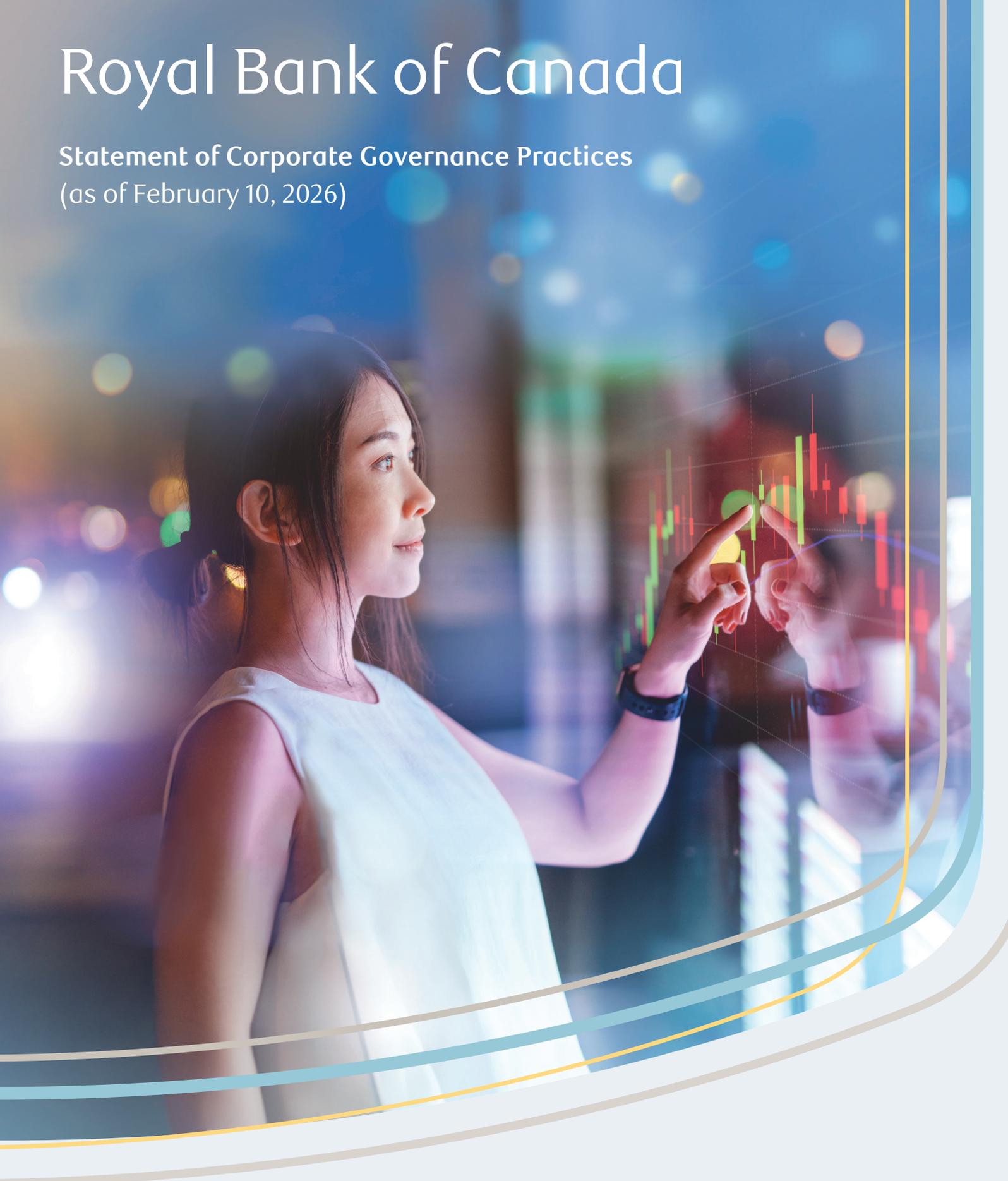


# Royal Bank of Canada

Statement of Corporate Governance Practices  
(as of February 10, 2026)



## Caution regarding forward-looking statements

From time to time, Royal Bank of Canada and its subsidiaries (collectively, “RBC”, “the bank”, “we”, “us” or “our”) make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this Statement of Corporate Governance Practices (document), in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders and in other communications. In addition, our representatives may communicate forward-looking statements orally to analysts, investors, the media and others. Forward-looking statements in this document include, but are not limited to, our financial performance objectives and targets, priorities, vision and strategic goals, our approach to compensation, the risk environment and the effectiveness of our risk monitoring, and our approach to managing climate- and sustainability-related matters. The forward-looking statements contained in this document represent the views of management and are presented for the purpose of assisting our stakeholders in understanding our vision, commitments, goals, priorities and targets and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “suggest”, “seek”, “foresee”, “forecast”, “schedule”, “anticipate”, “intend”, “estimate”, “goal”, “commit”, “target”, “objective”, “plan”, “outlook”, “timeline” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “might”, “should”, “could”, “can”, “would” or negative or grammatical variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct, that our financial performance, environmental & social or other objectives, vision and strategic goals will not be achieved, and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions.

We caution readers not to place undue reliance on our forward-looking statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include, but are not limited to: business and economic conditions in the geographic regions in which we operate, Canadian housing and household indebtedness, information technology, cyber and third-party risks, geopolitical uncertainty, environmental and social (E&S) risk, digital disruption and innovation, privacy and data related risks, regulatory changes, culture and conduct risks, credit, market, liquidity and funding, insurance, operational, compliance, reputation and strategic risks, other risks discussed in the risk sections of our 2025 annual report, including legal and regulatory environment risk, the effects of changes in government fiscal, monetary and other policies and tax risk and transparency, risks associated with escalating trade tensions, including protectionist trade policies such as the imposition of tariffs, risks associated with the adoption of emerging technologies, such as cloud computing, artificial intelligence (AI), including generative AI (GenAI), and robotics, fraud risk and our ability to anticipate and successfully manage risks arising from all of the foregoing factors. Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of our 2025 annual report and the Risk management section of our Q1 2026 report to shareholders, as may be updated by subsequent quarterly reports.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2025 annual report, as updated by the Economic, market and regulatory review and outlook section of our Q1 2026 report to shareholders. Such sections may be updated by subsequent quarterly reports. Any forward-looking statements contained in this document represent the views of management only as of the date hereof, and except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

## Important notice regarding this Statement of Corporate Governance Practices

This document includes information about a number of RBC's sustainability-related objectives, vision, commitments, goals, metrics and targets.

Certain aspects of RBC's climate strategy are not inclusive of the investment advisory or broker-dealer activities, or the assets under management or administration, of RBC Global Asset Management (RBC GAM)<sup>1</sup> or RBC Wealth Management (RBC WM)<sup>2</sup>.

RBC's ambitions, strategies and approaches, described in this document, including sustainability-related metrics, data and other information relevant to such ambitions, strategies and approaches, are or may be based on assumptions, estimates and judgments. Any commitments, goals and targets discussed in this document are aspirational. Our sustainability-related commitments, goals, and targets, as well as the disclosures of our progress against such commitments, goals and targets, have been, and in the future may need to be, restated, changed or recalibrated as available data improve and as climate science, transition pathways and market practices regarding standards, methodologies, metrics and measurements evolve, which may result in us withdrawing from or modifying our membership in certain frameworks, principles and initiatives. The achievement of RBC's commitments discussed in this document will depend on the collective efforts and actions across a wide range of stakeholders outside of its control, and there can be no assurance that they will be achieved.

Any references to "sustainability" or similar terms in this document are intended as references to the internally defined criteria of RBC and not to any jurisdiction-specific regulatory definition that may exist. This document reflects RBC's sustainability-related strategies, positions, approaches, policies, procedures, criteria, objectives, vision, commitments and goals as of the date of this document, which are subject to change at any time in RBC's sole discretion without notice. We have no obligation to update the information or data in this document.

All references to websites are for your information only. The content of any websites referred to in this document, including via website link, and any other websites they refer to are not incorporated by reference. This document is also not intended to make representations as to the sustainability-related initiatives of any third parties, whether named herein or otherwise, which may involve information and events that are beyond our control.

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<sup>1</sup> RBC GAM operates through indirectly wholly owned subsidiaries of the bank including, but not limited to: RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, BlueBay Funds Management Company S.A., and RBC Global Asset Management (Asia) Limited, and BlueBay Asset Management International Limited, Japanese Branch.

<sup>2</sup> RBC WM operates through indirectly wholly owned subsidiaries of the bank including, but not limited to: RBC Dominion Securities Inc. (Member-Canadian Investor Protection Fund), RBC Direct Investing Inc., (Member-Canadian Investor Protection Fund), Royal Mutual Funds Inc., (Member-Canadian Investor Protection Fund), RBC InvestEase Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Capital Markets, LLC, RBC Private Counsel (USA) Inc., RBC Dominion Securities Global Limited, RBC Wealth Management Financial Services Inc., Royal Trust Corporation of Canada and The Royal Trust Company; City National Bank and its subsidiaries; and RBC Europe Limited.

# Governance

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The information in this document is as of February 10, 2026, unless stated otherwise. All dollar amounts are in Canadian dollars, unless stated otherwise. In this document, “RBC”, “the bank”, “we”, “us” and “our” mean Royal Bank of Canada; “common shares” means RBC common shares unless the context indicates otherwise; and “shareholder” and “you” mean a holder of common shares, unless the context indicates otherwise. All reference to websites are for your information only. The content of any websites referred to in this document, including via website link, and any other websites they refer to are not incorporated by reference in, and do not form part of, this document.

## Approach to governance

The board is committed to high standards of governance that are consistent with regulatory expectations and evolving best practices that are aligned with the bank's strategy and risk appetite. The board believes that good governance is more than overseeing RBC and its practices – it requires transparency, accountability and integrity. It means having an independent board that actively engages with stakeholders, understands the business and its risks, constructively challenges management and navigates the complexities of a changing world. It also means upholding robust standards and principles to guide RBC in delivering on its Purpose of helping clients thrive and communities prosper, while enhancing value for its shareholders.

### The core principles that drive the board's approach



#### Culture and conduct

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 and other stakeholders.



#### Strategic oversight

Directors are key advisors to management, advising on strategic direction, objectives and action plans, taking into account business opportunities and the bank'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-aware culture throughout RBC.



#### Independence

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



#### Accountability

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



#### Continuous improvement

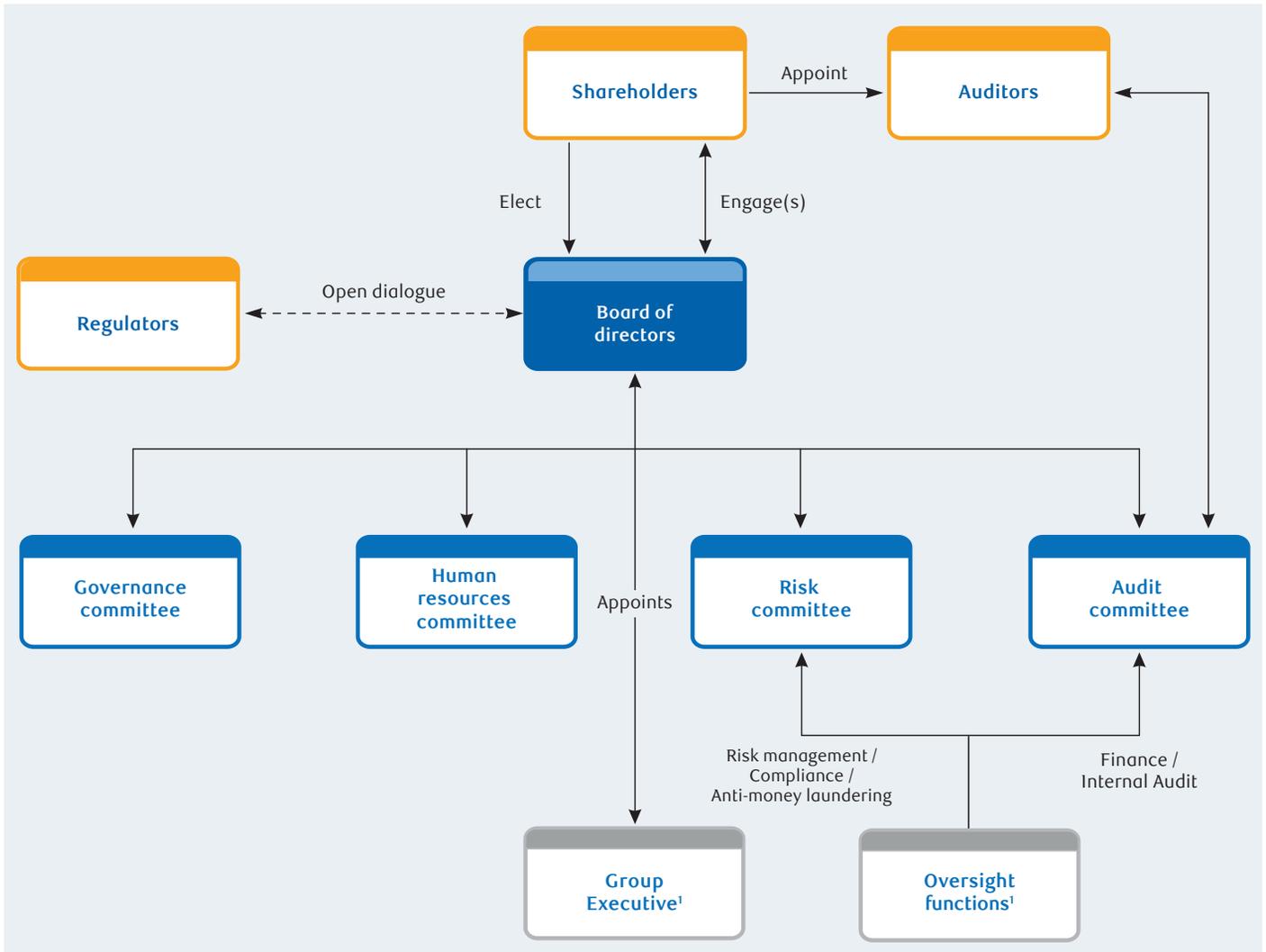
The board is committed to continuously improving its corporate governance principles, policies and practices.

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

## Governance structure

The bank's governance structure establishes the fundamental relationships among the board, its committees, management, shareholders and other stakeholders.

The board defines the values that set the tone of the bank's organizational culture, as well as its strategic and corporate objectives, and the board determines the plans for achieving and monitoring performance through this structure.



<sup>1</sup> The board approves the appointment of the Group Executive as well as the heads of the oversight functions who are not members of the Group Executive.

### Role of the board

**Directors oversee management and aim to enhance long-term shareholder value.**

The board makes major policy decisions, participates in strategic, financial and risk planning, oversees major transactions and reviews management's performance and effectiveness. The *Bank Act* (Canada) and the Office of the Superintendent of Financial Institutions' (OSFI) Corporate Governance Guideline specify important matters the board must address, such as the approval of financial statements and declarations of dividends, enterprise strategy and risk appetite. The board reserves the right to make certain decisions and delegates others to management. The board requires that management seek approval for matters that exceed certain dollar thresholds.

### Role of the governance committee

The governance committee oversees board renewal and nominates directors for election or re-election (see pages 10 to 11 for more information on nominating directors). The governance committee also recommends committee membership and committee chair successors and oversees the process for board chair succession. Directors typically serve on two committees at a time, and many directors serve on every committee during their tenure as director.

The governance committee is responsible for overseeing director independence and compensation, subsidiary governance, and reviewing board, committee and chair mandates to take into account regulatory guidance and industry best practices. Through regular mandate reviews, the governance committee supports the board, its committees and chairs in remaining adaptive and responsive to new legal and regulatory requirements as well as industry best practices while continuing to practice strong oversight.

The governance committee chair, as well as each committee chair, reports to the board following each committee meeting.

### Role of the board chair

**Jacynthe Côté is the bank's independent board chair.**

Having an independent board chair strengthens the board's independent oversight, contributing to more effective accountability of management. The board chair leads board and shareholder meetings and is responsible for the management, development and effective functioning of the board. While the board chair does not serve on any board committee, she attends and participates in committee meetings. The board chair does not have the deciding vote if a board vote results in a tie.

Among other things, the board chair also:

- advises the CEO on major issues and liaises between the board and management
- participates in the orientation of new directors and the continuing development of current directors
- with the governance committee, conducts the board's effectiveness evaluation (see page 15) and plans 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
- periodically attends subsidiary board and committee meetings and meets with independent directors of certain subsidiaries.

The board reviews and approves the board chair's mandate, while the governance committee, under the direction of its chair, annually assesses the effectiveness of the board chair in fulfilling her mandate.

**You can find the mandates of the board, committees and chairs at [rbc.com/governance](https://www.rbc.com/governance).**

## What the directors oversee

The following table summarizes the key areas in which the board and its committees exercise independent oversight and hold management accountable in support of the board's aim to enhance long-term shareholder value and oversee the bank in achieving its Purpose of helping clients thrive and communities prosper.

|  |  |
|--|--|
| <b>Culture and conduct</b>                       | <ul style="list-style-type: none"> <li>• Establish the tone from above and champion RBC values, as set out in the bank's Code of Conduct</li> <li>• Set and expect the highest standards of conduct and integrity at RBC to build and maintain the trust of the bank's clients, shareholders, employees and communities in which it operates</li> <li>• Promote a respectful environment and encourage employees to help shape the bank's culture by speaking up and challenging behaviours when they do not align with RBC's values</li> </ul>  |
| <b>Strategic planning</b>                        | <ul style="list-style-type: none"> <li>• Oversee the bank's strategic direction, plans and priorities and ensure they align with its risk appetite</li> <li>• Discuss and challenge management in setting enterprise strategy and monitor its implementation and effectiveness</li> <li>• Annually approve the strategic plan, taking into account the opportunities and risks of the bank's businesses</li> <li>• Approve the bank's financial objectives and operating plans, including significant capital allocations, expenditures and transactions that exceed delegated authorities</li> <li>• Review and approve updates to RBC's organizational structure</li> <li>• Review business performance against approved strategic and financial objectives</li> </ul> |
| <b>Risk management</b>                           | <ul style="list-style-type: none"> <li>• Oversee and approve the bank's risk appetite framework</li> <li>• Oversee strategic risk management by approving risk management frameworks and policies</li> <li>• Promote a strong risk-aware culture and monitor adherence to the enterprise-wide risk management framework</li> <li>• Meet with regulators, including to discuss the bank's risk appetite and control environment</li> </ul>  |
| <b>Financial reporting and internal controls</b> | <ul style="list-style-type: none"> <li>• Approve the bank's quarterly and annual financial reports</li> <li>• Oversee compliance with applicable audit, accounting, financial reporting, legal and regulatory requirements</li> <li>• Oversee the qualifications, performance and independence of the external auditors and the performance of the internal audit function</li> <li>• Monitor the implementation and maintenance of effective internal control systems, including management information systems, and assess their adequacy and effectiveness</li> </ul>   |
| <b>Talent management and succession planning</b> | <ul style="list-style-type: none"> <li>• Supervise succession planning processes, which include the selection, appointment and development of the CEO, the Group Executive and heads of the oversight functions who are not members of the Group Executive</li> <li>• Evaluate and approve the compensation of the CEO, the Group Executive and heads of the oversight functions who are not members of the Group Executive in a manner consistent with prudential incentives</li> <li>• Annually review and approve the CEO's mandate</li> <li>• Review key strategies and programs for the assessment and development of talent</li> </ul>   |
| <b>Sustainability</b>                            | <ul style="list-style-type: none"> <li>• Oversee the bank's approach to sustainability matters, including community investment, and management of environmental and social (E&amp;S) risks and opportunities</li> <li>• Oversee the bank's key enterprise-wide sustainability disclosures, including annual enterprise sustainability reporting, the Human Rights Position Statement and the Statement Regarding Modern Slavery</li> </ul>   |
| <b>Corporate governance</b>                      | <ul style="list-style-type: none"> <li>• Establish appropriate structures and procedures to allow the board to function effectively and independently</li> <li>• Develop and implement corporate governance principles and guidelines and monitor best governance practices</li> <li>• Oversee RBC's enterprise-wide approach to subsidiary governance</li> </ul>  |

## Approach to subsidiary governance

**RBC takes an enterprise-wide approach to subsidiary governance.**

The board and its committees oversee subsidiary governance at an enterprise level and the governance committee coordinates this oversight. Effective oversight by the board is supported by defined mechanisms for escalating subsidiary risk and governance issues, formal and informal touchpoints between the board, senior management and local subsidiaries, attendance by independent directors of certain subsidiaries at board or committee education sessions and regular enterprise-wide subsidiary reporting and approval of key enterprise-wide frameworks. In addition, the board chair and committee chairs periodically attend subsidiary board and committee meetings and meet with independent directors of certain subsidiaries.

The corporate governance of RBC subsidiaries is overseen by the bank’s Corporate Secretary and managed by the Subsidiary Governance Office through a network of global subsidiary offices that act as regional corporate governance hubs. This centralized governance model brings together global oversight and local expertise, driving consistency, transparency and responsiveness to evolving business needs, best practices and regulatory requirements and expectations while maintaining strong oversight and escalation mechanisms.

The bank’s policies on subsidiary board composition and functioning enhance our strong governance. Active and engaged subsidiary boards play a key role in overseeing our legal entities and facilitating information flow and escalation. Many of our subsidiaries have independent directors serving on their boards with specific skills and experience to support the RBC board in advancing the strategic priorities of RBC and its subsidiaries while providing oversight and effective challenge to management. From time to time, independent directors of RBC may be asked to serve as directors of RBC subsidiaries. In fiscal 2025, Mr. Chisholm and Mr. Vettese served on the board of RBC US Group Holdings LLC, and Ms. Norton joined the board of RBC Europe Limited effective June 2, 2025. We continue to focus on building subsidiary boards that reflect our focus on inclusion and leverage the subsidiary board experience to build talent for growth across the enterprise.

## Engaging with shareholders and other stakeholders

**Continuous and open dialogue with shareholders and other stakeholders is a key priority for RBC.**

RBC engages with our shareholders and other stakeholders year-round on a broad range of topics, including strategic priorities, financial and risk-related matters, and developments in the macro and operating environment. In 2025, this engagement covered topics ranging from corporate governance, executive compensation, sustainability matters, including our approach to inclusion, climate-related risks and opportunities, Indigenous rights and human rights, as well as artificial intelligence.

The board encourages all stakeholders to provide timely and meaningful feedback, facilitates constructive engagement and regularly reviews the bank’s engagement with shareholders and stakeholders for alignment with best practices.

There are many ways people can engage with RBC and access important information:

|                           |   |
|---------------------------|---|
| <b>Board of directors</b> | Stakeholders can communicate with the directors or the board chair as described at <a href="https://www.rbc.com/governance">rbc.com/governance</a> .  |
| <b>Management</b>         | The CEO and other members of the Group Executive, senior management, Investor Relations and the Corporate Secretary’s Department meet regularly with financial analysts, investors and other stakeholders. The CEO, Group Executive and senior management also attend industry conferences from time to time. |
| <b>Investor Relations</b> | Investor Relations is responsible for communicating with the investing public on behalf of RBC.   |
| <b>Live broadcasts</b>    | We broadcast our quarterly earnings calls with analysts live and archive them on our Investor Relations site for a period of three months after each call. Shareholders can also participate in our annual meeting of shareholders via a live webcast.  |

Please refer to the back cover of the 2026 management proxy circular for the contact details of the board chair, secretary and Investor Relations.

## Culture and conduct

The board sets and expects the highest standards of conduct at RBC to build and maintain the trust of our clients, employees and shareholders, as well as the communities in which the bank operates. The board, with management, sets the tone from above and promotes an open and transparent culture at RBC.

To that end, the governance committee oversees the management of culture and conduct and monitors emerging trends through board and committee reporting on culture and conduct risks, such as client outcomes, organizational and employee conduct and risk culture, how RBC acts with integrity in financial markets, and impact on the bank's reputation.

The governance committee meets with the Chief Human Resources Officer (CHRO), Chief Risk Officer (CRO), Chief Legal and Administrative Officer (CLAO) and Chief Compliance Officer (CCO) to review key matters and programs that strengthen enterprise culture and conduct risks practices.

### Code of Conduct

The RBC Code of Conduct establishes standards of required behaviours that apply to directors of RBC and all its subsidiaries, all employees and contract workers, including the responsibility to be truthful, respect others, comply with laws, regulations and bank policies and engage in sales practices that are fair and not misleading.

The board closely collaborates with management to set the tone from above and promote a strong governance culture that influences RBC and its subsidiaries at every level and across all its global businesses. Consistent with industry standards, the board approves the Code of Conduct every two years or more frequently as appropriate to promote continued alignment with evolving regulatory expectations and industry best practices. The board last approved the Code of Conduct in December 2024.

The Code of Conduct sets out fundamental principles that guide the board in its deliberations. It creates a frame of reference for properly addressing sensitive and complex issues and requires directors, including those on subsidiary boards, senior management, employees and contract workers to report misconduct and outlines accountabilities if standards of conduct are not upheld.

RBC fosters an open and transparent environment where employees can speak up and raise concerns through various channels without any form of retaliation. The RBC global conduct hotline is a confidential channel that is accessible to all employees to raise concerns and report misconduct. A third party, independent of RBC, administers the hotline and employees can use it anonymously.

RBC has an online learning program and annual employee testing and acknowledgement to demonstrate that employees are familiar with and understand the values and principles outlined in our Code of Conduct. RBC directors must acknowledge each year that they have read and understand the Code of Conduct and certify that they are in compliance with it. The bank also has policies and procedures to address more specific aspects of fair business conduct, such as anti-bribery, anti-corruption and insider trading policies.

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

A copy of the Code of Conduct is available at [rbc.com/governance](https://www.rbc.com/governance) and has been filed with Canadian securities regulators at [www.sedarplus.com](https://www.sedarplus.com).

**The board did not grant any waivers of RBC's Code of Conduct to executive officers or directors in fiscal 2025.**

### Financial reporting hotline (Conduct hotline)

RBC's stakeholders rely on the accuracy of its financial reporting. Employees and contract workers, senior management, directors of RBC and all its subsidiaries, and third parties are encouraged to report, on a confidential and anonymous basis, any allegations of wrongdoing relating to accounting, auditing or internal accounting controls via the RBC global conduct hotline. Details on the reporting hotline can be found at [rbc.com/governance](https://www.rbc.com/governance). Issues are investigated internally or by an independent external party, and any significant issues are raised with the audit committee chair.

## Conflicts of interest

In practice, conflicts of interest can arise as a result of professional and contractual arrangements, directorships and other personal or business interests. As part of its oversight of conduct review, the governance committee establishes and monitors procedures to resolve conflicts of interest. Where the personal or business interests of directors and executive officers may conflict with those of RBC, they must disclose the nature and extent of the conflict of interest as soon as possible 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 in question will leave the meeting when the issue is discussed and, in the case of a director, will not vote or participate in the decision.

The governance committee is responsible for overseeing transactions with directors and senior officers of the bank who are related parties as defined under the *Bank Act* (Canada). It periodically approves the procedures governing permitted transactions with related parties and receives regular reports to ensure that transactions with related parties comply with the *Bank Act* (Canada) and internal procedures.

## Cyber risk oversight

Trust and security are more important than ever, and RBC is focused on cybersecurity and safeguarding the security of our systems and the confidentiality of our clients' information. The bank's security strategy supports our strategic direction and is designed to safeguard data entrusted to us by clients. Globally, the volume and sophistication of cyberattacks continue to increase; the resulting implications could include business interruptions, service disruptions, financial loss, theft of intellectual property and confidential information, litigation, enhanced regulatory attention and penalties and reputational damage.

The board of directors and its risk committee play an active role in overseeing how the bank manages these risks. The board, which includes members with technology and digital experience, oversees the strategic direction, plans and priorities of the bank and ensures they align with the bank's Enterprise Risk Appetite Framework, which the board approves annually. The board receives an annual cybersecurity update that provides an overview of the cyber threat landscape, evolving regulatory expectations and the bank's strategic approach to managing cybersecurity. Additionally, the board participates in education sessions focused on cybersecurity and information technology (IT), including sessions focused on key cyber and IT risk concepts and the bank's strategies for mitigating such risks. Management proactively keeps the board apprised of all significant matters or key updates that arise between regularly scheduled board and committee meetings. This includes key cybersecurity incidents or developments such as those involving critical vendors, third parties or peers.

The risk committee assists the board in overseeing risk management and reviews significant risks, including IT and cyber risks. The CRO regularly updates the risk committee on current notable risk matters, including evolving external risks related to IT and cyber such as third-party outages and software vulnerabilities, as well as current and anticipated trends in cyber events. The risk committee annually reviews the recommended enterprise-wide stress test scenarios and results, which in fiscal 2025 included stress testing exercises addressed at cyber threats, AI-driven fraud and data breaches, among several other top and emerging risks. The risk committee also reviews and approves the Enterprise Risk Management Framework, and supporting risk management frameworks, including the Enterprise Information Technology Risk Management Framework which establishes expectations for pragmatic IT risk management and governance.

Under the board's oversight, RBC continues to enhance our security capabilities, educate our clients and workforce, and deepen the bank's relationships with governments, law enforcement and academia to advance cyber defences for thwarting threats targeting the financial sector. RBC achieves this through continued investment in cyber technologies, driving the education and awareness of our clients and workforce, and leveraging emerging technologies.

For more information on how RBC safeguards the security of our systems and the confidentiality of our clients' information, please visit [rbc.com/cybersecurity](https://www.rbc.com/cybersecurity).

# Sustainability<sup>1</sup> matters

## Sustainability governance and board oversight

The bank's sustainability governance model balances the board and its committees' oversight of the bank's strategic approach to sustainability-related matters with specific subject-matter expertise rooted within the business segments and functions across the bank.

| Key responsibilities  | Spotlight on key 2025 highlights   |
|---|--|
| <b>Board</b>  |  |
| <ul style="list-style-type: none"> <li>Responsible for the bank's business plan, strategy, risk appetite and culture</li> <li>Oversees RBC's strategic approach to sustainability, which includes how it manages climate-related risks and opportunities (including target setting and monitoring progress towards those targets), community investment, as well as the enterprise approach to social matters</li> </ul>  | Received an update on the bank's sustainability strategy and climate strategy, and approved the RBC Purpose Framework – <i>Ideas for People and Planet</i> <sup>®</sup> , the RBC Inclusive Opportunities Blueprint, the RBC Skills Blueprint and the RBC Climate Blueprint  |
|   | Reviewed and approved the Statement Regarding Modern Slavery 2024 (Canada, U.K. and Australia)   |
|   | Reviewed and approved RBC's inaugural Reconciliation Action Plan   |
|   | Reviewed and approved the Enterprise Risk Appetite Framework, which incorporates consideration of E&S-related risks  |
|   | Reviewed and approved the 2026 global community investment commitment and RBC Foundation <sup>®</sup> budget   |
| <b>Audit committee<sup>2</sup></b>  |  |
| <ul style="list-style-type: none"> <li>Oversees the bank's financial reporting, and related internal controls and disclosure controls and procedures, including the E&amp;S-related disclosures in the bank's annual report</li> <li>Oversees annual enterprise sustainability reporting</li> </ul>   | Reviewed and approved the 2024 Public Accountability Statement (reviewed jointly with the governance committee)  |
|   | Reviewed and approved the 2024 Sustainability Report (reviewed jointly with the governance committee)  |
|   | Received updates on the bank's sustainability disclosure strategy and control environment, including an overview of regulatory developments and the bank's readiness plan (jointly with the governance committee)  |
|   | Reviewed the results of the annual enterprise-wide stress testing, which included climate-related physical and transition risk events (jointly with the risk committee)  |
|   | Received updates on the evolving sustainability disclosure landscape, including regulatory and standard-setting developments and the bank's readiness plan to comply with future requirements  |
| Oversees the bank's annual financial reporting process and recommended the bank's annual report, including E&S-related disclosures, for approval by the board   |  |
| <b>Governance committee<sup>2</sup></b>   |  |
| <ul style="list-style-type: none"> <li>Advises the board on sustainability matters, including climate-related risks and opportunities, and provides oversight and coordination over sustainability for the board and its committees</li> <li>Advises on the status and adequacy of the bank's efforts to meet high standards of E&amp;S responsibility</li> <li>Oversees sustainability-related disclosures, including supporting the audit committee in overseeing annual enterprise sustainability reporting</li> </ul> | Reviewed and recommended the board approve the Statement Regarding Modern Slavery 2024 (Canada, U.K. and Australia)  |
|   | Reviewed the 2024 Public Accountability Statement (jointly with the audit committee)   |
|   | Received updates on shareholder proposals and stakeholder engagement, including those with a focus on sustainability matters and reviewed and approved the sustainability-related disclosures in the Sustainability matters section in the 2025 management proxy circular  |
|   | Reviewed the 2024 Sustainability Report (jointly with the audit committee)   |
|   | Received updates on the bank's sustainability disclosure strategy and control environment, including an overview of regulatory developments and the bank's readiness plan (jointly with the audit committee)   |
|   | Reviewed and recommended the board approve RBC's inaugural Reconciliation Action Plan  |
|   | Received an update of corporate governance trends and developments in Canada, U.S. and Europe, including legal and regulatory developments regarding sustainability-related disclosure requirements  |
|   | Reviewed and discussed Sustainability & Impact's strategy (jointly with the audit committee) and reviewed and recommended the board approve the 2026 global community investment commitment and RBC Foundation budget  |
| <b>Human resources committee</b>  |  |
| <ul style="list-style-type: none"> <li>Oversees the bank's compensation principles, policies and programs</li> <li>Recommends for board approval, CEO and Group Executive compensation, including incentives, which consider, among other factors, sustainability and governance practices</li> <li>Responsible for talent management and human resources strategies</li> </ul>   | Reviewed and recommended the board approve CEO and Group Executive compensation for fiscal 2025, which considered, among other factors, sustainability and governance practices in the bank's short-term incentive program and a discretionary climate-based modifier <sup>3</sup> related to progress towards the strategic priorities of the RBC Climate Blueprint to the mid- and long-term incentive program, as more fully described on page 70 of the 2026 management proxy circular |
|   | Received updates on executive staffing and progress on talent goals and succession planning at each regular meeting  |
| <b>Risk committee</b>   |  |
| <ul style="list-style-type: none"> <li>Oversees significant and emerging risks to the bank, including E&amp;S risks</li> <li>Recommends for board approval our Enterprise Risk Appetite Framework, which incorporates consideration of E&amp;S risks for risk management decisions</li> </ul>   | Received quarterly updates on the bank's E&S risk profile and top and emerging risks, including climate-related trends   |
|   | Received updates on E&S third party risks, including industry trends, regulatory developments and stakeholder perspectives in relation to sustainability matters including climate impact  |
|   | Reviewed the results of the annual enterprise-wide stress testing, which included climate-related physical and transition risk events (jointly with the audit committee)   |
|   | Reviewed and recommended the board approve the Enterprise Risk Appetite Framework and approved the Enterprise Risk Management Framework, which incorporates consideration of E&S risk  |

1 "Sustainability" in this section of the document refers to E&S matters.

2 Beginning January 30, 2025, the audit committee assumed responsibility for approving the bank's annual enterprise sustainability reporting. Previously, the governance committee was responsible for approving the bank's annual enterprise sustainability reporting.

3 Excludes the CEO and Group Head, RBC Capital Markets, who participates in the Capital Markets Compensation Program. Refer to page 72 of the 2026 management proxy circular for our discussion of how sustainability factors are incorporated into the Capital Markets Compensation Program.

## Providing inclusive opportunities

### Inclusion at board level<sup>1</sup>

Balanced and inclusive representation is critical to successful board oversight. To help achieve this objective, the board has approved a Board Diversity Policy which states that diversity is a critical lens through which the governance committee assesses each director candidate in seeking representation on the board of the full range of characteristics necessary to meet its goals of excellence, innovation and success. Pursuant to the Board Diversity Policy, various dimensions of diversity are always important factors considered by the governance committee. The Board Diversity Policy also requires that men and women each comprise at least 35% to 45% of directors. In 2025, 5 (38%) directors were women, meeting the requirements of the Board Diversity Policy (such requirements have been met in each year that they have been in effect).

Each year, the governance committee completes a self-assessment that measures, among other things, its effectiveness in guiding the board towards its objective of maintaining balanced and inclusive representation on the board. It also reviews the board's composition and any anticipated vacancies through the lens of our Board Diversity Policy. The governance committee regularly retains an independent search firm to support the identification of candidates with specific competencies, experiences or attributes it regards as key to the current and long-term strategic success of RBC.

### Inclusion at executive level<sup>1</sup>

As of the date of this document 45% (5 out of 11) of the executive officers who make up the Group Executive are women. The bank does not establish specific diversity goals at the Group Executive level as this team is included among broader representation goals<sup>2</sup> for the Canadian executive team. As with all leadership roles the bank needs to carefully consider a broad range of criteria – most importantly, the appropriate matching of business needs to enhance long-term value for our shareholders and the proven skills and capabilities of new appointees. All members of the Group Executive speak English fluently, one speaks French fluently and one can speak another language.

## Board independence

**With the exception of RBC's CEO, all 2026 director nominees are independent.**

To be effective, the board must be independent. To this end, the board has adopted a Director Independence Policy that incorporates the "affiliated persons" regulations from the *Bank Act* (Canada) and the definition of "independence" from the Canadian Securities Administrators guidelines. It also sets additional standards for members of the audit committee and the human resources committee. The Director Independence Policy is filed with Canadian securities regulators at [www.sedarplus.com](http://www.sedarplus.com) and is available at [rbc.com/governance](http://rbc.com/governance).

### Assessing director independence

Directors are independent only if they are unaffiliated with RBC and the board has determined that they have no direct or indirect material relationship with RBC that could interfere with their independent judgment.

To determine whether directors are independent, the board uses information about their personal and business relationships with RBC, including their personal banking and financial services information. The board collects this information from sources such as:

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

The board tests relationships between directors and RBC using materiality thresholds set out in the bank's Director Independence Policy. The board also considers other facts and circumstances it deems relevant to determine whether any of these relationships could reasonably be expected to interfere with a director's independent judgment. It considers the nature and extent of these relationships and their importance not only to directors and to RBC, but also to entities with which directors are affiliated.

Under the *Bank Act* (Canada), the CEO must be a member of the board. He is the only director who is not independent.

<sup>1</sup> Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the bank is required to disclose whether it has adopted a written policy relating to the identification and nomination of women directors and the annual and cumulative progress in achieving the policy's objectives. The bank is also required to disclose how the governance committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. Finally, the bank is also required to disclose whether it has adopted a target regarding women on its board and in executive officer positions as well as the number and proportion of directors and executive officers who are women.

<sup>2</sup> Our goals are aspirational in support of our efforts to provide fair and inclusive access to hiring and advancement opportunities for all employees.

## Guidelines to address other professional activities

Directors must notify the board chair, governance committee chair and secretary before they engage in any new professional activities, including as a director (public, private or not-for-profit), employee, advisor or consultant. The board chair and governance committee chair assess whether the director will have time to devote to RBC responsibilities and evaluate potential circumstances that could impact independent thinking, including conflicts of interest.

|   |  |
|---|--|
| <b>Board interlock policy</b>                     | No more than two RBC board members may serve as director on the same public company board. Currently no RBC director serves on another public company board with another RBC director.                                       |
| <b>Service on public company audit committees</b> | No member of the RBC audit committee may serve on an audit committee of more than two other public companies. Currently, no RBC audit committee member serves on an audit committee of more than two other public companies. |

## Maintaining independence

**In fiscal 2025, all board and regularly scheduled committee meetings had an *in camera* session without management.**

The board has established other important ways to maintain its independence.

|                                  |   |
|----------------------------------|---|
| <b>Access to management</b>      | All independent directors have unrestricted access to management and RBC employees.   |
| <b>External advisors</b>         | Each board committee and, with the approval of the board chair, individual directors may retain external advisors at the expense of RBC to ensure they have access to independent advice. |
| <b><i>In camera</i> sessions</b> | The board chair and committee chairs lead sessions without management to facilitate open and candid discussion among the directors.   |

## Nominating, developing and evaluating board members

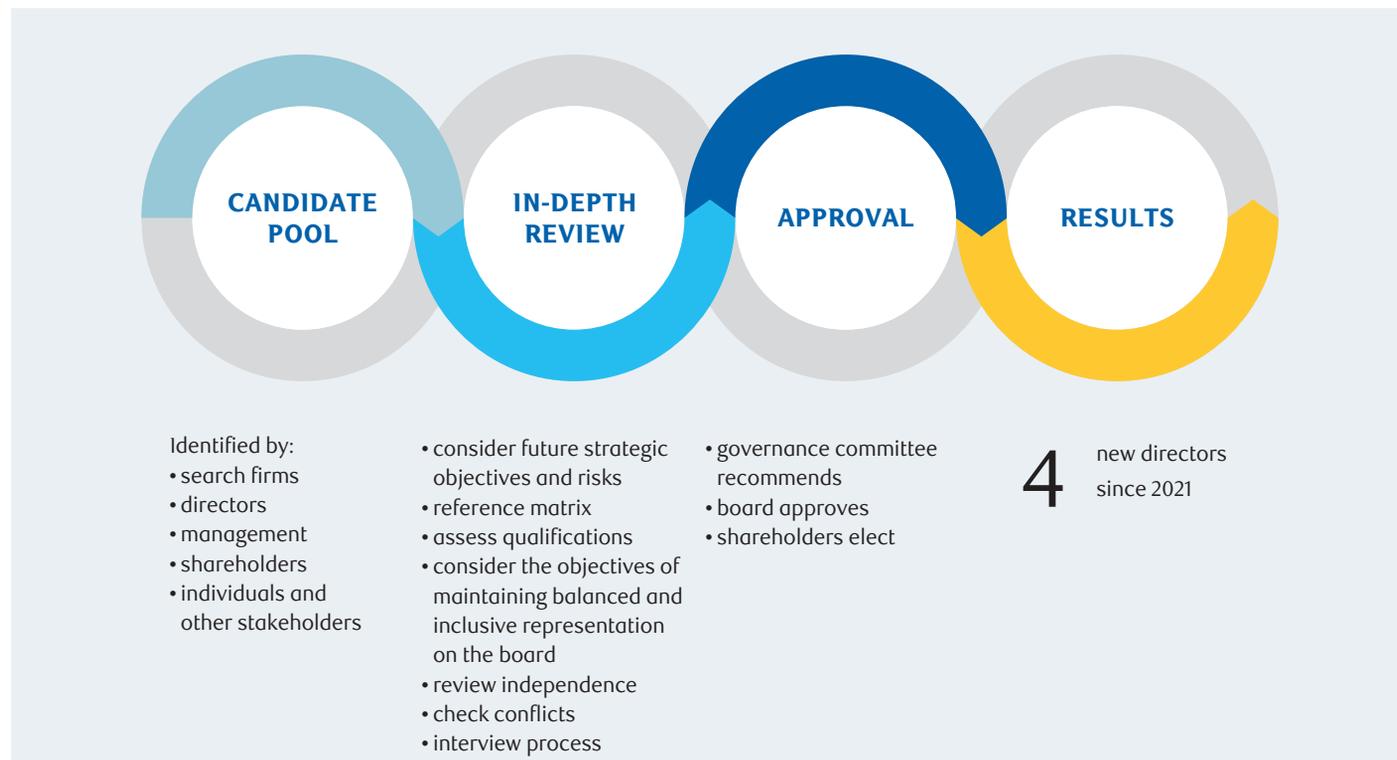
### Finding the right director candidates

**The board regularly retains an independent search firm to help identify candidates.**

The board derives its strength from the collective balance of competencies and experience of its members.

The governance committee oversees board renewal and nominates independent candidates for election to the board. A key focus of the governance committee is to build a board that is composed of directors who collectively possess the competencies and experience to support the current and long-term strategic success of RBC, with strong risk discipline in the context of a financial services transformation shaped by an increasingly competitive global marketplace, evolving expectations of regulators and other stakeholders and by macroeconomic, technological and geopolitical developments. The governance committee reviews board composition and any anticipated board vacancies through the lens of the Board Diversity Policy. RBC shareholders elect the directors at each annual meeting to serve until the next annual meeting.

The governance committee and the board chair consider all qualified individuals and maintain an evergreen list of candidates. Every year, the governance committee and the board chair review the credentials of candidates proposed for election or re-election to the board and assess their competencies and experience against those identified in the matrix (page 21 of the 2026 management proxy circular). The governance committee also considers the results of the board and director effectiveness evaluations when determining the candidate profile needed to support the bank's strategic objectives.



## How to submit a nomination

|   |   |
|---|---|
| <b>Shareholders</b>                       | Shareholders may submit candidates to the board chair.  |
| <b>Under the Bank Act (Canada)</b>        | In accordance with the <i>Bank Act</i> (Canada), qualifying shareholders may submit a formal proposal to nominate an individual for director.   |
| <b>Under the Proxy Access Policy</b>      | The RBC Proxy Access Policy provides an additional way for shareholders to submit director nominations and can be found at <a href="http://rbc.com/governance">rbc.com/governance</a> . |
| <b>Individuals and other stakeholders</b> | Individuals and other stakeholders may also submit candidates to the board chair.   |

Contact information can be found on the back cover of the 2026 management proxy circular.

## Nominating candidates for the board

The board nominates independent candidates possessing business and professional expertise, including relevant financial services industry and risk management expertise, senior-level involvement in major organizations, international experience and a history of achievement and performance at the highest level. Residency and familiarity with geographic regions relevant to the bank's strategic objectives are also considered.

To best support the bank in achieving its Purpose of helping clients thrive and communities prosper, all director nominees are required to have experience in environmental, social or governance matters. They must also share a commitment to RBC's values. In line with the Board Diversity Policy, the governance committee also considers various dimensions of diversity.

## Board size considerations

**This year, 13 nominees are standing for election as a director.**

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

- the business need for a broad range of skills, experiences, perspectives and backgrounds that align with the near- and long-term strategic objectives of RBC and reflect its global client and stakeholder base, and
- the need to be small enough to facilitate open and effective dialogue and thorough and responsive decision-making.

Regulatory requirements and succession planning also play key roles in the board's determination of its optimal size.

## Majority voting

The board's Majority Voting Policy states that any nominated director in an uncontested board election must immediately tender their resignation if they are not elected by at least a majority (50% plus 1 vote) of the votes cast in their election. The board will determine whether to accept the resignation within 90 days. Absent exceptional circumstances, the board will accept the resignation, making it effective immediately.

A director who tenders a resignation will not participate in any meeting where the board or a committee is considering their resignation. 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.

## Tenure policy

The board has a tenure policy that outlines term limits in order to:

- balance the benefits of experience with the need for new perspectives, and
- achieve ongoing board renewal.

|                         |  |
|-------------------------|--|
| <b>Directors</b>        | A director's term lasts 15 years or until they reach the age of 70, whichever comes first.<br>New directors may serve for at least six years, regardless of their age. |
| <b>Board chair</b>      | The board chair's term is five years.  |
| <b>Committee chairs</b> | A committee chair's term is three years, which may be extended for up to two years, if appropriate, considering the expertise required to lead the relevant committee. |

Term limits do not take precedence over the board's annual director effectiveness evaluation. Nominations for re-election as director will be based on the needs of the board and RBC given its strategic objectives and will take into consideration the results of the effectiveness evaluation and peer reviews.

The board, upon the recommendation of the governance committee, may waive the term and/or age limits for a director and the term of the board chair or a committee chair. Pursuant to its responsibility for the management of board succession, the board approved a waiver of the age limit of Mr. Daruvala until the 2027 annual meeting of shareholders. The board also waived the term limit and approved an extension of the tenure of the human resources committee chair until the 2026 annual meeting of shareholders and approved the extension of the tenure of the risk committee chair until the 2027 annual meeting of shareholders.

A director is expected to submit their resignation to the board chair if:

- their qualifications, independence or other credentials change
- they no longer meet the eligibility rules under the board's conflict of interest guidelines, or
- they are no longer qualified under the *Bank Act* (Canada) or other applicable laws.

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

## Helping directors succeed in their roles

The board strives to ensure that new directors receive a thorough introduction to their role and that all directors have access to the resources they need to focus on ongoing development. The governance committee is responsible for making the transition of new directors as seamless as possible and equipping them with the right tools to succeed and make valuable contributions to the board and RBC.

The board's principles-based approach reflects three key pillars to facilitate an agile and adaptive board.

### Principles-based approach to director development



#### ORIENTATION

- In-depth orientation guide covering the board's governance principles and policies, including the bank's Code of Conduct and Director Independence Policy
- Strategic and business deep-dives with members of the Group Executive and senior management
- Onboarding sessions with oversight functions, governance and legal executives to advise directors on their obligations and the internal controls and practices in place at RBC
- Attendance at committee meetings even if a director is not a committee member
- Committee chair orientation with executive sponsors and the secretary

#### INTEGRATION

- Mentorship program matching new directors with experienced members
- One-on-one meetings with the board chair and committee chairs to enhance their understanding of the board's culture and dynamics
- Ongoing engagement with members of the Group Executive and senior management to deepen knowledge of the bank's strategic objectives and foster open dialogue and constructive relationships

#### PERSONAL DEVELOPMENT

- Education sessions and materials may include:
  - presentations by senior executives on various topics including specialized and complex aspects of RBC's businesses and operations
  - external presentations, where featured speakers provide insights on a variety of topics, including the economic and political landscape as well as emerging industry, regulatory and market trends
  - areas of shared concern or oversight covered in joint educational sessions across committees
  - media updates and investor relations reports on key topics, the bank's media presence and market trends
  - regular updates about educational opportunities outside RBC
- Directors have full access to committee education sessions regardless of committee membership. They may also receive educational materials and updates between board meetings on matters relevant to RBC's businesses. Directors have membership at the Institute of Corporate Directors (Canada) and National Association of Corporate Directors (U.S.).

Periodically, the board holds meetings in key jurisdictions to further learn about RBC's businesses and connect with local senior management, employees and directors of key subsidiaries. In October 2025, the board and its committees held meetings in Los Angeles, California, as described in the table below.

### Focus on continuous education

The board and management remain focused on the key issues impacting RBC as well as the bank's clients, employees, shareholders, communities and other stakeholders. In fiscal 2025, we took a coordinated approach to education with the board and its committees organized around the themes of market, macroeconomic environment, cybersecurity, data management, artificial intelligence, sustainability and governance, regulatory and geopolitical matters. Directors also attended several smaller events with executives and employees, giving directors the opportunity to gain further insights into RBC's businesses and functions throughout the year.

| Quarter | Education   | Attended or received materials  |
|---------|---|---|
| Q1 2025 | <ul style="list-style-type: none"> <li>Overview of U.S. anti-money laundering regulatory environment and enforcement regime</li> <li>Review of RBC Insurance® through a risk lens</li> <li>Update on the evolving cyber threat landscape</li> <li>Review of regulatory expectations on data risk management</li> </ul>  | <ul style="list-style-type: none"> <li>Board</li> <li>Risk</li> <li>Board</li> <li>Risk</li> </ul>  |
| Q2 2025 | <ul style="list-style-type: none"> <li>Overview of the approach to interest rate and asset liability management</li> <li>Review of the regulatory environment for effective supervisory controls, including those related to the detection and escalation of any prohibited activity in the first line of defence</li> <li>Review of board composition and benchmarking to support director recruitment and succession planning</li> <li>Review of top and emerging drivers of third-party risk across the financial services industry and evolving regulatory expectations</li> <li>Overview of sustainability reporting developments, including regulatory changes and shifts in the external reporting landscape</li> <li>Review of OSFI's final guidelines on assurance requirements for capital, leverage and liquidity returns</li> <li>Review of Canadian and global tax developments</li> <li>Update on developments in Canada-U.S. trade, including the impact of tariffs</li> <li>Review of key events, including economic and market updates, impacting risk appetite and risk profiles in the Canadian banking industry</li> <li>Review of the bank's fraud risk profile and management practices</li> </ul>  | <ul style="list-style-type: none"> <li>Audit, Risk</li> <li>Audit</li> <li>Governance</li> <li>Risk</li> <li>Audit, Governance</li> <li>Audit</li> <li>Audit</li> <li>Risk</li> <li>Risk</li> <li>Risk</li> </ul>   |
| Q3 2025 | <ul style="list-style-type: none"> <li>Moderated discussion on Canada-U.S. relations with a featured speaker</li> <li>Overview of the expected credit loss measurement framework in International Financial Reporting Standards (IFRS 9) – <i>Financial Instruments</i></li> <li>Review of industry trends and regulatory views on technology in internal audit, including data disruption and artificial intelligence</li> <li>Review of drivers, business volumes and regulatory requirements and expectations relating to financial crime</li> <li>Review of results and key highlights from the 2025 proxy season: Canadian and U.S. financial institutions</li> <li>Update on key Canadian and U.S. regulatory and governmental developments</li> <li>Review of RBC's inaugural Reconciliation Action Plan</li> </ul>  | <ul style="list-style-type: none"> <li>Board</li> <li>Audit, Risk</li> <li>Audit</li> <li>Risk</li> <li>Governance</li> <li>Governance</li> <li>Governance</li> </ul>   |
| Q4 2025 | <ul style="list-style-type: none"> <li>External insights on payments and transaction banking, including trends and associated strategies</li> <li>Review of developments in payments and transaction banking, including disruptions driven by technology, the rise of agentic commerce, and related implications</li> <li>External feedback on RBC's 2025 Investor Day and future growth expectations</li> <li>Update on RBC's Leadership Strategy</li> <li>Review of artificial intelligence through a risk lens</li> <li>Overview of financial instruments and valuation principles, accounting, and governance, including the application and impact of valuations in the current market landscape</li> <li>Overview of primary and emerging risks in financial crimes</li> <li>Update of corporate governance trends and developments in Canada, U.S. and Europe</li> <li>Industry review of director compensation trends</li> <li>Review of top financial and non-financial risks in the U.S.</li> <li>Overview of geopolitical, societal, technological, policy and regulatory, environmental and economic trends impacting the risk landscape</li> <li><b>Los Angeles, California meetings</b></li> <li>Moderated discussion on the entertainment segment with a featured speaker</li> <li>Moderated discussion on capital markets with a featured speaker</li> <li>Panel discussion on market developments in entertainment and sports banking and commercial banking</li> <li>Moderated discussion on AI innovation with a featured speaker</li> </ul> | <ul style="list-style-type: none"> <li>Board</li> <li>Board</li> <li>Board</li> <li>Human Resources</li> <li>Risk</li> <li>Audit</li> <li>Risk</li> <li>Governance</li> <li>Governance</li> <li>Risk</li> <li>Risk</li> <li>Board</li> <li>Board</li> <li>Board</li> <li>Board</li> </ul> |

## Evaluating the board, committees, chairs and directors

The board and its committees annually review their effectiveness as part of their commitment to continuously improve their oversight and constructive challenge of management. The governance committee oversees the assessment process, which includes a board effectiveness survey, evaluations of the board chair and each committee chair, self-assessments and peer reviews of each independent director, and one-on-one interviews with each committee chair. The results highlight strengths, identify opportunities, and inform the board's priorities, approach to education, and action plans for the following year. The evaluations also inform the governance committee's assessment of the competencies and experience director nominees need for election or re-election.

### Annual evaluations

Annual evaluations of the board and each committee are supplemented with input from members of the Group Executive on areas such as board and committee processes, interaction with management and overall effectiveness.

Updates on priorities and action plans are provided to the board and committees by the board chair and committee chairs throughout the year. This approach creates an effectiveness evaluation that is an ongoing and dynamic part of the functioning of the board and its committees.

**In 2025, the board retained a new independent consultant to provide fresh perspectives and insights on assessing its effectiveness as a board and as directors.**



Feedback is collected through questionnaires and one-on-one interviews with committee chairs administered by an independent consultant. Feedback is also collected through meetings between the board chair and the committee chairs as well as one-on-one meetings between the board chair and each director.

The **board** is evaluated by all directors and the Group Executive.

The **board chair** is evaluated by all directors and the Group Executive.

The **committees** and **committee chairs** are evaluated by committee members and applicable members of the Group Executive.

Each **independent director** completes a personal and peer review.

The independent consultant analyzes the feedback and peer reviews and prepares the reports.

The board and governance committee review the **board and board chair reports**. The governance committee chair reports to the board on the effectiveness of the board chair.

The governance committee and applicable committees review the **committee and committee chair reports**. The board chair also reviews the **committee chair reports**.

The board chair reviews the **independent director peer reviews** with each independent director. The governance committee chair reviews the **board chair's performance assessment** with the board chair.

Priorities and action plans are developed for the **board and committees** as well as the **board chair**.

Development opportunities are identified and discussed with the board chair as required, for each **independent director**.

Reports and peer reviews are taken into consideration during the re-nomination process.

## Director compensation

### Approach to compensation

Directors that possess the requisite competencies and experience reflected in the matrix (page 21 of the 2026 management proxy circular) are essential to effective board oversight, and our approach to director compensation reflects the need to attract and retain directors who possess these qualifications. The governance committee is responsible for all aspects of director compensation.

Annually, the governance committee reviews the amount and form of director compensation to assess its design and competitiveness in the context of industry best practices and with reference to a core Canadian comparator group of companies (including financial institutions) of similar size, complexity and geographic scope to RBC. In recognition of the bank's global footprint and strategic presence outside Canada, the governance committee also considers a broader reference group of U.S. and international financial institutions of similar size, complexity and business mix, scale of operations outside their home country and financial condition. In addition, a select number of other companies are reviewed for contextual purposes to reflect the evolving markets in which RBC competes for director talent. From time to time, the governance committee retains an independent consultant to review and provide advice on the amount and form of director compensation, including design, competitiveness, peer group composition, market positioning and industry best practices.

The governance committee takes the following into account when annually assessing director compensation:

- size, complexity and geographic scope of RBC
- responsibilities, time commitment and year-round availability expected of directors
- competencies and experience required, as reflected in the matrix
- need for compensation that is fair and positions RBC to attract highly qualified directors, and
- alignment of interests between directors and shareholders.

### Compensation structure

The board believes in a simple and transparent compensation structure. Each non-executive director is paid a flat annual fee covering all of their responsibilities, meeting attendance and work performed during the year, including membership on two board committees. The board chair and the committee chairs each receive an additional retainer.

Directors are also reimbursed for travel and other expenses incurred to attend board, committee and other meetings at the request of RBC. Directors do not receive any additional travel<sup>1</sup> or meeting fees for service on the RBC board and are paid in Canadian dollars, regardless of country of residence.

In fiscal 2025, RBC directors were compensated as follows:

| Annual retainers | (\$)    |
|------------------|---------|
| Director         | 340,000 |
| Board chair      | 275,000 |
| Committee chair  | 60,000  |

David McKay, as President and CEO of RBC, does not receive any director compensation. Non-executive directors do not receive stock options and do not participate in RBC pension plans.

### Alignment of director and shareholder interests

The board believes the following three measures effectively align the interests of our directors and shareholders.

#### 1. Equity ownership requirement

Non-executive directors are required to own RBC equity with a total aggregate value of at least four times the total director retainer (\$1,360,000<sup>2</sup> in fiscal 2025) within five years of joining the board. Directors must own at least 1,000 RBC common shares as part of this investment.

#### 2. Investment of director fees

Director investments in RBC equity are facilitated through the director share purchase plan (for common shares) and the director deferred stock unit plan (for DDSUs). DDSUs are notional units that have the same value as RBC common shares. When a DDSU is credited to or redeemed by a director, its value is calculated using the average closing price on the TSX of a common share over the five preceding trading days.



<sup>1</sup> In her capacity as a director of RBC Europe Limited, Ms. Norton receives an annual payment of \$20,000 in recognition of the requirement to travel outside of North America crossing at least two or more time zones to attend meetings of the board of directors of RBC Europe Limited.

<sup>2</sup> Effective November 1, 2025, the minimum equity ownership requirement for non-executive directors increased from four to five times the total director retainer within six years of joining the board. See page 17 of this document for more information.

Directors must invest at least 60% (\$204,000 in fiscal 2025) of their annual director retainer (the equity portion) in either common shares or DDSUs. Until a director owns at least 1,000 common shares, the equity portion of the director retainer is paid in common shares. Shares are purchased at market price. Directors may invest up to 100% of the cash portion of their annual director retainer in either DDSUs or common shares. Directors cannot sell common shares purchased with the equity portion of their annual director retainer or redeem any DDSUs until they retire from the board.

The board chair must also invest at least 60% (\$165,000 in fiscal 2025) of the annual board chair retainer in either RBC common shares or DDSUs. The board chair cannot sell shares purchased with the equity portion of the annual director or board chair retainers or redeem any DDSUs until retirement from the board.

### 3. Restrictions on trading and hedging RBC securities

Directors cannot:

- sell RBC securities directly or indirectly if they do not own or have not fully paid for them (a short sale)
- directly or indirectly buy or sell a call or put on RBC securities, or
- enter into equity monetization transactions that would have an effect equivalent to creating call or put rights in respect of RBC securities or other financial instruments designed to hedge or offset a decrease in the market value of RBC securities.

### Compensation for membership on subsidiary boards

From time to time, independent directors of RBC may be asked to serve as directors of RBC subsidiaries and are paid for their services and reimbursed for travel and other expenses. Both Mr. Chisholm and Mr. Vettese serve on the board of RBC US Group Holdings LLC (RBC US), our U.S. intermediate holding company, and in fiscal 2025 were each paid an annual RBC US non-executive director retainer of US\$175,000.<sup>1</sup> Ms. Norton was appointed to the board of RBC Europe Limited (RBC EL), our primary UK entity for securities trading, investment and wealth management activities, effective June 2, 2025, and was paid a pro-rated portion of the annual RBC EL non-executive director retainer in the amount of £45,833.35.<sup>2</sup>

### Changes to compensation for fiscal 2026

As part of its annual review of the amount and form of director compensation described on page 16, in 2025 the governance committee retained an independent consultant, Hugessen Consulting (Hugessen), to review and provide advice on RBC's director compensation, including design, competitiveness, peer group composition, market positioning and industry best practices. Fees in the amount of \$65,925 were paid to Hugessen for these services. Hugessen also received fees for services rendered to the boards of directors of RBC EL and RBC US (see page 60 of the 2026 management proxy circular for additional information). The last independent review of RBC's director compensation was conducted in 2022.

Pursuant to the findings of the independent review, the governance committee assessed director compensation with reference to the core considerations that guide its overall approach. This included the size, complexity and geographic scope of RBC, the responsibilities and time commitment associated with being a director, the competencies and experience required of directors (as reflected in the matrix on page 21 of the 2026 management proxy circular), as well as the need for compensation that is fair and positions RBC to attract highly qualified directors. The assessment also took into account the importance of aligning director and shareholder interests, emerging trends in board compensation and director equity ownership guidelines.

Following its assessment, the governance committee determined that the current practice of paying a flat annual fee in Canadian dollars to all directors, regardless of country of residence, should be maintained. The flat annual fee, which covers attendance at regular and special board and committee meetings as well as all other regular director responsibilities, including typically serving on two committees, remains aligned with the board's simple and transparent compensation structure.

In acknowledgement of the heightened responsibilities of directors, the increased time commitment required, and the need for fair and competitive compensation to attract and retain highly qualified directors, the governance committee recommended that the annual director retainer be increased from \$340,000 to \$415,000, with the equity portion increasing from \$204,000 to \$249,000. To further align the interests of directors and shareholders and reinforce the board's stewardship role to enhance long-term shareholder value, the governance committee also recommended an increase to the minimum equity ownership requirement for directors from four to five times the total director retainer, to be met within six years of joining the board. As a result of these adjustments, the dollar value of the minimum equity ownership threshold will automatically increase to \$2,075,000.

In recognition of the greater responsibility, time commitment and complexity of the board and committee chair roles, the governance committee recommended that the committee chair retainer be increased from \$60,000 to \$75,000 and the board chair retainer be increased from \$275,000 to \$335,000. Committee chair retainers were last modified in 2023, and the board chair retainer has not increased since 2002.

The foregoing changes, including changes to the equity ownership requirement, were, on the recommendation of the governance committee, approved by the board with effect from November 1, 2025.

<sup>1</sup> Effective November 1, 2025, the annual RBC US non-executive director retainer increased from US\$175,000 to US\$195,000.

<sup>2</sup> The annual RBC EL non-executive director retainer is £110,000.