



The 149th Annual Meeting of Common Shareholders of Royal Bank of Canada was held at the John W. H. Bassett Theatre at the Metro Toronto Convention Centre in Toronto, Ontario on Friday, April 6, 2018, at 9:30 a.m. (Eastern Time).

### **Quorum**

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

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

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

The Chair called the meeting to order and, as authorized by the By-laws, appointed Joseph Chirico and Pina Pacifico, representatives of Computershare Trust Company of Canada, to act as scrutineers.

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

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

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

### **Business of the Meeting**

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

The Chair introduced Bill McFarland, Samuel May, and Alaina Tennison of PriceWaterhouseCoopers LLP, the Bank's auditor for the 2017 fiscal year. The Chair then noted that the shareholders had received the auditor's report and the financial statements.

The Chair called for questions from shareholders on the financial statements. As there were no questions, the Chair then indicated that shareholders had received the Notice of Meeting and the Management Proxy Circular.

(The Secretary has retained with the records of the Bank a copy of the 2017 Annual Report, which includes Management's Discussion and Analysis and a copy of the Notice of Meeting and Management Proxy Circular.)

The Secretary then reviewed the voting procedures, stating that only registered shareholders or their proxyholders were entitled to propose, second, or vote on motions at the meeting and that a simple majority of the votes cast on each matter would constitute approval of the matter.

### **Election of Directors**

The Chair proceeded with the election of directors, indicating that the number of directors to be elected had been fixed by the board at 13 and noting that one nominee, Jeffery W. Yabuki, was standing for election to the board for the first time.

The Chair then asked the Secretary to read the names of those proposed for election as directors. The Secretary read the names of the following individuals proposed for election as directors: Andrew A.

Chisholm, Jacynthe Côté, Toos N. Daruvala, David F. Denison, Alice D. Laberge, Michael H. McCain, David I. McKay, Heather Munroe-Blum, Thomas A. Renyi, Kathleen Taylor, Bridget A. van Kralingen, Thierry Vandal and Jeffery W. Yabuki.

Rachel Megitt nominated each of the persons named by the Secretary of the Bank to be elected as a director of the Bank to hold office until the close of the next annual meeting of common shareholders or until their successors are elected or appointed.

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

#### Appointment of the Auditor

The Chair then requested a motion for the appointment of the auditor for the 2018 fiscal year. It was moved by Shekher Puri and seconded by Jason Ho:

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 was no discussion, the Chair then put the motion to a vote.

#### Shareholder Advisory Vote on Executive Compensation

The Chair introduced the next item of business: the shareholder advisory vote on our approach to executive compensation disclosed in the Management Proxy Circular. The Chair noted that, in considering the Bank's approach to compensation in the future, the board would take into account the results of the vote, together with other feedback received from shareholders. The Chair requested a motion for approval of the advisory resolution. It was moved by Mark Bayko and seconded by Neda Khalaf:

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 2018 Annual Meeting of Common Shareholders.

The Chair responded to a comment from a shareholder regarding disclosure of the pay ratio used in the Bank's compensation-setting process. The Chair also responded to a comment from a shareholder regarding the quantum of executive compensation.

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

The Chair then responded to a question from a shareholder relating to senior management and directors voting their shares with respect to the shareholder advisory vote on executive compensation.

#### Video Presentation and Question Period

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

Mr. McKay then responded to questions and comments from shareholders.

Willie Gagnon of Mouvement d'éducation et de défense des actionnaires (MÉDAC) discussed the following four shareholder proposals not submitted to a shareholder vote relating to, respectively: (1) democratization

of access to two director positions; (2) commitment to decarbonization; (3) certification of sound business practices for the sale of financial products and services; and (4) disclosure of the equity ratio. Mr. Gagnon noted that following discussions with the Bank, MÉDAC decided to not submit any of its four shareholder proposals to a vote.

Mr. McKay responded to a question from Linda Schwey relating to a shareholder proposal on the Bank's outsourcing practices that she had submitted and subsequently withdrawn following discussions with the Bank.

Mr. McKay also responded to questions and comments relating to investment in artificial intelligence, the disposition of certain insurance businesses, the impact on the Bank of unsuccessful North American Free Trade Agreement negotiations, the report on sales practices at Canadian banks published by the Financial Consumer Agency of Canada, the extent of the Bank's retail operations in the United States, directors' investments in the Bank's shares, the Bank's community and youth initiatives.

Mr. McKay and Mr. McLaughlin, Group Head of the Bank's Personal & Commercial Banking business, responded to a question from a shareholder relating to branch closures. The Chair also responded to a question from a shareholder relating to future locations of the Bank's annual meetings.

### **Voting Results**

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

On the election of directors, a substantial majority of the votes cast at the meeting were voted in favour of each of the 13 nominees named in the Management Proxy Circular, as specified below:

<b>Nominee</b>	<b>Votes For (%)</b>	<b>Votes Withheld (%)</b>	<b>Nominee</b>	<b>Votes For (%)</b>	<b>Votes Withheld (%)</b>
Andrew A. Chisholm	99.83	0.17	Heather Munroe-Blum	99.78	0.22
Jacynthe Côté	99.54	0.46	Thomas A. Renyi	99.68	0.32
Toos N. Daruvala	99.75	0.25	Kathleen P. Taylor	98.80	1.20
David F. Denison	99.69	0.31	Bridget A. van Kralingen	99.77	0.23
Alice D. Laberge	98.32	1.68	Thierry Vandal	99.76	0.24
Michael H. McCain	97.76	2.24	Jeffery W. Yabuki	99.65	0.35
David I. McKay	99.85	0.15			

On the other proposals:

<b>Proposal</b>	<b>Votes For (%)</b>	<b>Votes Withheld (%)</b>
Appointment of the auditor	99.83	0.17
	<b>Votes For (%)</b>	<b>Votes Against (%)</b>
Advisory resolution on the approach to executive compensation	95.55	4.45

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

The Chair thanked the scrutineers and declared that the 13 persons named in the Management Proxy Circular had been duly elected as directors; PricewaterhouseCoopers LLP had been appointed as the auditor; and the advisory vote on the approach to executive compensation had been approved.

**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 2017.

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