

ROYAL BANK OF CANADA MANAGEMENT PROXY CIRCULAR NOW AVAILABLE

TORONTO, February 6, 2012 — Royal Bank of Canada (RY on TSX and NYSE) today announced it has filed with securities regulators and is mailing to shareholders its Notice of Annual Meeting of Common Shareholders and Management Proxy Circular for 2012. The circular is also available online at rbc.com/governance.

The circular contains information about the RBC annual meeting, scheduled to take place on Thursday, March 1, 2012 in Toronto, including information relating to the 16 nominees proposed for election as RBC directors, the appointment of the bank's auditors and proposals from shareholders.

"RBC delivered strong business and earnings growth in 2011, and its capital base, credit ratings and balance sheet liquidity are among the strongest of any bank in the world," said David O'Brien, chairman of the board. "Despite a challenging environment, the management team led RBC to record net income in Canadian Banking, Wealth Management and Insurance, and strong results in the corporate and investment banking business in Capital Markets. RBC's record earnings from continuing operations of \$6.7 billion were up 16 per cent from 2010, and the bank is well positioned to continue to extend its leadership position in Canada, selectively grow its business globally and deliver strong long-term returns to shareholders."

In 2011, RBC further strengthened the alignment of compensation to risk management principles, shareholder interests and evolving regulatory expectations and industry practices. This year, RBC enhanced the process for adjusting compensation for risk and performance, and further reduced the weighting of stock options in the mid and long-term incentive mix for eligible executives, now 75 per cent performance deferred share units and only 25 per cent stock options (down from 40 per cent stock options last year).

The circular includes a detailed explanation of the board's 2011 performance evaluation and compensation decisions for RBC President and Chief Executive Officer, Gordon Nixon, and other executives. Mr. Nixon's total direct compensation was \$10.1 million in 2011, down eight per cent from 2010. For details regarding how compensation for the CEO as well as for other named executive officers was determined, please see the section on Executive Compensation in the circular.

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The RBC Board of Directors believes that shareholders should have a say on its approach to compensation and has in place a policy for an annual shareholder advisory vote. The circular includes the board's recommendation that shareholders approve a non-binding resolution accepting the approach to executive compensation disclosed in the document.

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