

# Minutes of the 152<sup>nd</sup> annual meeting of common shareholders of Royal Bank of Canada

Toronto, April 8, 2021



The 152<sup>nd</sup> annual meeting of common shareholders of Royal Bank of Canada was held via live webcast, broadcasted from Royal Bank of Canada, Royal Bank Plaza, Toronto, Ontario on Thursday, April 8, 2021, at 9:30 a.m. (Eastern Time).

Aaron Martyniw who identifies as Anishinaabe, a member of the Peguis First Nation Band in Manitoba, and is Vice President, Commercial Financial Services at Royal Bank of Canada provided a land acknowledgement to begin the meeting.

## **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 Taylor, Chair of the Board, acted as chair of the meeting and Karen McCarthy, Senior 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 secretary then reviewed the procedures to submit questions during the meeting as stated in the rules of conduct of the meeting.

## **Introductory remarks**

The chair reflected on the year 2020, the ongoing COVID-19 pandemic, the work of frontline workers, and the efforts of RBC employees who served the bank's clients and communities during an

unprecedented year focusing on what matters most to those RBC has the privilege to serve. She highlighted the board's continuous stewardship during the crisis as the bank navigated uncharted waters.

She highlighted the appointments of Maryann Turcke and Cynthia Devine and the retirements of Alice Laberge, Michael McCain and Heather Munroe-Blum who each have helped to leave the board and the bank in very strong shape.

She commented on the bank's financial performance and how RBC's purpose-led and principles-based approach – including the bank's approach to environmental, social and governance (ESG) matters – enables RBC to remain resilient and create meaningful value. More specifically, she highlighted the bank's efforts to support clean, economic growth and helping to ensure a socially inclusive transition to a net-zero economy. Finally, she observed the enhancement of diversity in both the management team and the board recognizing that there is more work to do to further reflect the communities the bank serves.

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

David McKay, President and Chief Executive Officer, addressed the meeting, reviewing a year that has challenged society and the bank like no other in our lifetime. He commented on the resiliency of our society and a globally linked economy and noted that although the pandemic is ongoing, we see better days ahead and expect improving health outcomes will lead to improved economy and global growth. He emphasized the RBC employees who helped clients and communities manage through this crisis and the measures that have been put in place by the bank to support employees' health and well-being. He mentioned the support the bank provided in terms of relief programs and credit

facilities to clients and the recognition RBC has received for these efforts.

He highlighted the bank's solid performance, which despite the COVID-19 pandemic, closed out 2020 with solid earnings and a strong capital position. He described how significant operational scale and data capabilities as well as differentiated elements of our customer strategy give RBC the strength, resilience and business strategy to deliver more value to clients and drive premium returns and sustainable growth for all stakeholders.

Mr. McKay expressed how climate change and inclusion are areas of long-time focus for RBC and how they both play an important role in the future of the bank. He reaffirmed the bank's commitment to combat systemic racism, including increasing diversity and inclusion within RBC, providing better access to capital, and creating even more meaningful opportunities for young people to reach their full potential. He also stressed how climate change is the most pressing issue of our time. He reaffirmed the bank's alignment with the national climate strategy for Canada and commitment to net zero carbon emissions in its lending by 2050, and he mentioned some of the initiatives taken by the bank to support the transition to a net zero economy.

(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 Samuel May of PriceWaterhouseCoopers LLP, the bank's auditor for the 2021 fiscal year. She 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 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 2020 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 12. She also noted that one of the director nominees, Cynthia Devine, was standing for election for the first time.

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, Cynthia Devine, David McKay, Kathleen Taylor, Maryann Turcke, Thierry Vandal, Bridget A. van Kralingen, Frank Vettese and Jeffery Yabuki.

The secretary nominated each of these persons 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. She answered a question regarding board diversity, highlighting the progress made on gender diversity and acknowledging the need to do more to ensure that the board fully represents the communities RBC serves. As there were no more questions, the chair declared the nominations closed and put the motion to a vote.

### Appointment of the auditor

The secretary moved a motion for the appointment of the auditor for the 2021 fiscal year:

RESOLVED 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 weren't any, the chair put the motion to a vote.

### Shareholder advisory vote on the approach to executive compensation

The chair introduced the shareholder advisory vote on the approach to executive compensation disclosed in the management proxy circular. She 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 from shareholders. The secretary moved a motion for approval of the advisory resolution:

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 2021 annual meeting of common shareholders.

The chair called for questions or comments from shareholders. In response to a query regarding executive compensation, she explained which elements of the executive team's performance were taken into consideration by the board when approving the compensation paid in 2020. The chair then put the motion to a vote.

### Shareholder proposals

The chair introduced the shareholder proposal submitted by Ms. Patricia McMaster and Mr. Paul Sharkey, represented by SumOfUS, relating to greenhouse gas emissions reduction targets and set out in schedule A to the management proxy

circular. Ms. Amelia Meister of SumOfUs presented this proposal.

The chair called for questions or comments from shareholders. As there weren't any, the chair proceeded with the other three proposals submitted by the Mouvement d'éducation et de défense des actionnaires (MÉDAC) and set out in schedule A to the management proxy circular, noting that following discussions with the bank, MÉDAC had agreed to withdraw five other proposals.

Mr. Willie Gagnon of MÉDAC presented the three proposals submitted to a vote relating to, respectively: (1) purpose and undertakings, (2) circular economy and (3) diversity target.

The chair called for questions or comments from shareholders. As there weren't any, the chair put the four shareholder proposals to a vote.

The chair announced that voting was closed.

The chair then introduced a video showing how RBC is helping youth prepare and succeed.

### Question period

Mr. McKay responded to a number of questions and commentaries submitted in advance of the meeting on the topic of climate change, reaffirming the bank's commitment to accelerating the transition to a net-zero society while aligning with Canada's national climate strategy.

The chair responded to a query regarding the setting of financing restriction policies related to the bank's climate strategy and the alignment to the goals set by the Paris Agreement, highlighting that the board has regular discussions with the management team to ensure the bank's strategy reflects the urgency required to address climate change, balanced with the realities of a socially inclusive transition to net zero.

Mr. Doug Guzman, Group Head, RBC Wealth Management, RBC Insurance and RBC Investor & Treasury Services, answered a question on how the

bank takes into account ESG factors when making investment decisions.

In response to a question on crypto assets, Mr. McKay stated that RBC will continue to follow the evolution of the crypto-asset space, including the regulatory environment, client interests, ESG implications and the marketplace for crypto-related products and services.

Mr. McKay answered a question regarding a petition calling on RBC to defund fossil fuels and to stop financing all projects that violate consent of Indigenous communities. In response to another shareholder question, he specified that the bank's share performance is based on a diversified business model and is not driven by a single individual industry, sector or client, such as the oil and gas industry. He also responded to a query related to the bank's brand value.

The chair responded to a question relating to the bank's external auditor independence.

The chair and Mr. McKay also responded to a question relating to the bank's focus on diversity and inclusion targets and talent management.

A shareholder commented on the shareholder proposal related greenhouse gas emissions reduction targets presented by SumOfUs.

Finally, Mr. McKay answered questions relating to shareholder dividends and share buybacks.

### **Voting results**

The secretary announced the preliminary voting results based on the scrutineers' report and advised that final voting results would be posted on the bank's website and on sedar.com. The preliminary voting results were shown during the live webcast.

On the election of directors, a substantial majority of the votes cast at the meeting were voted in favour of each of the 12 nominees named in the management proxy circular, as specified below:

<b>Nominee</b>	<b>Votes for (%)</b>	<b>Votes withheld (%)</b>
Andrew A. Chisholm	99.79	0.21
Jacynthe Côté	99.68	0.32
Toos N. Daruvala	99.75	0.25
David F. Denison	99.46	0.54
Cynthia Devine	99.76	0.24
David McKay	99.77	0.23
Kathleen Taylor	97.16	2.84
Maryann Turcke	99.75	0.25
Thierry Vandal	99.70	0.30
Bridget A. van Kralingen	99.47	0.53
Frank Vettese	99.78	0.22
Jeffery W. Yabuki	99.76	0.24

On the other proposals, PricewaterhouseCoopers LLP was appointed as the auditor of the bank, the advisory vote on the approach to executive compensation was approved and the two shareholder proposals were defeated, as specified below:

<b>Proposal</b>	<b>(%) Votes for</b>	<b>(%) Votes withheld</b>
Appointment of the auditor	99.70	0.30
Advisory resolution on the approach to executive compensation	<b>Votes for</b> 95.89	<b>Votes against</b> 4.11
Shareholder proposal no. 1: Greenhouse gas emissions reduction target	<b>Votes for</b> 31.05	<b>Votes against</b> 68.95
Shareholder proposal no. 2: Purpose and undertakings	<b>Votes for</b> 11.15	<b>Votes against</b> 88.85
Shareholder proposal no. 3: Circular economy	<b>Votes for</b> 16.23	<b>Votes against</b> 83.77
Shareholder proposal no. 4: Diversity target	<b>Votes for</b> 4.58	<b>Votes against</b> 95.42

(The secretary has retained with the records of the bank a copy of the scrutineers' report.)

**Closing remarks and termination of meeting**

On behalf of the board of directors and shareholders, the chair thanked the bank's employees for their dedication and commitment to serving clients during an unprecedented year. She also thanked Mr. McKay and the executive team for their values-led leadership their focus on youth and their commitment to helping clients thrive and communities prosper.

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

(signed) Kathleen Taylor  
Chair of the Board

(signed) Karen McCarthy  
Secretary