

## **ROYAL BANK OF CANADA**

### **Minutes of the 146th Annual and Special Meeting of Common Shareholders**

Toronto, April 10, 2015

The 146th Annual and Special Meeting of Common Shareholders of Royal Bank of Canada was held in the Metro Toronto Convention Centre in Toronto, Ontario on Friday, April 10, 2015, at 9:00 a.m. (Eastern Daylight Time).

#### **Quorum**

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

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

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

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

The Chair noted that a member of the Board of Directors, Timothy J. Hearn, would not be standing for re-election and would be retiring from the board, and thanked him for his contributions and dedicated service to the Bank.

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

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

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

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

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

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

The Chair called for questions from shareholders on the financial statements. The Chair responded to questions from a shareholder on mortgage lending, director tenure, mandatory auditor rotation and executive incentive compensation.

As there were no further questions, the Chair then indicated that shareholders had received the Notice of Meeting and the Management Proxy Circular.

(The Secretary has retained with the records of the Bank a copy of the 2014 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, except for the special resolution to implement changes to variable compensation for certain RBC employees in the United Kingdom, which must be approved by 75% of shares represented at the meeting.

#### 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 15 and noting that two nominees, Jacynthe Côté and Toos N. Daruvala, were standing for election to the board for the first time.

The Chair then asked the Secretary to read the names of those proposed for election as directors. The Secretary read the names of the following individuals proposed for election as directors: W. Geoffrey Beattie, Jacynthe Côté, Toos N. Daruvala, David F. Denison, Richard L. George, Alice D. Laberge, Michael H. McCain, David I. McKay, Heather Munroe-Blum, J. Pedro Reinhard, Thomas A. Renyi, Edward Sonshine, Kathleen P. Taylor, Bridget A. van Kralingen and Victor L. Young.

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

The Chair then asked if there were any further nominations. As there were no further nominations, the Chair called for a motion that the nominations be closed. It was moved by Yvette Holt and seconded by Anna Judek:

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

The Chair called for questions or comments from shareholders, and a shareholder commented on director tenure and the demographics of the Board of Directors. As there was no further discussion, the Chair put the motion to a vote.

#### Appointment of the Auditor

The Chair then requested a motion for the appointment of the auditor. It was moved by Manju Jessa and seconded by Leona McCharles:

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

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

#### Shareholder Advisory Vote on Executive Compensation

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

“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 2015 Annual and Special Meeting of Common Shareholders.”

The Chair responded to comments from a shareholder regarding executive compensation and income inequality. As there was no further discussion, the Chair then put the motion to a vote.

#### Resolution to Implement Changes to Variable Compensation for RBC Employees in the U.K.

The Chair then introduced the next item of business: the special resolution to implement changes to variable compensation for certain RBC employees in the United Kingdom to comply with new regulatory requirements.

It was moved by Mike Elsey and seconded by Garima Singh:

“RESOLVED that Royal Bank of Canada, in determining the variable compensation of individuals classified as Remuneration Code Staff in accordance with the United Kingdom Prudential Regulation Authority’s Remuneration Code, is authorized to apply a ratio of the fixed to variable components of total compensation for such an individual that exceeds 1:1, so long as the ratio does not exceed 1:2 for that individual.”

The Chair then put the motion to a vote and ballot was taken.

#### Shareholder Proposals

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

The Chair called on H  l  ne Dufresne of Mouvement d’  ducation et de d  fense des actionnaires (M  DAC) to present Shareholder Proposals Nos. 1 and 2.

Ms. Dufresne presented Shareholder Proposal No. 1, relating to use of a pay equity ratio in setting compensation, and Shareholder Proposal No. 2, relating to the phasing-out of stock options as a form of compensation.

John Mountain, Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary of NEI Investments commented on issues raised in Proposal No. 1.

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

#### Video Presentation and Question Period

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

Mr. McKay, Janice R. Fukakusa, Chief Administrative Officer and Chief Financial Officer, M. George Lewis, Group Head, Wealth Management and Insurance and Jennifer Tory, Group Head, Personal & Commercial Banking, then responded to questions and comments from shareholders relating to the growth and size of another Canadian bank, support given by RBC to communities, distribution channels for RBC Insurance products and the legislation governing that, Registered Disability Savings Plans (RDSP) and other products available to clients with disabilities, impact investing, the Bank’s business in Luxembourg and payment of taxes, the use of International Financial Reporting Standards, assistance for Canadians in the transfer of assets, the Bank’s Blue Water Campaign, and assistance for aboriginal communities.

### **Voting Results**

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

- On the election of directors, a substantial majority of the votes cast at the meeting were voted in favour of each of the 15 nominees named in the Management Proxy Circular, as specified below:

<b>Nominee</b>	<b>% Votes For</b>	<b>% Votes Withheld</b>	<b>Nominee</b>	<b>% Votes For</b>	<b>% Votes Withheld</b>
W. Geoffrey Beattie	98.47%	1.53%	Heather Munroe-Blum	99.60%	0.40%
Jacynthe Côté	99.63%	0.37%	J. Pedro Reinhard	98.43%	1.57%
Toos N. Daruvala	99.51%	0.49%	Thomas A. Renyi	99.21%	0.79%
David F. Denison	99.01%	0.99%	Edward Sonshine	97.22%	2.78%
Richard L. George	99.51%	0.49%	Kathleen P. Taylor	99.24%	0.76%
Alice D. Laberge	99.37%	0.63%	Bridget A. van Kralingen	99.12%	0.88%
Michael H. McCain	99.19%	0.81%	Victor L. Young	98.58%	1.42%
David I. McKay	99.58%	0.42%			

- On the appointment of the auditor: 99.37% in favour and 0.63% withheld;
- On the advisory resolution to accept the approach to executive compensation disclosed in the Management Proxy Circular: 95.28% in favour and 4.72% against;
- On the special resolution to implement changes to variable compensation for certain RBC employees in the United Kingdom: 98.06% in favour and 1.94% against;
- Shareholder Proposal No. 1: 3.24% in favour and 96.76% against; and
- Shareholder Proposal No. 2: 5.12% in favour and 94.88% against.

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

The Chair thanked the scrutineers and declared that the 15 persons named in the Management Proxy Circular had been duly elected as directors; Deloitte LLP had been appointed as the auditor; the advisory vote on the approach to executive compensation had been approved; the special resolution to implement changes to variable compensation for certain RBC employees in the United Kingdom had been approved; and each of the Shareholder Proposals had been defeated.

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

On behalf of the Board of Directors and shareholders, the Chair thanked the Bank's employees for their efforts and contributions to the Bank's success in 2014.

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

(signed) Kathleen P. Taylor  
Chair of the Board

(signed) Karen E. McCarthy  
Secretary