COMMITMENT TO THE U.K. STEWARDSHIP CODE

RBC GLOBAL ASSET MANAGEMENT

SEPTEMBER 2016

Global Asset Management

OVERVIEW OF RBC GLOBAL ASSET MANAGEMENT

Royal Bank of Canada ("RBC") provides banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. RBC employs approximately 80,000 people who serve more than 16 million clients through offices in Canada, the United Kingdom, the United States and 38 other countries.

RBC Global Asset Management1 ("RBC GAM") is the asset management division of RBC and includes BlueBay Asset Management and Phillips Hager and North Investment Management. RBC GAM is a provider of global investment management services and solutions to high net worth, institutional and individual investors through separate accounts, pooled funds, mutual funds, exchange traded funds and specialty investment strategies.

The RBC GAM group of companies manage approximately £205 billion in assets worldwide (as at 30 April, 2016) and have approximately 1,300 employees located across Canada, the United States, Asia and the United Kingdom.

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[1] In this document, references to RBC GAM include one or more of the following: RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Global Asset Management (U.S.) Inc., RBC Alternative Asset Management Inc., RBC Global Asset Management (UK) Limited and the asset management division of RBC Investment Management (Asia) Limited.

Approach to responsible investment

RBC GAM is an industry leader in the support of good corporate governance, proxy voting and the disclosure of the proxy voting policies and records of its publicly offered mutual funds. RBC GAM is committed to integrating environmental, social and governance ("ESG") factors into its investment process and has a Corporate Governance & Responsible Investment ("CGRI") team that assists with this integration. Together with our investment teams, this group engages extensively with the companies in which we invest and has developed a strategy to broaden our proactive engagement on ESG issues.

RBC GAM is an active member of numerous international organizations and coalitions. It is a founding and active member of the Canadian Coalition for Good Governance ("CCGG"), which is a coalition of most of Canada's largest institutional investors formed to promote good governance practices. CCGG members believe that good governance practices contribute to an issuer's ability to create value for its security holders. Our Chief Investment Officer ("CIO") sits on the board of CCGG and is the immediate past chair. RBC GAM is also a member of the International Corporate Governance Network ("ICGN"), the Council of Institutional Investors ("CII"), the Responsible Investment Association of Canada and the Carbon Disclosure Project.

In 2015, RBC GAM became a signatory to the United Nations-supported Principles for Responsible Investment ("PRI"). We are committed to putting the PRI's six principles of responsible investment into practice and believe that they are aligned with our existing approach to responsible investment.

RBC GAM fully supports the principles of the U.K. Stewardship Code. The following represents our view on the principles of the Code.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

RBC GAM's Approach to Responsible Investment ("Approach to RI") provides a comprehensive overview of RBC GAM's responsible investment activities, commitments, responsibilities and practices. RBC GAM believes that by acting as an active, engaged and responsible owner we are better able to enhance the long-term, sustainable performance of the portfolios that we manage on behalf of clients. We also recognize that the rights we have as a large global investor come with the obligation to actively utilize those rights in a responsible manner.

As a general rule, we seek to integrate the assessment of ESG factors into our investment process but do not exclude any particular investment or industry based on ESG factors alone. However, when we control the investment policy of a fund, we will not knowingly invest in companies whose business activities would contravene the prohibitions contained in the Anti-Personnel Landmines Convention or the Convention on Cluster Munitions.

We use a variety of tools to integrate ESG considerations in security selection and ongoing monitoring including: ESG research (in-house and externally sourced), engagement with the companies in which we are invested, comprehensive custom Proxy Voting Guidelines, collaboration with like-minded investors and engagement with regulators.

RBC GAM has dedicated considerable resources to enable and assist us in understanding and working to integrate ESG issues into our investment process.

As noted above, we have a dedicated CGRI team within our investment platform to consolidate and lead our efforts in corporate governance and responsible investment. The CGRI team is embedded as part of the investment team and the head of the CGRI team reports directly to the CIO and is a member of the Global Executive Committee which is the senior decision making forum within RBC GAM.

The role of the CGRI team is to:

- oversee the provision of ESG-related research to the investment teams;
- provide additional research or information as may be required on ESG issues related to specific asset classes, companies, sectors or themes;
- provide updates to the investment teams on evolving trends and best practices regarding ESG issues;
- implement an ESG-focused engagement program, with appropriate participation by portfolio managers and subsequent reporting to them;
- prepare or assist in preparing appropriate general and client-specific reporting on our ESG-related activities;
- consider opportunities for publications, research or other initiatives that demonstrate thought leadership in the area of responsible investment;
- ensure the proper exercise our rights as owners by voting our proxies in accordance with the RBC GAM Proxy Voting Guidelines; and
- consider appropriate collaboration with other institutional investors and national or international organizations/coalitions on ESG-related issues.

The CGRI group works in close collaboration with our investment teams, whose role in ESG integration is to:

- develop investment processes that integrate ESG factors into decision making in a way that is relevant to each asset class and/or investment strategy;
- consider the material ESG risks and opportunities of each investment;
- be able to describe how ESG is integrated into their investment process in order to facilitate meaningful reporting to clients;
- consider engaging with companies demonstrating material ESG risks, either directly or in conjunction with the CGRI team; and
- communicate and coordinate with the CGRI team on engagement issues, including providing details of any material ESG issues raised in engagement meetings run by the investment teams.

RBC GAM does not outsource our stewardship activities, although we use a service provider to help administer our custom proxy voting guidelines. In addition, we have engaged a number of external research firms to provide specialized ESG research that we use in conjunction with other forms of analysis. We currently purchase research from MSCI ESG Research Inc., Sustainalytics and Verisk Maplecroft. This research provides us with information on ESG risks and opportunities relevant to specific issuers, countries and industries and also provides us with broad-based thematic research relevant to general ESG themes.

Our custom Proxy Voting Guidelines and engagement process are described in more detail in Principles 3 and 6.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Overview

As institutional investment managers, we have a fiduciary duty to act in the best interests of our clients and to have robust policies and procedures reasonably designed to prevent or manage conflicts of interest. Our conflict of interest policies establish the standards required to be followed by RBC GAM to ensure compliance with all applicable securities laws and regulations of the jurisdictions in which we operate.

Our conflict of interest policies cover all potential conflicts that may arise, including conflicts relating to the bank-owned structure of RBC GAM, personal trading, payments, gifts and entertainment, external directorships/outside activities, proxy voting and engagement. Our policies recognize that a conflict of interest arises when the interests of an individual or the firm are inconsistent with the interests of a client, including an investment fund unitholder, or when there is a conflict between the interests of our clients. We consider conflicts of interest to include actual conflicts, potential conflicts where there is a reasonable probability that an actual conflict will arise, and perceived conflicts where the perceived conflict could cause reputational damage to RBC GAM.

RBC GAM's policies require it to:

i) establish appropriate controls and processes to identify conflicts of interest and either eliminate or satisfactorily manage them;

ii) train employees on conflicts of interest and provide support in conflict of interest identification; and

iii) maintain records of identified conflicts of interest.

Proxy Voting and Engagement

Our conflict of interest policies prohibit any undue influence being exerted on our proxy voting and engagement activities from RBC or any other issuer which might have a relationship with RBC or any of its affiliates. RBC GAM operates independently from RBC and its affiliates and is typically not aware when an issuer has a relationship with RBC or its affiliates. In addition, potential conflicts of interest are significantly reduced due to our centralized proxy voting that is administered and overseen by the CGRI group in accordance with our custom Proxy Voting Guidelines.

RBC GAM has a Proxy Voting Committee, which includes the CIO. The following issues are escalated to the Proxy Voting Committee:

- instances where RBC GAM believes it is in the best interests of a client to deviate from the Proxy Voting Guidelines based on unique circumstances;
- instances where our proxy voting may give rise to an actual or perceived conflict of interest; and
- unusual circumstances regarding corporate action items. We generally vote all corporate action items, including those relating to mergers and acquisitions, in consultation with our investment teams. However, in the event of unusual circumstances we escalate the matter to the Proxy Voting Committee.

Proxy voting decisions are made by the Proxy Voting Committee based on a review of the voting matter with portfolio managers and if the CIO deems it necessary, with the Chief Executive Officer ("CEO").

If any member of the Proxy Voting Committee is aware of a possible conflict of interest related to himself or herself and the exercise of the proxy voting rights, that member will excuse himself or herself from any discussions or decision-making concerning that proxy voting matter. In the rare event that all members of the Proxy Voting Committee are aware of a conflict of interest, the CIO will make all decisions concerning the exercise of proxy voting rights in the best interests of our clients. The CIO is ultimately responsible to the CEO for the manner in which the proxy voting rights are exercised.

As a bank-owned asset manager, RBC GAM is in a conflict of interest position when it exercises its annual proxy voting rights for RBC shares. For Canadian funds, all proxy voting decisions related to RBC shares are approved by the CIO and RBC GAM's Independent Review Committee ("IRC"). The IRC is required by securities regulation in Canada to oversee all conflict of interest matters, including proxy voting.

Similar principles are applied with respect to engagement with the companies in which we are invested. As noted above, RBC GAM is typically unaware of any relationship RBC may have with an issuer which helps to avoid any actual or potential conflict of interest when we set our engagement priorities. Our engagement priorities and activities are undertaken based solely on what we determine is in our clients' best interests, unaffected by any other considerations. Any attempts to influence our engagement priorities or activities would be immediately reported to our CIO.

RBC GAM does not make its compliance policies publicly available, but does disclose its conflict of interest policies and practices to clients in accordance with the securities laws and regulations in the jurisdictions in which it operates. The above description provides a robust description of our policies.

Principle 3: Institutional investors should monitor their investee companies.

Monitoring through ongoing research and analysis

Active stewardship through the ongoing monitoring our investments is a core part of our investment process. Our investment teams oversee the performance of their investments and conduct extensive research and analysis on an ongoing basis.

Our investment management teams have a common philosophical approach which is rooted in the pursuit of deep fundamental knowledge and a belief in the benefits of advanced investment and risk management tools to promote consistency and minimize the impact of behavioural bias. While each of our investment teams creates value through their specialized disciplines and processes, they are able to leverage the broad range of tools that exist within RBC GAM to assist in portfolio construction, security selection, trade execution, and comprehensive performance measurement and attribution. Those tools assist our investment teams in monitoring their investments by helping to:

- expand access to information and enhance data analysis;
- position comprehensive portfolio modeling and management systems at the centre of investment decision making;
- take advantage of the benefits of integrating fundamental, technical and quantitative analysis;
- provide robust and comprehensive risk management; and
- provide deep and thorough performance analytics.

To assist in the ongoing monitoring of ESG-specific issues, our investment teams have access to current research on ESG risks and opportunities relevant to specific issuers, industries and countries, along with broad-based thematic research relevant to general ESG themes. Research is sourced from multiple external research providers to ensure multiple perspectives are considered.

In addition, we have made the MSCI ESG Research Inc. and Sustainalytics ESG scores of issuers available to our investment teams on our internal proprietary trading platforms. The scores are uploaded on a monthly basis and include the overall ESG score and the individual E, S & G score for each issuer. These scores serve as a useful 'flag' of potential ESG issues, particularly where MSCI ESG Research Inc. and Sustainalytics have a very different assessment of an issuer, there has been a significant change in a score, a score is unusually low or if one or more actual or potential controversies for the company have been identified.

Our CGRI team and our investment teams also conduct independent analysis, of ESG-specific issues, which is used in conjunction with the analysis and ratings provided by external research providers. Any analysis conducted by the CGRI team is made available to the investment teams. For example, in order to help our investment teams effectively monitor existing or emerging ESG issues within their portfolios, on a monthly basis the CGRI team distributes "ESG Portfolio Snapshots" to relevant portfolio managers for most of RBC

GAM's equity investment funds. These snapshots highlight some of the potential ESG issues within a portfolio - including the ESG "scores" of the top ten holdings in the portfolio, any portfolio holdings that rank in the lowest ESG score category, issuers that have been flagged for the most severe ESG-related controversies, and any issuer that has fallen into the lowest score category or has been flagged for the most severe level of ESG-related controversy since the previous snapshot. The snapshots also compare the overall ESG score of the portfolio to its custom benchmark.

Our U.K.-based Global Equity and Global Emerging Market Equity teams fully integrate ESG factors in a disciplined, fundamental investment process that involves a robust analysis. Our Global Equity team uses scorecards containing a wide range of questions (a significant percentage of which are ESG-related) as a prime determinant of portfolio weights. Our Emerging Markets team conducts scenario analysis and uses ESG factors as part of its portfolio construction and valuation processes. Both teams maintain records that capture how ESG information and research was incorporated into investment decisions.

Monitoring through engagement

Our investment teams also engage extensively with the companies in which they are invested in order to gain a current and in-depth understanding of each company's operations, performance and strategy. These engagements often involve ESG issues and in that regard, their ongoing monitoring is assisted and supported by the CGRI team. Our ESG-focused engagement is done independently and through collaboration with like-minded investors. Our collaborative efforts are described in more detail in Principal 5. For our independent engagement process, our portfolio managers and analysts meet with the companies in which they invest on an ongoing basis and often discuss risks and opportunities relating to ESG factors. In addition, if our research and analysis identifies a particularly significant ESG issue in an investee company, our investment teams and/or our CGRI team will engage with the company to better understand the issue and the company's plan to address it.

The CGRI team is in the process of broadening our engagement with companies in which we are invested on ESG issues. This engagement program will be led by the CGRI team, in conjunction with our investment teams, and will track our engagement efforts over time with a view to ensuring meaningful engagement outcomes. Our ESG-focused engagements will be chosen and prioritized using a risk-based approach, focusing on the materiality of the ESG risks and opportunities facing each company and the size of our investment in it. Our engagements will be both reactive and proactive and will focus initially on the quality and structure of the board, executive compensation and environmental risks, including climate change. The CGRI Group is also in the process of distributing a detailed engagement guide that covers 19 different sectors in order to empower our investment teams to raise ESG issues during their regular communications with investee companies.

In general, the goal of our ESG-focused engagement activities is to effectively communicate our views as an investment manager on behalf of our clients and to ensure that our perspective is considered as part of a company's strategy for long-term value creation. Engagement also allows us to better understand our investee companies, their governance structures and their approach to ESG issues generally, which better informs our voting and investment decisions. More specifically, the purposes of our ESG-focused engagements include:

- seeking better disclosure of ESG risks and opportunities and the steps the company is taking to address them;
- encouraging more effective management of ESG factors when we believe they may impact shareholder value;
- clarifying information in advance of a voting decision; and
- where a company is lagging its peers on a material ESG issue, seeking a commitment from the

company for change, monitoring any changes and encouraging continued improvements that will impact shareholder value.

Our approach to engagement is to encourage an in-depth private dialogue over time. In general, while we may disclose the names of the companies that we have engaged with, absent exceptional circumstances, detailed particulars about our engagements will be kept confidential to allow us to develop a constructive relationship with our investee companies. Where our engagement efforts have been unsuccessful and the issue being discussed is material, we may comment publically or take more formal steps, such as filing a shareholder resolution, when we determine that it is in our clients' best interests to do so.

Although we may frequently attend annual general meetings, we generally do not use them as a platform to speak as we believe that confidential engagement meetings in advance of an annual general meeting are usually a more productive way to raise issues of concern. We are generally not prepared to become insiders and in all of our engagement activities we take care not to receive any material non-public information about the company.

Principle 4: Institutional investors should establish clear guidelines on how they will escalate activities.

We assess all of our activities through the lens of our clients' best interests and consider in each case whether escalation of our stewardship activities will contribute to the long-term sustainable growth of the company.

We believe that proxy voting is an important method of expressing our views on all company issues, including ESG-related matters. Our CGRI team applies our custom Proxy Voting Guidelines rigorously and reviews every vote recommendation before it is submitted. We are always prepared to vote against management or the company's directors when it is in our clients' best interests to do so. In 2015, we voted against management on a total of 3,154 ballot items, which represents 11% of our total ballots voted. In addition, as indicated above, where the CGRI team believes the particular circumstances are not addressed by our Proxy Voting Guidelines or warrant a different vote than the recommendation made on the basis of our Proxy Voting Guidelines, the issue will be escalated to our Proxy Voting Committee, which includes our CIO, for consideration.

As noted above, where we have particular concerns with a company's practices, we will engage on that specific issue with management or the board, either individually or together with other institutional investors. In this way, engaging with a company will be one tool we use to escalate a particular concern to senior management or a board of directors. The results of all ESG engagements organized by the CGRI group are shared with the investment teams and tracked over time to ensure that our issues are meaningfully addressed.

Where we are not satisfied with the progress of our engagement activities we will consider other avenues to encourage change, such as using our vote to enforce our engagement efforts, supporting/filing shareholder proposals, broadening our engagement to include other shareholders and/or making public statements. As an example, we recently partnered with a pension fund to file two shareholder proposals with a Canadian mining company because following a series of engagements, we remained dissatisfied with the company's approach to compensation and governance issues. These shareholder proposals led to extensive discussions with the independent directors and a satisfactory resolution was reached that we believe is in the best interests of all shareholders.

Where we see a troubling trend emerging across industries or issuers, we may escalate our stewardship activities more broadly. For example, the demands on public company directors have grown substantially over recent years and we are concerned that extensive board commitments of sitting CEOs may limit their effectiveness as directors. As a result, as part of the annual update of our Proxy Voting Guidelines, we amended our guidelines to stipulate that we will withhold votes from directors who are sitting CEOs and sit on more than one other external board (in addition to their own board – previously we permitted two external boards). In order to allow for a smooth transition period, we are phasing in the guidelines over two years. As a courtesy, we have sent letters to the chairs of boards of over 250 issuers who may be impacted by this change to our guidelines.

Ultimately, if through our engagement and stewardship activities our investment teams are not able to satisfy themselves that an ESG issue is being appropriately managed, they will consider divesting from the company entirely; however, it is at the discretion of each of the investment teams to ultimately make this decision.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

We recognize that collaboration with like-minded investors when engaging with issuers can allow us to have greater influence. Where our interests and approach are aligned, we do work together with other institutional investors on issuer-specific engagements. Where appropriate, we will also work with national and international organizations/coalitions on issuer-specific or market-wide issues to encourage changes that are in the best interests of our clients. Our priority for any collective engagement effort is always the best interests of our clients and the preservation of long-term shareholder value.

In Canada, we collaborate extensively through our involvement with CCGG. As noted above, CCGG represents the interests of institutional investors and promotes good governance practices in Canadian public companies. CCGG runs an extensive collective engagement program, through which it meets with the directors of Canadian companies on behalf of its members. CCGG's engagements typically run for several years and any progress made by issuers in addressing the governance matter is tracked and shared with CCGG's members. In 2015, CCGG led engagements with 45 Canadian companies.

In addition to participating in CCGG's engagement program, RBC GAM is an active participant in the formulation of CCGG's submissions filed with Canadian regulatory authorities. In 2015, submissions were filed with regulators on proposed amendments to corporate legislation concerning the process for election of directors, proposed amendments to regulations on take-over bids and issuer bids, a proposed framework for a whistleblower program and proposals to modify exemptions available to inter-listed issuers. In addition, RBC GAM actively participates in CCGG's ongoing, multi-year initiatives to improve shareholder rights, including encouraging companies to adopt majority voting policies and "say-on-pay" resolutions.

In addition to its work with CCGG, RBC GAM is also actively involved in other collaborative engagement initiatives. For example, RBC GAM is currently a member of the PRI Cybersecurity Committee whose mandate is to structure a cybersecurity engagement program for PRI signatories. RBC GAM is also an active member of the Council of Institutional Investors, the International Corporate Governance Association and the Responsible Investment Association.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Voting responsibly is part of our fiduciary duty and it is our policy to exercise the voting rights of the accounts we manage in the best interests of our clients with a view to enhancing long-term value. Through the exercise of our voting rights, we encourage issuers and their boards of directors to consider and adopt recognized best practices in governance and disclosure. Our proxy voting activities are governed by our Proxy Voting Policy, which sets our procedures for administering our voting, escalating any voting issues, and identifying and managing conflicts of interest.

We vote all of our shares independently and in accordance with our custom Proxy Voting Guidelines. We generally do not vote in "share blocking" markets, where trading is restricted from the time a proxy is voted until after the annual meeting, which accounts for less than 2% of our total votes. However, we may choose to vote in a meeting where share blocking is used if a particular proposal is material enough to override the liquidity concerns.

When our funds participate in securities lending, we recall all loaned securities in North America for the purpose of proxy voting. Outside North America, we recall loaned securities when we hold 1% or greater of the outstanding voting shares or when there is a significant voting issue where RBC GAM's position could impact the result. We do not borrow shares in order to exercise additional proxy voting rights.

Proxy Voting Guidelines

Our custom Proxy Voting Guidelines have been developed through our internal expertise and resources and with reference to leading independent research firms. These guidelines are published on our website (www.rbcgam.com) for the information of clients and to assist issuers in understanding our approach to proxy voting. The Proxy Voting Guidelines are comprehensive and set out detailed guidelines on areas that include:

- the structure and independence of the board of directors;
- management and director compensation;
- takeover protection;
- shareholder rights; and
- environmental and social shareholder proposals.

We review and update our guidelines on an annual basis as corporate governance best practices evolve. All changes are reviewed and approved by our Proxy Voting Committee and a summary of changes is made available to our clients. In January 2016, we made the following updates to our Proxy Voting Guidelines:

- **Say-On-Pay**: Many markets/companies now provide an opportunity for shareholders to provide feedback to a board on a company's executive compensation practices through a shareholder vote, often referred to as "say-on-pay." Our proxy voting guidelines set out the main principles we will apply when considering say-on-pay proposals and outline how we will assess executive compensation.
- **Board Diversity**: Growing evidence suggests that a more diverse board will be a more effective board. We updated our board diversity guideline so that if a board has no female directors and has not adopted a policy on board diversity, we will vote against directors who sit on the nominating committee of the board.
- **Water Risk Disclosure**: Water supply is becoming a material risk for many companies as the competition for limited water resources grows. It is important that shareholders understand how companies are managing water-related risks and therefore we updated our guideline to support better disclosure of these risks and how a company is managing them.
- **Overboarding:** Directors who sit on an excessive number of boards may not be able to commit sufficient time and effort to effectively discharge their responsibilities. This year, we changed our proxy voting guidelines to reduce the maximum number of boards that a current CEO can sit on from three to two (their own board and one other). However, recognizing that we need to allow some time for transition, we are phasing in the application of this new guideline over two years.

Proxy Voting Process

The exercise of voting rights requires an ongoing assessment of a company's management and directors, its ESG practices and the impact a vote may have on the value of the company's securities. Our CGRI team is responsible for administering our proxy voting in accordance with our Proxy Voting Guidelines. In particular, two members of the CGRI team are dedicated to proxy voting and ensuring that every ballot item is reviewed before our vote is registered. Where necessary, we rely on research on management performance and ESG issues drawn from portfolio manager and analyst due diligence, information provided by leading independent research firms and involvement in organizations such as ICGN, CII and CCGG.

We have retained Institutional Shareholder Services Inc. ("ISS") to provide proxy voting administration services on our behalf. ISS makes a recommendation as to how each ballot item should be voted in accordance with our custom Proxy Voting Guidelines but we also review each recommendation prior to our vote being submitted.

As described in detail above, from time to time, instances may arise where RBC GAM believes it is in the best interests of a client to deviate from the Proxy Voting Guidelines based on the unique circumstances of a certain ballot item, or where our proxy voting may give rise to an actual or perceived conflict of interest. In these circumstances, our CGRI team will escalate the matter to the Proxy Voting Committee who will determine how the proxies should be voted in accordance with the clients' best interests.

We often engage with issuers on proxy voting matters. These engagements may be initiated by our CGRI team or by the company. In all instances, we ensure that our communications are in compliance with our policies and all applicable securities regulations.

The proxy voting records of all of our funds (with the exception of client segregated funds) are publicly available on our website (www.rbcgam.com) and are updated quarterly. Our proxy voting records can be searched by fund or company name. In addition, we provide an overview of our proxy voting activities, including our proxy voting rationale in some instances, in our Annual and Semi-Annual CGRI Reports (described in more detail below), which are publicly available on our website. We may also provide additional customized proxy voting reporting to our institutional clients on a regular or ad-hoc basis.

In some circumstances, where we think it is appropriate and in our clients' best interests to do so, we will disclose in advance how we intend to vote on a particular issue and provide the rationale for our voting decision.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

We regularly issue public reports about our stewardship and proxy voting activities. In January 2016, we issued our first Annual CGRI Report that outlined our proxy voting and engagement activities for 2015. In July 2016, we released our first Semi-Annual CGRI report. As noted above, the proxy voting records of our publically offered mutual funds are publically available and are updated quarterly. In addition, we provide our institutional clients with detailed quarterly reports on matters of interest to each client, including performance, valuation and our proxy voting and stewardship activities. Finally, in March 2016, we filed our first Transparency Report with the PRI.

Our proxy voting activities are independently reviewed by our external auditor. This review includes an inspection of our proxy voting processes to ensure they are in compliance with our policies. In addition, a sampling of our proxy voting is reviewed. For 2015, the auditors had no concerns or comments regarding our proxy voting activities.

In addition, RBC has a large internal audit team that reviews RBC GAM's policies and procedures, including its proxy voting practices, as part of its internal audit process.

For further information regarding our adherence to the U.K. Stewardship Code, please contact Judy Cotte, V.P. & Head, Corporate Governance & Responsible Investment, RBC Global Asset Management, at judy.cotte@rbc.com.