

## **ROYAL BANK OF CANADA**

### Minutes of the 148th Annual Meeting of Common Shareholders

Toronto, April 6, 2017

The 148th Annual Meeting of Common Shareholders of Royal Bank of Canada was held at the Sony Centre for the Performing Arts in Toronto, Ontario on Thursday, April 6, 2017, at 9:30 a.m. (Eastern 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 Karen E. McCarthy, 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.

The Chair noted that two members of the Board of Directors, W. Geoffrey Beattie and Edward Sonshine, would not be standing for re-election and would be retiring from the board. The Chair thanked Mr. Beattie and Mr. Sonshine for their contributions and dedicated service to the Bank.

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

David I. McKay, President and Chief Executive Officer of the Bank, then addressed the meeting.

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

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

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

The Chair introduced Bill McFarland, Rahoul Chowdry, and Alaina Tennison of PriceWaterhouseCoopers LLP, the Bank's auditor for the 2016 fiscal year. The Chair then noted that the shareholders had received the auditor's report and the financial statements.

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 2016 Annual Report, which includes Management's Discussion and Analysis and a copy of the Notice of Meeting and Management Proxy Circular.)

The Secretary then 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 13 and noting that one nominee, Andrew A. Chisholm, 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: Andrew A. Chisholm, Jacynthe Côté, Toos N. Daruvala, David F. Denison, Richard L. George, Alice D. Laberge, Michael H. McCain, David I. McKay, Heather Munroe-Blum, Thomas A. Renyi, Kathleen Taylor, Bridget A. van Kralingen and Thierry Vandal.

Stephanie Hein 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.

The Chair called for questions or comments from shareholders. As there was no discussion, the Chair declared the nominations closed and put the motion to a vote.

### **Appointment of the Auditor**

The Chair then requested a motion for the appointment of the auditor for the 2017 fiscal year. It was moved by Richa Hingorani and seconded by Mark Beckles:

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

The Chair called for questions or comments from shareholders. As there was no discussion, the Chair then put the motion to a vote.

### **Shareholder Advisory Vote on Executive Compensation**

The Chair introduced the next item of business: the shareholder advisory vote on our 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 Petra Haneberry and Robert Dippolito:

“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 2017 Annual Meeting of Common Shareholders.”

The Chair responded to comments from two shareholders regarding executive compensation and vertical compensation metrics and then put the motion to a vote.

### Shareholder Proposals

The Chair then introduced the next item of business: the Shareholder Proposals set out in Schedule 'A' to the Management Proxy Circular and commented on the preliminary responses of the Board of Directors to Shareholder Proposals Nos. 2 and 5, relating to the disclosure of lobbying practices and a proxy access by-law, respectively. The Chair noted that the response 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 Willie Gagnon of Mouvement d'éducation et de défense des actionnaires (MÉDAC) to present Shareholder Proposal No. 1.

Mr. Gagnon presented Shareholder Proposal No. 1 relating to the withdrawal from tax havens, and the Chair called for discussion on the motion. As there was no discussion, the Chair put the motion to a vote.

The Chair then called on Lisa Lindsley of SumOfUs to present Shareholder Proposal No. 2.

Ms. Lindsley presented Shareholder Proposal No. 2 relating to the disclosure of lobbying practices, and the Chair called for discussion on the motion. Mr. Gagnon noted that MÉDAC supported Shareholder Proposal No. 2. As there was no further discussion, the Chair put the motion to a vote and a ballot was taken.

The Chair noted that Lowell Weir, who had submitted Shareholder Proposals Nos. 3 to 7, was not in attendance to present the proposals. The Chair noted these proposals were set out in the Management Proxy Circular and called for discussion on the proposals. There being no discussion, Shareholder Proposal No. 3 relating to a binding shareholder vote on executive compensation, Shareholder Proposal No. 4 relating to a board size by-law, Shareholder Proposal No. 5 relating to a proxy access by-law, Shareholder Proposal No. 6 relating to shareholder approval of retirement and severance agreements, and Shareholder Proposal No. 7 relating to the placement of shareholder proposals in the Management Proxy Circular, were put to a vote by the Chair and a ballot was taken.

The Chair announced that voting was closed and asked the scrutineers to collect the ballots.

### Video Presentation and Question Period

The Chair then introduced a video presentation on how the Bank makes a difference in the lives of its clients, its employees and its communities.

Mr. McKay and Mark Hughes, Group Chief Risk Officer, then responded to questions and comments from a shareholder relating to the risks associated with Canada's housing market and possible impact on the Bank's mortgage portfolio, and Mr. McKay responded to questions and comments from shareholders relating to media reports alleging high-pressure sales practices at Canadian banks, the Bank's customer service, pensions of the Bank's retired employees, the voting results at the meeting, financing of extractive projects and consultations with indigenous peoples, Canada's economic and regional differences, and the Bank's ability to offer products and services across different lines of businesses.

### Voting Results

The Chair received the scrutineers' preliminary report on the results of voting at the meeting and advised that final voting results would be 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 13 nominees named in the Management Proxy Circular, as specified below:

Nominee	% Votes For	% Votes Withheld	Nominee	% Votes For	% Votes Withheld
Andrew A. Chisholm	99.48	0.52	David I. McKay	99.60	0.40
Jacynthe Côté	99.51	0.49	Heather Munroe-Blum	99.44	0.56
Toos N. Daruvala	99.40	0.60	Thomas A. Renyi	98.27	1.73
David F. Denison	99.21	0.79	Kathleen P. Taylor	98.80	1.20
Richard L. George	99.45	0.55	Bridget A. van Kralingen	99.37	0.63
Alice D. Laberge	99.24	0.76	Thierry Vandal	99.38	0.62
Michael H. McCain	98.44	1.56			

- On the appointment of the auditor: 99.68% in favour and 0.32% withheld;
- On the advisory resolution to accept the approach to executive compensation disclosed in the Management Proxy Circular: 95.25% in favour and 4.75% against;
- Shareholder Proposal No. 1: 2.03% in favour and 97.97% against;
- Shareholder Proposal No. 2: 42.25% in favour and 57.75% against;
- Shareholder Proposal No. 3: 3.37% in favour and 96.63% against;
- Shareholder Proposal No. 4: 2.64% in favour and 97.36% against;
- Shareholder Proposal No. 5: 46.83% in favour and 53.17% against;
- Shareholder Proposal No. 6: 4.16% in favour and 95.84% against; and
- Shareholder Proposal No. 7: 3.07% in favour and 96.93% 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 13 persons named in the Management Proxy Circular had been duly elected as directors; PricewaterhouseCoopers LLP had been appointed as the auditor; the advisory vote on the approach to executive compensation had been approved; and each Shareholder Proposal 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 2016.

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

(signed) Kathleen P. Taylor  
Chair of the Board

(signed) Karen E. McCarthy  
Secretary