

## **ROYAL BANK OF CANADA**

### Minutes of the 145th Annual Meeting of Common Shareholders

Toronto, February 26, 2014

The 145th Annual Meeting of Common Shareholders of Royal Bank of Canada was held in the Metro Toronto Convention Centre in Toronto, Ontario on Wednesday, February 26, 2014, at 9:00 a.m. (Eastern Standard Time).

#### **Quorum**

The Chair declared that as a quorum was present, the meeting was properly convened.

#### **Appointment of Secretary and Scrutineers**

In accordance with the By-laws of the Bank and as designated by the directors, Kathleen P. Taylor, Chair of the Board, acted as Chair of the meeting and Carol J. McNamara, Vice-President, Associate General Counsel and Secretary, acted as Secretary of the meeting.

The Chair called the meeting to order and, as authorized by the By-laws, appointed Joseph Chirico and Pina Pacifico, representatives of Computershare Trust Company of Canada, to act as scrutineers. She then introduced Richard Nunn, Michael Lloyd and Frank Vettese of Deloitte LLP, the Bank's auditor.

The Chair noted that four members of the Board of Directors, Paule Gauthier, Jacques Lamarre, Brandt C. Louie, and former Chair of the Board David P. O'Brien, would not be standing for re-election and would be retiring from the board. The Chair thanked them for their contributions and dedicated service to the Bank.

The Chair also noted that this would be the last annual meeting for Gordon M. Nixon as Chief Executive Officer of the Bank, and thanked him for his years of outstanding leadership.

#### **Chief Executive Officer's Report**

Gordon M. Nixon, Chief Executive Officer of the Bank, then addressed the meeting.

(The Secretary has retained with the records of the Bank a copy of the Chief Executive Officer's report to shareholders.)

#### **President's Report**

David I. MacKay, President of the Bank, then addressed the meeting.

(The Secretary has retained with the records of the Bank a copy of the President's report to shareholders.)

#### **Business of the Meeting**

##### **Auditor's Report, Annual Financial Statements and Management Proxy Circular**

The Chair noted that the shareholders had received the auditor's report and the financial statements, prepared in accordance with International Financial Reporting Standards.

(The Secretary has retained with the records of the Bank a copy of the 2013 Annual Report, which includes Management's Discussion and Analysis.)

The Chair called for questions from shareholders on the financial statements. As there were no questions, the Chair then indicated that shareholders had received the Notice of Meeting and the Management Proxy Circular.

(The Secretary has retained with the records of the Bank a copy of the Notice of Meeting and Management Proxy Circular.)

The Secretary reviewed the voting procedures, stating that only registered shareholders or their proxyholders were entitled to propose, second, or vote on motions at the meeting and that a simple majority of the votes cast on each matter would constitute approval of the matter.

#### Election of Directors

The Chair proceeded with the election of directors, indicating that the number of directors to be elected had been fixed by the board at 14 and noting that one nominee, Thomas A. Renyi, was standing for election to the board for the first time. The Chair then asked the Secretary to read the names of those proposed for election as directors. The Secretary read the names of the following individuals proposed for election as directors: W. Geoffrey Beattie, David F. Denison, Richard L. George, Timothy J. Hearn, Alice D. Laberge, Michael H. McCain, Heather Munroe-Blum, Gordon M. Nixon, J. Pedro Reinhard, Thomas A. Renyi, Edward Sonshine, Kathleen P. Taylor, Bridget A. van Kralingen and Victor L. Young.

Naeem Mirza nominated each of the persons named by the Secretary of the Bank to be elected as a director of the Bank to hold office until the close of the next Annual Meeting of Common Shareholders or until their successors are elected or appointed. Chinyere Eni seconded the nominations.

The Chair then asked if there were any further nominations. As there were no further nominations, the Chair called for a motion that the nominations be closed. It was moved by Matthew Arnold and seconded by Rana Khalife:

“THAT the nominations be closed and that each of the persons nominated be elected a director of the Bank to hold office until the close of the next Annual Meeting of Common Shareholders, or until their successors are elected or appointed.”

As there was no further discussion, the Chair put the motion to a vote.

#### Appointment of the Auditor

The Chair then requested a motion for the appointment of the auditor. It was moved by John Wu and seconded by Rajan Bansi:

“THAT Deloitte LLP be appointed auditor of the Bank until the close of the next Annual Meeting of Common Shareholders.”

The Chair and Ms. Janice R. Fukakusa, Chief Administrative Officer and Chief Financial Officer, responded to questions and comments from a shareholder regarding the tenure of Deloitte LLP as auditor of the Bank. The Chair then put the motion to a vote.

#### Shareholder Advisory Vote on Executive Compensation

The Chair introduced the next item of business: the advisory vote to accept the approach to executive compensation disclosed in the Management Proxy Circular. The Chair noted that, in considering the Bank's approach to compensation in the future, the board would take into account the results of the vote, together with other feedback received from shareholders. The Chair requested a motion for approval of the advisory resolution. It was moved by Laura Fisher and seconded by Lori Darlington:

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“RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the 2014 Annual Meeting of Common Shareholders.”

The Chair responded to comments from a shareholder regarding the Bank’s compensation policy, stock options and use of an equity ratio in determining compensation. The Chair then put the motion to a vote and a ballot was taken.

### Shareholder Proposals

The Chair called on Michelle de Cordova, Director, Corporate Engagement & Public Policy of NEI Investments, which had withdrawn a shareholder proposal that it had co-filed with The United Church of Canada and William Davis. Ms. de Cordova commented on issues raised in the proposal and the Chair responded.

The Chair then introduced the next item of business: the five Shareholder Proposals set out in Schedule ‘A’ to the Management Proxy Circular. The Chair noted that the responses of the Board of Directors to the Shareholder Proposals and the board’s voting recommendations were also set out in the Management Proxy Circular.

The Chair called on Daniel Thouin of Mouvement d’éducation et de défense des actionnaires (MÉDAC) to present Shareholder Proposals Nos. 1 through 5.

Mr. Thouin presented Shareholder Proposal No. 1 relating to the gradual phase-out of stock options as a form of compensation, Shareholder Proposal No. 2 relating to payment of a fair share of taxes, Shareholder Proposal No. 3 relating to tendering for auditors, Shareholder Proposal No. 4 relating to a response to shareholders if discontent is expressed in the advisory vote on executive compensation, and Shareholder Proposal No. 5 relating to feedback following a high percentage of votes withheld for nomination of a director.

As there was no further discussion, the Chair put the proposals to a vote and a ballot was taken.

### Video Presentation and Question Period

The Chair then introduced a video presentation on how the Bank serves its clients and communities.

Mr. Nixon and Mr. A. Douglas McGregor, Group Head, Capital Markets and Investor and Treasury Services, then responded to questions and comments from shareholders relating to high frequency securities trading, the windows of Royal Bank Plaza, internet currency, the Volcker Rule and foreign banking legislation in the United States, the date of the Canadian Open and the pension of a retired Chief Executive Officer of another Canadian bank.

### Voting Results

The Chair received the scrutineers’ preliminary report on the results of voting on the matters voted on at the meeting and advised that copies of the scrutineers’ report would be available at the information desk after the meeting and voting results posted on the Bank’s website. The preliminary voting results were posted on the screens in the meeting room.

- On the election of directors, a substantial majority of the votes cast at the meeting were voted in favour of each of the 14 nominees named in the Management Proxy Circular, as specified below:

<b>Nominee</b>	<b>% Votes For</b>	<b>% Votes Withheld</b>	<b>Nominee</b>	<b>% Votes For</b>	<b>% Votes Withheld</b>
W. Geoffrey Beattie	99.26%	0.74%	Gordon M. Nixon	99.48%	0.52%
David F. Denison	96.97%	3.03%	J. Pedro Reinhard	97.09%	2.91%
Richard L. George	99.52%	0.48%	Thomas A. Renyi	99.52%	0.48%
Timothy J. Hearn	99.50%	0.50%	Edward Sonshine	96.81%	3.19%
Alice D. Laberge	97.53%	2.47%	Kathleen P. Taylor	97.45%	2.55%
Michael H. McCain	96.63%	3.37%	Bridget A. van Kralingen	97.20%	2.80%
Heather Munroe-Blum	98.99%	1.01%	Victor L. Young	99.24%	0.76%

- On the appointment of the auditor: 98.92% in favour and 1.08% withheld;
- On the advisory resolution to accept the approach to executive compensation disclosed in the Management Proxy Circular: 93.16% in favour and 6.84% against;
- Shareholder Proposal No. 1: 4.13% in favour and 95.87% against;
- Shareholder Proposal No. 2: 2.51% in favour and 97.49% against;
- Shareholder Proposal No. 3: 3.11% in favour and 96.89% against;
- Shareholder Proposal No. 4: 3.69% in favour and 96.31% against; and
- Shareholder Proposal No. 5: 3.50% in favour and 96.50% against.

(The Secretary has retained with the records of the Bank a copy of the scrutineers' report.)

The Chair thanked the scrutineers and declared that the 14 persons named in the Management Proxy Circular had been duly elected as directors; Deloitte LLP had been appointed as the auditor; the advisory vote on the approach to executive compensation had been approved; and each of the Shareholder Proposals had been defeated.

#### **Closing Remarks and Termination of Meeting**

On behalf of the Board of Directors and shareholders, the Chair thanked the Bank's employees for their efforts and contributions to the Bank's success in 2013.

As there was no further business to transact, the Chair declared the meeting terminated.

(signed) Kathleen P. Taylor  
Chair of the Board

(signed) Carol J. McNamara  
Secretary