

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF THE MUTUAL RELIANCE  
REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF THE ROYAL BANK OF CANADA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from the Royal Bank of Canada (the "Bank") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of the Bank or insiders of reporting issuers ("Investment Issuers") in which the Bank is an insider by reason of having a nominal vice-president title or another nominal title inferring a similar level of authority or responsibility given to employees who perform functions similar to those performed by employees with a nominal vice-president title (a "Nominal Title");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS the Bank has represented to the Decision Makers that:

1. The Bank is a Schedule 1 Canadian chartered bank incorporated under the *Bank Act* (Canada) with its head office in Montreal, Quebec.
2. The Bank is a reporting issuer in each of the Jurisdictions where such concept exists.
3. The Bank's common shares trade on The Toronto Stock Exchange, the New York Stock Exchange and the Electronic (Swiss) Exchange and the Bank's preferred shares trade on The Toronto Stock Exchange.

4. As at October 31, 2002, the Bank had approximately 415 subsidiaries, four of which were as at October 31, 2002 "major subsidiaries" of the Bank as defined under National Instrument 55-101 ("NI 55-101").

5. The Bank is and may from time to time be an insider of certain Investment Issuers, as a result of which the Bank's insiders would be required to file insider reports in respect of transaction on securities of such Investment Issuers. Accordingly the Bank is seeking exemptive relief from the insider reporting requirements both in respect to securities of the Bank and securities of Investment Issuers.

6. As at October 31, 2002, the Bank was an insider in six Investment Issuers, namely, Chromos Molecular Systems Inc., Consolidated Envirowaste Industries Inc., Megawheels Technologies Inc., Peace Arch Entertainment Group, RBC Capital Trust, Royal Trust Real Estate Limited Partnership, Resolute Energy Inc.

7. As at October 31, 2002, there were approximately 3,600 persons who were insiders of the Bank pursuant to the Legislation, of whom:

(a) 137 are senior officers of the Bank or its subsidiaries who, by virtue of their positions, may in the ordinary course receive or have access to material undisclosed information concerning the Bank or Investment Issuers (current and future senior officers of the Bank or its subsidiaries who meet the foregoing description are collectively referred to as "Non-Exempt Officers");

(b) approximately 2,000 are insiders of the Bank pursuant to the Legislation who are exempt from the insider reporting requirements of the Legislation with respect to securities of the Bank pursuant to NI 55-101 or exemption orders previously granted by certain of the Decision Makers;

(c) approximately 3,290 are insiders of the Bank pursuant to the Legislation who are exempt from the insider reporting requirements of the Legislation with respect to securities of Investment Issuers pursuant to NI 55-101; and

(d) approximately 195 are employees of the Bank and approximately 1,290 are employees of major subsidiaries of the Bank who have been given a Nominal Title.

8. The Bank has made this application to seek relief from the insider reporting requirement for individuals who meet the following criteria (the "Nominal Officer Criteria"):

(a) the individual has been given a Nominal Title; and/p>

(b) the individual is not in charge of a principal business unit, division or function of the Bank or a "major subsidiary" of the Bank (as that term is defined in NI 55-101); and

(c) in the case of relief from the insider reporting requirement in respect of securities of the Bank:

(A) the individual does not in the ordinary course, receive or have access to information regarding material facts or material changes concerning the Bank before the material facts or material changes are generally disclosed; and

(B) the individual is not an insider of the Bank in any capacity other than as result of holding a Nominal Title; and

(d) in the case of relief from the insider reporting requirement in respect of securities of an Investment Issuer:

(A) the individual does not in the ordinary course, receive or have access to information regarding material facts or material changes concerning such Investment Issuer before the material facts or material changes are generally disclosed; and

(B) the individual is not an insider of such Investment Issuer in any capacity other than as result of holding a Nominal Title.

Current and future employees of the Bank or any subsidiary of the Bank that is now or in the future becomes a major subsidiary of the Bank and who meet the "Nominal Officer Criteria" are collectively referred to as "Nominal Officers".

9. The Bank and its subsidiaries (collectively, "RBC Financial Group") have well established and regularly reviewed policies and procedures: (a) to identify undisclosed material information concerning the Bank, (b) that prohibit improper use of such information, (c) to educate employees on the use of undisclosed material information, (d) that restrict certain senior officers to trading in Bank securities only during designated "open windows", and (e) that require pre-clearance and monitoring of trades in Bank securities by certain senior officers and other employees. Such policies and procedures will continue to apply regardless of the relief granted under this Decision.

10. Certified excerpts of the relevant policies and procedures have been provided to the Decision Makers. Designated staff in the legal and compliance departments of RBC Financial Group are responsible for the administration and application of such policies and procedures.

11. Under the supervision of the Senior Vice-President, Group Risk Management - Compliance of the Bank and Senior Vice-President, Strategic and Leadership Development of the Bank, designated RBC Financial Group staff will:

(a) ensure that any employee of the Bank or a major subsidiary of the Bank who is appointed to a Non-Exempt Officer position in the future is advised of their responsibility to comply with insider reporting requirements;

(b) implement a system to identify insiders (i) who are not otherwise exempt from insider reporting requirements as described in paragraph 7(b) above, and (ii) who meet the Nominal Officer Criteria; and

(c) review the process for determining Non-Exempt Officers and Nominal Officers annually.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports:

(a) in respect of securities of the Bank shall not apply to present and future Nominal Officers of the Bank or its major subsidiaries; and

(b) in respect of securities of Investment Issuers shall not apply to present and future Nominal Officers of the Bank,

so long as:

(c) each such individual satisfies the Nominal Officer Criteria;

(d) the Bank, upon the request of the Decision Makers, makes available to the Decision Makers as soon as practicable following such request a list of all individuals who are relying on the exemption granted by this Decision as at the last day of the Bank's most recent interim financial reporting period; and

(e) the relief granted hereby will cease to be effective on the date when NI 55-101 is amended.

Dated at Montreal, June 6, 2003

Jos<sup>é</sup> Deslauriers  
Director of Capital Markets