Royal Bank of Canada

Statement on Lobbying and Political Contributions
RBC is considered one of North America’s leading corporate citizens, based on a longstanding reputation and wide range of programs and policies that reflect our values and are embedded in our business segments and functional groups across the company. We believe that corporate citizenship is about integrity, business ethics and responsible governance. It’s about delivering sustainable growth and value for our stakeholders. It all starts with a commitment to conducting ourselves with integrity, in every action and transaction, in every part of our business; being transparent and accountable; and contributing to the well-being of our stakeholders. This is how we earn the right to be our clients’ first choice, and we believe this is just good business.

Active and constructive engagement in consultations on public policy is an important part of responsible corporate citizenship. RBC believes that open dialogue between government, the public and the business community leads to greater understanding and contributes to informed government decision-making, benefiting our shareholders, our customers and the communities we serve. We are committed to high ethical standards in all of our relationships with government officials. RBC is subject to significant government regulation and risks generated by new, complex and evolving legislative and regulatory requirements that impact nearly every aspect of our business operations. As such, our customers, employees and shareholders have a measurable stake in the outcome of certain public policy discussions.

We participate in policy advocacy by communicating in a legal and appropriate manner with policymakers and regulators on issues that impact our business. Our lobbying efforts focus primarily on issues that affect our business, and we report our lobbying activity as required to ensure transparency and accountability. At all times, we endeavour to act in a manner that demonstrates respect for democratic institutions, including the duty of public office holders to serve the public interest.
RBC has internal and external policies that govern our behaviour in matters of corporate citizenship. The Board of Directors of RBC (the Board) plays an important oversight role in RBC’s public advocacy activities and political participation. The independent Governance Committee of the Board is responsible for ensuring the Board stays informed on the issues related to corporate citizenship, government relations, and the status and adequacy of efforts to develop and maintain effective relationships with regulators and governments. The Governance Committee receives regular reports on advocacy initiatives in Canada and the U.S., including information on the focus of our advocacy efforts, engagement with key officials on regulatory and legislative reform and involvement with trade associations and other industry participants. In the U.S., the Board of Directors of RBC USA Holdco Corporation reviews yearly reports on activities related to the RBC USA Holdco Corporation Federal Political Action Committee (RBC PAC).

Transparency and accountability are fundamental to maintaining integrity in our lobbying efforts. Together with the RBC Code of Conduct, our Enterprise Lobbying Policy, our Canadian and U.S. lobbying procedures and other controls, we ensure we are compliant with laws respecting communication with government officials in every jurisdiction in which we operate. In response to both regulatory changes and emerging best practices, we continue to review and re-evaluate our reporting practices to ensure our disclosures meet the needs of our stakeholders. Over the years, shareholder engagement has helped RBC to expand its level of disclosure and create or modify corporate policies related to political engagement.

**Related community activities**

We believe that a company “does well by doing good”; that is, by having a positive social, environmental and economic impact on our communities on behalf of stakeholders, including clients and prospective clients, consumers, and governments and regulators. We consider stakeholder engagement to be an integral part of our approach to doing business, above and beyond our corporate citizenship programs. Our framework for engaging stakeholders and monitoring their expectations is broadly managed across the company, with responsibilities formally assigned to the appropriate business unit or department.

Annually, we produce the Public Accountability Statement (PAS), which encompasses relevant activities related to RBC and its prescribed Affiliates and Declarants. The PAS complements our annual and ongoing environmental, social and governance (ESG) reporting, which summarizes the long-term value we create for our stakeholders.

Our ESG Performance Report includes information on our support for community and charitable donations to a broad range of causes around the world. For more information about our programs, plans, goals and performance highlights, visit rbc.com/community-social-impact/index.html.

**Lobbying**

In addition to our Code of Conduct, our enterprise policy on lobbying covers circumstances where RBC employees may have contact with public officials who play a role in developing legislation, regulations or other government actions. Where such contact occurs, the policy requires that appropriate processes and controls be put in place to ensure these contacts comply with the applicable rules, regulations and internal requirements.

The majority of our activities take place in Canada, particularly at the federal level, and in the U.S.

**Canada**

We communicate with the government in an open and transparent way that is fully consistent with the federal Lobbying Act and other applicable laws and regulations. In Canada, members of the Board are not registered to lobby on behalf of RBC. Information on those authorized to lobby on behalf of RBC, including any third parties, is publicly disclosed in accordance with applicable laws.

The President and Chief Executive Officer (CEO) of RBC is responsible for ensuring that employees who lobby are informed of their obligations, including under the federal Lobbying Act, and of their duty to abide by the principles of the Lobbyists’ Code of Conduct.
Employees who lobby on behalf of RBC are authorized by senior management. In addition, we register employees who lobby federally on our behalf, as required by applicable laws and regulation, including the President and CEO of RBC and other key senior executives.

Employees who are authorized to communicate on behalf of RBC must comply with the Canadian federal Lobbyists’ Code of Conduct and other relevant laws, including keeping a running log of every reportable communication that has taken place, responding promptly to all emails received regarding lobbying activity, providing information on all reportable, relevant communications and seeking guidance from Regulatory & Government Affairs when necessary.

On a monthly basis, RBC files reports on its federal lobbying activities and any other reportable activities. These monthly reports and any other required filings are the overall responsibility of RBC’s Vice-President of Regulatory & Government Affairs. In fiscal 2021, RBC had 35 reportable communications with public office holders. A full list of our federal reportable communications can be found on the website of the Office of the Commissioner of Lobbying of Canada at lobbycanada.gc.ca/en/.

Provincial and territorial reportable communications can be found at:

- British Columbia – lobbyistsregistrar.bc.ca
- Alberta – albertalobbyistregistry.ca
- Saskatchewan – sasklobbyistregistry.ca
- Manitoba – lobbyistregistrar.mb.ca
- Ontario – oico.on.ca
- Quebec – commissairelobby.qc.ca
- New Brunswick – oic-bci.ca
- Nova Scotia – novascotia.ca/sns/lobbyist
- Newfoundland and Labrador – gov.nl.ca/dgsnl/registries/lobbyists/
- Yukon – yukonlobbyistregistry.ca/en

Additional information on reportable communications can be found at the Office of the Commissioner of Lobbying of Canada at lobbycanada.gc.ca/en.

United States

The U.S. Congress provides public access to our federal lobbying disclosure reports, including reporting on RBC’s quarterly expenditures on lobbying-related activities, the subject matter of issues RBC lobbies on and the name(s) of any individual(s) registered to lobby on RBC’s behalf at disclosures.house.gov. RBC currently has one registered federal lobbyist in the U.S. Certain employees are registered as lobbyists at the state and local levels. This activity mainly encompasses procurement lobbying.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Primary government office</th>
<th>Key developments and RBC’s positions/activities</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer issues</td>
<td>Government of Canada</td>
<td>RBC participated, both directly and through industry associations, in discussions to improve the framework relating to consumer protection for federally regulated banks.</td>
<td>Canada</td>
</tr>
<tr>
<td>Technology/data use</td>
<td>Government of Canada and other relevant stakeholders</td>
<td>RBC participated, both directly and through industry associations, in discussions regarding updates to the policy and regulatory framework to reflect technological changes. Important areas of focus included consultations on issues like open banking and privacy legislation.</td>
<td>Canada</td>
</tr>
<tr>
<td>Payments system</td>
<td>Government of Canada and other relevant stakeholders</td>
<td>RBC actively participated in government consultations on payments-related issues, including on the oversight of the retail payment system, interchange fees and efforts to modernize the Canadian payments system.</td>
<td>Canada</td>
</tr>
<tr>
<td>Financial regulatory reform</td>
<td>U.S. Senate, U.S. House of Representatives, Federal Reserve System, Securities &amp; Exchange Commission (SEC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC)</td>
<td>RBC participated, both directly and through industry associations, in discussions and written comments on issues related to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203): Title VI, the Community Reinvestment Act, the London Inter-Bank Offered Rate (LIBOR) transition, climate risk management principles and potential guidance, and small business loan reporting.</td>
<td>United States</td>
</tr>
<tr>
<td>Tax</td>
<td>U.S. Senate, U.S. House of Representatives</td>
<td>RBC engaged in discussions related to reforming the U.S. tax code, including the Low Income Housing Tax Credit (LIHTC), the deductibility of tax refunding bonds, private activity bonds, direct-pay bonds, bank-qualified bonds, infrastructure finance, the cap on federal deduction for state and local taxes (SALT), revisions to the Base Erosion Anti-Abuse Tax (BEAT), issues related to IRA investment limitations, issues related to a proposal to increase bank reporting requirements to the IRS, and legislation introduced in the U.S. House and U.S. Senate to establish a financial transactions tax.</td>
<td>United States</td>
</tr>
</tbody>
</table>
Memberships and associations
In addition to our direct engagement with government officials, we are also members of associations that may have interactions with government officials on matters of interest to the financial services industry. These associations, such as the Canadian Bankers Association, promote public policy objectives important to RBC, our customers and the broader community. Membership in, or financial support of, these various groups does not mean that RBC supports every position taken by these organizations or their other members. Where these positions differ from those of RBC, we are committed to voicing our views as appropriate through our employees who serve on the boards and committees of these groups or publicly as necessary.

RBC provides disclosure on lobbying as part of our commitment to transparency, including a list of organizations and trade associations that may lobby government and to which we pay membership dues of greater than $50,000 per year.

The following are key organizations and trade associations RBC belongs to or is affiliated with that may engage in lobbying governments and that we currently pay membership fees to:

C$50,000–C$100,000:
- Business Council of Canada
- Loan Syndications and Trading Association
- The Canadian Chamber of Commerce
- UK Finance

C$100,000–C$200,000:
- Association for Financial Markets in Europe
- Institute of International Bankers
- Structured Finance Association

Over C$200,000:
- Canadian Bankers Association
- Canadian Life and Health Insurance Association
- Futures Industry Association
- Investment Industry Association of Canada
- Securities Industry and Financial Markets Association
- The Investment Funds Institute of Canada
- Toronto Finance International

In the U.S., trade associations annually report to their members the percentage of membership dues that are attributed to lobbying activity expenditures. These expenditures are non-deductible as defined under section 162(e) of the Internal Revenue Code.

RBC’s U.S. non-deductible lobbying activity expenditures as at December 31, 2021

<table>
<thead>
<tr>
<th>Trade association</th>
<th>Lobbying activity expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Futures Industry Association (FIA)</td>
<td>US$14,400.00</td>
</tr>
<tr>
<td>Historic Tax Credit Coalition</td>
<td>US$2,500.00</td>
</tr>
<tr>
<td>Institute of International Bankers (IIB)</td>
<td>US$21,615.00</td>
</tr>
<tr>
<td>Global Business Alliance (GBA, formerly Organization for International Investment (OFII))</td>
<td>US$11,250.00</td>
</tr>
<tr>
<td>Loan Syndications and Trading Association (LSTA)</td>
<td>US$2,100.00</td>
</tr>
<tr>
<td>Structured Finance Association (SFA)</td>
<td>US$27,060.00</td>
</tr>
<tr>
<td>Securities Industry and Financial Markets Association (SIFMA)</td>
<td>US$122,103.90</td>
</tr>
<tr>
<td>The Affordable Housing Tax Credit Coalition (AHTCC)</td>
<td>US$19,250.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$220,278.90</strong></td>
</tr>
</tbody>
</table>

RBC and RBC Foundation donations to charities, non-profit and other tax-exempt organizations (e.g. research and related organizations)
Our charitable activities are intended to support our charitable priorities. Donations made through RBC or the RBC Foundation® include strict guidelines with respect to the nature of these donations, including that they not be used for political advocacy.
Only charitable donations may be supported by RBC donations budgets. For reasons of accountability, reputational risk and tax benefit, RBC places restrictions on the types of organizations it makes donations to. Charitable organizations eligible for RBC donations are limited to the following:

- In Canada, qualified donees under Canada Revenue Agency guidelines
- In the U.S., organizations designated under s. 501 (c) (3) of the U.S. Income Tax Code; schools, colleges and universities; and any other charitable organization permitted under local RBC donations policies

Under Canadian federal law, registered charities are strictly limited in their activities. Although an organization established for a political purpose cannot be registered as a charity, a registered charity may take part in some political activities as a way to further its charitable purpose(s). Under the Canadian Income Tax Act, a charity may spend no more than 10% of its total resources per year on political activities, or its charitable status will be revoked – see this link for more information.

There are numerous entities that are not eligible to apply for or receive donations from RBC or the RBC Foundation, including but not limited to:

- Individuals (including scholarships or sponsorships for individuals involved in charitable events)
- Political organizations or parties
- Private foundations and corporate foundations
- Community foundations, unless for programmatic support
- Trade associations, advocacy organizations, chambers of commerce and professional organizations
- Organizations with values, a purpose, policies or practices in conflict with RBC values
- Any organization appearing on a money laundering or terrorist financing list in Canada or in the country of the RBC business unit/platform or subsidiary making the donation

A complete list of the charities that receive funding from the RBC Foundation can be found on the Canada Revenue Agency (CRA) website (search “RBC Foundation”).

Political contributions and involvement

RBC supports the communities where we live, work and do business. We also accept accountability for the social and economic effects of our business decisions. We take pride in the value of our contributions and encourage employee volunteerism and participation in general political processes.

The RBC Code of Conduct states that RBC employees who make political contributions or perform political activities must do so on their own behalf, at their own expense and on their own time, and not as representatives of RBC.

Effective January 1, 2018, RBC does not use corporate funds to donate to political candidates or parties. Information on our historical Canadian corporate political contributions at the provincial level is available at:

- British Columbia* – elections.bc.ca
- Alberta* – elections.ab.ca
- Saskatchewan – elections.sk.ca
- Manitoba* – electionsmanitoba.ca/en
- Ontario* – elections.on.ca/en.html
- Quebec* – electionsquebec.qc.ca/english
- New Brunswick* – electionsnb.ca
- Nova Scotia* – electionsnovascotia.ca
- Prince Edward Island* – electionspei.ca
- Newfoundland and Labrador – elections.gov.nl.ca/elections

* Corporate contributions are currently illegal.

In the U.S., we periodically use corporate funds to support ballot initiatives and similar activities. RBC’s political activities, including political contributions, are restricted by federal and state laws and regulations including those regarding the administration of the RBC PAC. The RBC PAC provides opportunities for eligible employees to support federal candidates whose views the RBC PAC believes are consistent with RBC’s commitment to a fair, transparent and competitive U.S. financial marketplace. It is supported by voluntary contributions of RBC employees who are U.S. citizens or lawful permanent residents of the U.S. The RBC PAC’s day-to-day activities are overseen by a board of directors, which approves RBC PAC contributions to candidates.
RBC operates one PAC at the federal level. RBC does not operate or contribute to any “Super PACs”. RBC does not operate any PACs at the state level. In addition, due to RBC’s business activities, federal, state and local pay-to-play rules further limit corporate and individual employee contributions.

RBC publicly discloses employee PAC contributions as required by law. All reportable political contributions can be found at fec.gov. This database includes RBC PAC contributions as well as reportable contributions by RBC employees. Contributions for the last six calendar years can be found in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$43,100</td>
<td>US$28,000</td>
<td>US$32,500</td>
<td>US$25,000</td>
<td>US$44,000</td>
<td>US$59,500</td>
</tr>
</tbody>
</table>

In addition, RBC makes contributions in the U.S. to a limited number of state- and local-level ballot initiatives as permitted by law. Contributions that are reportable by RBC to the Municipal Securities Rule Making Board can be found at emma.msrb.org/MarketActivity/PoliticalContributions.aspx.

® / ™ Trademark(s) of Royal Bank of Canada.
When we say “RBC” we’re referring to all of our businesses and functions around the world. VPS109163