined that the director has no direct or indirect material relationship with RBC that could interfere with the exercise of his or her independent judgment.

Information concerning personal and business relationships between each director and RBC, including the provision of banking and financial services, is used by the board in its determination of director independence. This information is collected through due diligence that includes the following sources:

- directors' responses to an annual detailed questionnaire;
- biographical information of directors; and
- internal records and reports on relationships between directors, entities affiliated with directors and RBC.

Relationships between a director and RBC are tested against the materiality thresholds set out in the RBC Director Independence Policy. We also take into account all other facts and circumstances that we deem relevant in determining whether the relationships could reasonably be expected to interfere with the exercise of the directors' independent judgment. We consider the nature and extent of these relationships and their importance not only to the director and to RBC, but also to entities with which the director is affiliated.

Determinations of independence

The board has analyzed the direct and indirect material relationships between each director nominee and RBC. On advice from the Governance Committee, the board has affirmatively determined that 12 of the 13 nominees (92%) in this Circular for election as directors are independent. The *Bank Act* requires that the CEO be a member of the board and, as CEO, Mr. McKay is affiliated with RBC and is not independent.

Board committees are composed entirely of independent directors. We have also determined that every member of our Audit Committee and our Human Resources Committee meets the additional independence requirements for membership on these committees.

Board interlocks and other board memberships

To ensure our directors have sufficient time and energy to devote to their responsibilities at RBC, and that no circumstances arise that could impact their independent thinking, we monitor the other public company boards on which our directors serve. Directors are required to pre-notify the Board Chair, Governance Committee Chair and Secretary before accepting directorships on the board of any company or organization, whether public or private.

None of the director nominees serve on more than **3 public company boards** in addition to RBC.

Board Interlock Policy	No more than two RBC board members may serve on the same public company board. Currently no RBC director serves on another public company board with another RBC director.
Service on public company audit committees	No member of the Audit Committee may serve on the Audit Committee of more than two other public companies.

Other independence mechanisms

The board has established other important governance policies and practices to enhance board independence.

Access to management	All independent directors have unrestricted access to management and employees of RBC.
External advisors	To ensure access to independent advice, each board committee and, with the approval of the Board Chair, individual directors may engage external advisors at the expense of RBC.
In camera sessions	To facilitate open and candid discussion among the directors, the Board Chair and Committee Chairs lead sessions attended without management present. In fiscal 2017, sessions without management present were held at all board and regularly scheduled committee meetings.

Role of the Chair of the Board

An independent, non-executive Board Chair enhances management's accountability and the board's independent oversight. The Board Chair leads meetings of the board and of shareholders. She is responsible for the management, development and effective functioning of the board. While she does not serve as a member of any board committee, she attends and participates at committee meetings. The Board Chair does not have a casting or deciding vote in the event of a tie of board member votes.

Kathleen Taylor is our independent Board Chair.

The Board Chair:

- advises the CEO on major issues and serves as a liaison between the Board and senior management;
- participates in the orientation of new directors and the continuing development of current directors;
- together with the Governance Committee, is responsible for conducting the board's effectiveness evaluation, as outlined on pages 39 and 40, and planning board succession and recruitment;
- interacts with directors and senior executives throughout the year;
- meets with regulators, shareholders and stakeholders on behalf of the Board; and
- meets periodically with independent directors of our subsidiaries.

The board reviews and approves the Board Chair's mandate, which is available at rbc.com/governance. The Governance Committee, under the direction of its Chair, annually assesses the effectiveness of the Board Chair in fulfilling the requirements of her mandate. The Governance Committee also recommends the Board Chair's appointment and succession plan.

Role of the board

The board makes major policy decisions, participates in strategic planning and reviews management's performance and effectiveness. The *Bank Act* specifies certain important matters that must be dealt with by the board, such as approval of financial statements and declarations of dividends. By formal resolution, the board reserves for itself the right to make certain decisions and delegates others to management. In some matters, management's discretion is limited by dollar thresholds beyond which board approval is required. You can read our board's mandate on our website at rbc.com/governance.

Directors are elected to oversee RBC management, with the goal of **enhancing long-term shareholder value**.

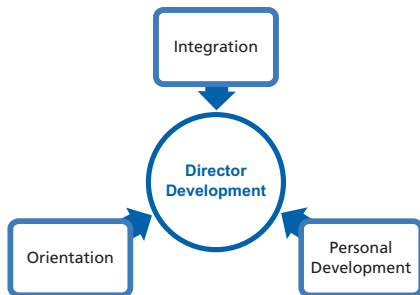
Key areas of board oversight

Responsibility	Activities
Culture of integrity	<ul style="list-style-type: none"> • Championing the Bank's values, as set out in our Code of Conduct, and satisfying itself that a culture of integrity is maintained throughout RBC.
Strategic planning	<ul style="list-style-type: none"> • Overseeing our strategic direction and formulation of our plans and priorities, ensuring alignment with the Bank's risk appetite. • Annually approving the strategic plan, which takes into account, among other things, the opportunities and risks of the businesses. • Discussing aspects of strategy and, within the context of our enterprise-wide performance management framework, monitoring implementation of strategic initiatives. • Reviewing and approving the Bank's organizational structure. • Approving our financial objectives and operating plans, including significant capital allocations, expenditures and transactions that exceed delegated authorities. • Reviewing results of an annual assessment of business performance.
Risk management	<ul style="list-style-type: none"> • Overseeing and approving the Bank's Risk Appetite Framework. • Through its four committees, overseeing strategic risk management by approving risk management frameworks and policies, and monitoring risk conduct at RBC. • Promoting a strong risk culture and ensuring conduct aligns with the Bank's enterprise-wide risk management framework. • Meeting with regulators on the Bank's risk appetite and control environment.
Financial reporting and internal controls	<ul style="list-style-type: none"> • Overseeing compliance with applicable audit, accounting and financial reporting requirements. • Requiring management to implement and maintain effective systems of internal control, including management information systems. • Through the Audit Committee, assessing the adequacy and effectiveness of systems of internal control. • Approving the quarterly and annual financial reports.
Talent management and succession planning	<p>Together with the Human Resources Committee:</p> <ul style="list-style-type: none"> • Reviewing strategies and programs for assessment and development of senior talent. • Supervising succession planning processes, which include the selection, appointment and development of the CEO and Group Executive. • Evaluating and approving compensation of the CEO and senior management team in a manner consistent with prudential incentives. • Annually reviewing and approving the mandate of the CEO.
Governance	<ul style="list-style-type: none"> • Through the Governance Committee, monitoring best practices in governance, developing corporate governance principles and guidelines and establishing appropriate structures and procedures to allow the board to function effectively and independently of management.

Director orientation, integration and personal development

The Governance Committee oversees director orientation and continuing education to transition directors seamlessly and equip them with the right tools to succeed and make a valuable contribution to the board and RBC.

This year, the Governance Committee adopted a refreshed, principles-based approach organized around three key pillars to facilitate an agile, adaptive board.



<p>Orientation and onboarding</p>	<ul style="list-style-type: none"> • In-depth Orientation Guide covering our governance principles and policies including our Code of Conduct and Director Independence Policy. • Strategic and business deep-dives with Group Executives and senior leaders. • Onboarding sessions with key governance, legal and function executives to advise on director obligations and RBC’s internal controls practices. • Attendance at committee meetings even if not a member. • Committee Chair orientation with executive sponsors and the Secretary prepares directors for their role as Chairs.
<p>Integration</p>	<ul style="list-style-type: none"> • Mentorship program matching new directors with experienced members. • One-on-one meetings with Board and Committee Chairs to enhance understanding of board culture and dynamics. • Ongoing engagement with senior management to deepen knowledge of strategic objectives and foster open dialogue and constructive relationships.
<p>Personal development</p>	<ul style="list-style-type: none"> • Education sessions and materials <ul style="list-style-type: none"> - Presentations by senior executives on the business and regulatory environment, including on specialized and complex aspects of our operations. - RBC Speaker Series, a program of presentations by external guest speakers that provides directors with updates on key topics including the political and economic landscape, emerging industry and regulatory trends and the dynamic marketplace. - Areas of shared concern or oversight covered in joint education sessions across committees. - Online resource library giving access to information on relevant topics, including educational opportunities outside of RBC. • Tailored programming <ul style="list-style-type: none"> - Enhances a director’s particular needs based on background and experience and reflects personal focus areas. - Opportunities relevant to directors at a large financial institution (e.g., Global Risk Institute, Group of Thirty, Bank Governance Leadership Network). • Memberships in the Institute of Corporate Directors (Canada) and National Association of Corporate Directors (U.S.).

Directors may attend all committee education sessions even if they are not a member of that committee. Directors also receive educational materials and updates between board meetings on matters that affect our businesses.

Periodically, the board also participates in tours of our operations to familiarize directors with our businesses. In 2017, the board and its committees held meetings in London, U.K., which provided directors the opportunity to visit local offices, engage with employees and senior executives, and meet with regulators and government representatives and independent directors of our major U.K. subsidiary.

During the 2017 fiscal year, directors attended the following education sessions:

Quarter	Educational presentations	Attendance
Q1 2017	U.S. Election and Anticipated Impacts Global State of Cyber Security – An External Perspective, part of the annual Cyber Security Update ‘Agile’ Gallery Walk – Driving Business Impact with Technology and Data Davos 2017 – RBC Debrief Internal Audit – Key Learnings on Market Best Practices and Trends Auditing Organizational Culture Regulatory and Government Affairs Update – Key Financial Sector Developments Liquidity Management and Risk	Board Board Board Board Audit Audit & Risk Governance Risk
Q2 2017	Artificial Intelligence in Banking Global Systemically Important Banks and Implications Regulatory Capital Measurement – Control and Governance Update Update on the Adoption of IFRS 9 Cyber Security & Information Technology Risk Update	Board Audit Audit Audit Risk
Q3 2017	Corporate Governance Update Regulatory and Government Affairs Update – Trends in Canada, U.S. and Globally CEO Compensation and Benchmarking with Peers – Independent Compensation Consultant RBC’s Workforce Strategy and Priorities – Winning through Best Talent and Reimagining HR Loan Portfolios through a “Risk Lens” Leveraged Lending – Exposure, Trends and Risk Profile	Governance Governance HR HR Risk Risk
Q4 2017	The Current Political and Economic Climate in the U.S. – A Canadian Diplomat’s Perspective Brexit – A U.K. Government Minister’s Perspective Brexit and the U.K. Political Environment – A Canadian Diplomat’s Perspective The Current State of FinTech in the U.K. and Europe – A FinTech Entrepreneur’s Perspective European Macro-Economic Update Leadership Development Strategies and Talent Management Assessment and Strengthening of the Bank’s Risk Conduct Cyber Security & Information Technology Risk Update Topics in Emerging Risks	Board Board Board Board HR HR & Risk Risk Risk

Nominating committee

With a view to the long-term strategic focus of RBC, the Governance Committee has oversight responsibility for board renewal and acts as the Bank's nominating committee. Directors are elected by the shareholders at each annual meeting to serve for a term expiring on the date of the next annual meeting.

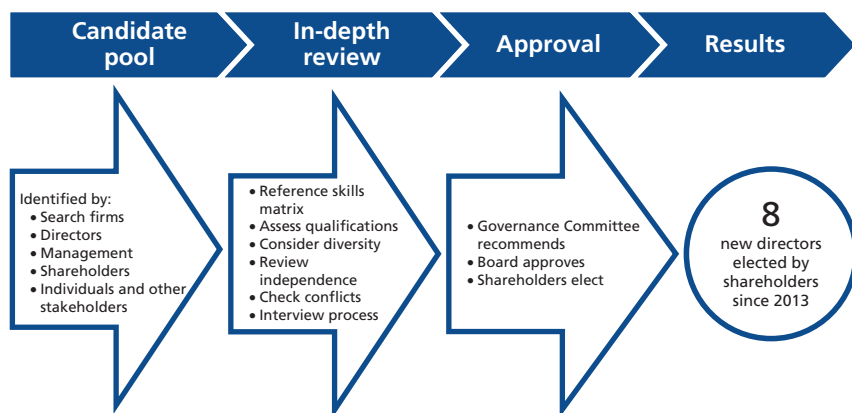
An independent search firm is engaged to help identify high-potential candidates.

Identification, assessment and nomination of RBC directors

The board derives its strength from the diversity, qualities, competencies and experiences of its members.

Every year, the Governance Committee works with the Board Chair to review the credentials and experience of candidates proposed for election or re-election to the board and to assess their competencies and experience against those that the board, as a whole, should possess. As part of this analysis, we maintain a matrix indicating the major competencies and experience contributed by each director. You can find this matrix on page 17.

The Governance Committee also considers the results of the board and director effectiveness evaluations in its assessment of the skills and competencies needed by the board to support RBC's strategic objectives. It uses this analysis to determine the qualities it needs in nominees for election and re-election.



Nomination by shareholders and other stakeholders

Recommendations by shareholders	Any shareholder who wishes to recommend a candidate to be considered by the Governance Committee may submit the candidate's name and biographical information, including qualifications and experience, to the Board Chair using the contact information at the back of this Circular.
Proposal under the Bank Act	In accordance with the <i>Bank Act</i> , qualifying shareholders may submit a formal proposal for individuals to be nominated as directors.
Nomination under RBC's Proxy Access Policy	The board has adopted a Proxy Access Policy that provides an additional mechanism by which qualifying shareholders may submit director nominations. This policy can be found at rbc.com/governance .

In addition, individuals or other stakeholders may submit candidates to the Board Chair using the contact information at the back of the Circular.

Evaluating candidates for the board

The Governance Committee, together with the Board Chair, considers all qualified individuals and maintains an evergreen list of potential candidates. The Governance Committee is assisted by a sub-committee composed of directors from across the board. This sub-committee met six times in 2017.

We select independent nominees possessing business judgment, business and professional expertise including relevant financial industry and risk management expertise, international experience, a history of achievement and performance at the highest level and residency in, and familiarity with, geographic regions relevant to our strategic objectives.

The skills, commitment and conduct that are expected of new and current directors are laid out in our director effectiveness framework, found on page 39. The Governance Committee also focuses on diversity, including gender and non-gender diversity, when considering candidates for nomination to the board.

Tenure Policy

To balance the benefits of experience with the need for new perspectives and achieve ongoing renewal, we have a tenure policy that incorporates term limits.

Directors*	<ul style="list-style-type: none"> • Earlier of a 15-year term or reaching the age of 70. • New directors may serve for at least six years, regardless of age.
Board Chair	<ul style="list-style-type: none"> • Eight-year term with a review after five years of continuous service to plan for orderly succession.
Committee Chairs	<ul style="list-style-type: none"> • Three-year term, which may be extended for up to two years if appropriate, having regard for the expertise required for leadership of the relevant committee.

* For directors who joined the board prior to May 27, 2011, the term limit is calculated starting on the date of the 2012 Annual Meeting.

Term limits do not take precedence over our annual director effectiveness evaluation.

A director is expected to submit his or her resignation to the Board Chair where the:

- qualifications, independence or other credentials of the director change;
- director no longer meets eligibility rules under the board's conflict of interest guidelines; or
- director is no longer qualified under the *Bank Act* or other applicable laws.

The Governance Committee will make a recommendation to the board on whether to accept the resignation. A director who tenders a resignation does not participate in the discussion or decision-making process.

Majority Voting Policy

The board has a written Majority Voting Policy which provides that any nominated director in an uncontested board election must immediately tender his or her resignation if not elected by at least a majority (50% plus 1 vote) of the votes cast in his or her election. The board will determine whether to accept the resignation within 90 days. Absent exceptional circumstances, the board will accept the resignation. A resignation will be effective when accepted by the board.

A director who tenders a resignation pursuant to this policy will not participate in any meeting of the board or committee at which the resignation is considered. RBC will promptly issue a news release with the board's decision. If the board determines not to accept the resignation, the news release will fully state the reasons for that decision.

Board size

When determining its optimal size, the board balances two competing priorities:

- a business need for diversity of experiences, perspectives and backgrounds that align with the Bank's near- and long-term strategic objectives and reflect its diverse client and stakeholder base; and
- the need to be small enough to facilitate open and effective dialogue and thorough and responsive decision-making.

13 nominees are standing for election as directors.

Regulatory requirements and succession planning also play a key role in the board's consideration of its size.

Diversity

In keeping with our business imperative to attract and retain the best talent, the board recognizes the benefits of promoting diversity and inclusion, both within RBC and at the board level. The board also recognizes the importance of promoting inclusion in RBC's culture and practices, as well as its programs and policies. We are committed to diversity and inclusion at all levels, as it provides us access to a wider pool of talent and drives creativity, innovation and growth.

Board Diversity Policy

RBC has played a leadership role in promoting board diversity in corporate Canada. In 2012, we were one of the first signatories of the Catalyst Accord, a call to action to increase the representation of women directors on FP500 boards to 25% by 2017. RBC is also a founding member of the Canadian chapter of the 30% Club and already exceeds its objective of 30% women on boards by 2020.

38% of our director nominees are women.

To assist in meeting our diversity objectives and to ensure there are no systemic barriers or biases in our policies and practices, the board has approved a written Board Diversity Policy. The board currently has a diversity objective that each gender comprises at least 30% of directors.

Every year, the Governance Committee completes a self-assessment that measures, among other things, its effectiveness in guiding the board towards its diversity objectives.

The nominees for election to the board at the 2018 Annual Meeting include five women of a total 13 director nominees (38%). Over the past five years, the representation of women on the board has remained consistently over 30%. Currently the Board Chair and two Committee Chairs are women.

The Governance Committee reviews board composition and any anticipated board vacancies in light of our Board Diversity Policy and objectives. Pursuant to our Board Diversity Policy and our commitment to a balanced and diverse board, gender and non-gender diversity, age, geography, background and ethnicity are always important factors considered by the Governance Committee.

Diversity of the executive team

Diversity is integrated into our approach to talent management, which is highlighted on page 79. We consider different dimensions of diversity, including gender and non-gender diversity, race and ethnicity, when staffing executive and senior manager roles. This includes the CEO and executive officers reporting to the CEO (the Group Executive). We do not establish specific diversity targets at the level of the Group Executive due to the small size of this group and the need to carefully consider a broad range of criteria. As of the date of this Circular, 2 of the 9 (22%) executive officers who make up the Group Executive are women.

RBC has had a Diversity Leadership Council chaired by the CEO since 2001, which provides a strong tone from above. This Council, composed of senior executives from across all businesses, develops diversity strategies and action plans with measurable outcomes. The representation of women in executive and senior manager roles is an important measure of our progress in building a diverse leadership pipeline for senior leadership positions. We are focused on accelerating the development of women to strengthen our succession bench through a number of different initiatives including our Women in Leadership Program. Diversity is a consideration in identifying development opportunities for our high-potential employees, such as inclusion on executive staffing lists, targeted development plans and participation in formal development and mentoring programs.

As at October 31, 2017, the representation of women executives in Canada was 44%, exceeding our representation goal of 41% by 2018. We believe every staffing matters when it comes to making meaningful change and accordingly have set ambitious diversity staffing goals in addition to representation goals. Our staffing goal for new executive appointments is set at 50% for women. We believe setting aspirational goals will help drive continued efforts in this area. Annually, the Human Resources Committee reviews a report on executive talent management that tracks progress in diversity, among other things.

44% of our executives in Canada **are women.**

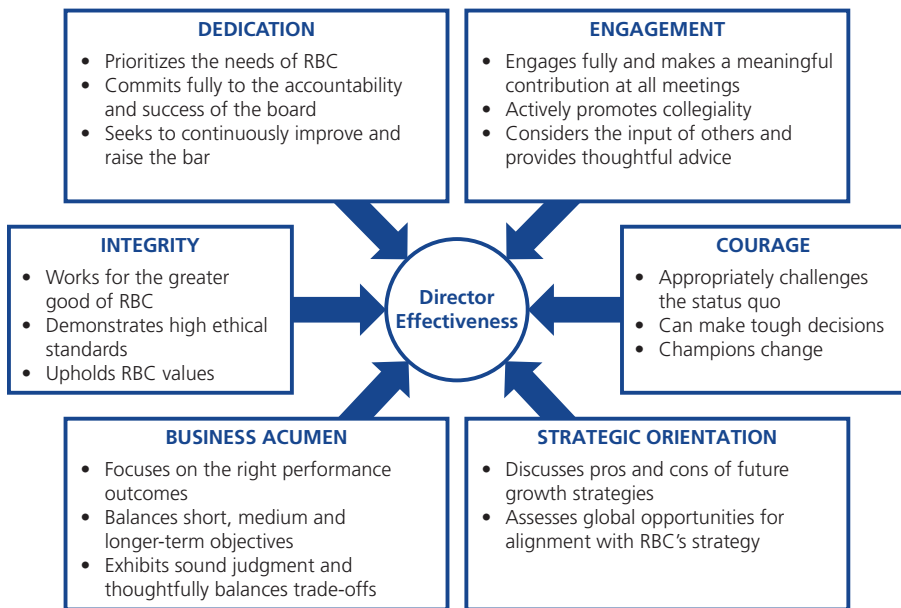
Board, committee and director effectiveness evaluations

The board and its committees annually review their effectiveness as part of a commitment to continuously improve their oversight, guidance and constructive challenge of management. This evaluation is managed by the Governance Committee, and includes separate evaluations of the Board Chair and each Committee Chair, as well as a peer review of each director. The results help the board develop priorities and action plans for the following year. The evaluations also form part of the Governance Committee’s assessment of the skills and competencies needed by the board to support the strategic objectives of RBC and inform its consideration of director nominee candidates.

An **independent consultant** designs and administers the evaluations.

Expectations of our directors

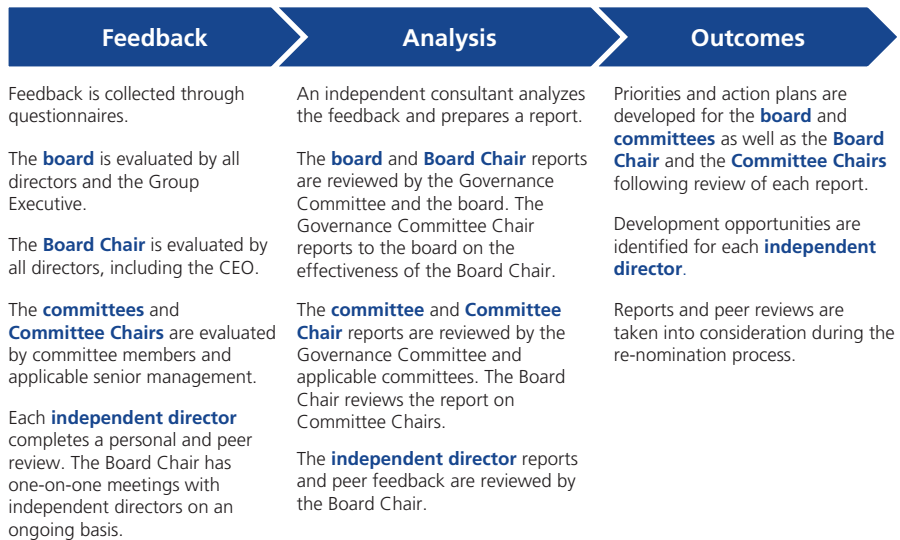
Our director effectiveness framework identifies the key characteristics and behaviours that the board considers essential for any director to successfully discharge his or her oversight responsibilities, which are set out below. This framework forms the basis of the peer evaluation components of the evaluation and reflects the board’s commitment to continuous improvement on an organizational and individual level.



“Purpose-driven, Principles-led & Performance-focused”

Annual evaluations

The annual evaluations of the board and each committee are supplemented by input from members of the Group Executive on areas such as board and committee processes, materials, interaction with management and overall effectiveness. We review our evaluation and effectiveness frameworks annually to align them with best practices and regulatory guidance.



Updates on priorities and action plans are provided to the board and committees by the Committee Chairs and the Board Chair on a regular basis throughout the year. This creates an effectiveness evaluation that is an ongoing, dynamic part of the functioning of the board and its committees.

Compensation at RBC

Directors' compensation

The Governance Committee reviews the amount and the form of compensation of non-executive directors. Board compensation at RBC is designed based on our compensation principles to align the interests of directors with those of our shareholders. Detailed disclosure of board compensation is provided under Directors' compensation starting on page 18 of this Circular.

Executive compensation

The board is responsible for decision-making and oversight with respect to the Bank's compensation principles, policies and programs, including the management of compensation risk. Our shareholders participate annually in an advisory vote on our approach to executive compensation.

The Human Resources Committee acts as the compensation committee of the board and assists the board in carrying out its responsibilities with respect to executive compensation matters. This committee advises the board on compensation and human resources principles, as well as related policies, programs and plans designed to achieve our strategic goals and financial objectives within acceptable risk tolerances. For more information refer to the Human Resources Committee's report on page 25 and the Compensation discussion and analysis beginning on page 46 of this Circular.

Subsidiary governance

The board and its committees play a key oversight role in our enterprise-wide approach to subsidiary governance, with the Governance Committee coordinating oversight.

The Subsidiary Governance Office manages the governance of the Bank's subsidiaries with a network of global offices which act as regional governance hubs bringing together local governance expertise with global oversight. This centralized approach provides consistency and transparency, enabling RBC to be responsive to evolving business needs, regulatory requirements and expectations and best practices.

Strong governance is enhanced through our policies on subsidiary board composition and functioning. Active and engaged subsidiary boards play a key role in oversight of our legal entities, with many of our subsidiary boards having independent directors, who are recruited for specific skills and experience and to assist the subsidiary board in providing effective challenge to management.

RBC takes an **enterprise-wide approach** to the governance of its subsidiaries.

Shareholder engagement and communications

Continuous and open dialogue with shareholders is a key priority for the board and the Board Chair. Shareholders are encouraged to provide timely and meaningful feedback. The board has well-developed practices to facilitate constructive engagement with the Bank's investor base and proactively considers and adopts, as suitable for RBC, emerging best practices of board engagement with shareholders.

The table below outlines the key contacts and methods that shareholders can use to engage with RBC and access important information:

Board of Directors	Shareholders can: <ul style="list-style-type: none"> • communicate with the independent directors as indicated on our governance website at rbc.com/governance; or • write to the Board Chair at the address provided at the back of this Circular.
Management	The CEO, Group Executive and senior management, the Senior Vice-President Performance Management & Investor Relations and the Secretary meet regularly with financial analysts and/or institutional investors.
Investor Relations	Investor Relations is responsible for maintaining communications with the investing public and is available to shareholders by email, telephone or mail as indicated at the back of this Circular.
Live broadcasts	Quarterly earnings calls with analysts are broadcast live and, for a period of three months after each call, are archived on our Investor Relations website at rbc.com/investorrelations . Our Annual Meeting is broadcast live and remains available on our Investor Relations website until the following Annual Meeting.

Additional governance disclosure

The following documents are available on our governance website at rbc.com/governance:

- Corporate Governance Framework
- RBC Code of Conduct
- Mandates of the board, committees, Board and Committee Chairs and CEO
- Director Independence Policy
- Statement of Corporate Governance Practices
- Proxy Access Policy
- Corporate Citizenship Report
- Public Accountability Statement
- Summaries of any significant differences between our governance practices and the NYSE corporate governance listing standards.

Printed versions of any of these documents can also be obtained free of charge from the Secretary, using the contact information at the back of this Circular.