

TRUSTEE SERVICES

How Our Trustee Services Can Support You

APPOINTING ROYAL TRUST AS TRUSTEE

As trustee, Royal Trust must act in accordance with the terms of the trust agreement and the governing law, as well as in the best interests of the beneficiaries. Royal Trust offers services under the brand name RBC Estate & Trust Services within RBC Wealth Management. Please note that in all provinces outside of Quebec, Royal Trust's legal name is "Royal Trust Corporation of Canada." In the province of Quebec, Royal Trust's legal name is "The Royal Trust Company." Please use the appropriate legal name when naming Royal Trust in your will or deed of trust. You will find below the list of tasks and services that will be carried out by Royal Trust with respect to the administration of the trust:

PRELIMINARY WORK

- Initial meeting and consultation with the settlor/estate representative/co-trustee(s)/legal advisor
- Review the terms of the Trust Deed/Will/Court Order
- Obtain information related to the trust, the trust assets, the co-trustee(s) if any, and determine the beneficiary(ies)
- Establish a trust account
- Set up a trust year-end reminder
- Set up important date reminders

RELATIONSHIP MANAGEMENT

- Initial communication with the co-trustee(s) and beneficiary(ies)
- Ongoing communication with the co-trustee(s) and beneficiary(ies)
- Follow up on inquiries from the co-trustee(s) and beneficiary(ies)

ASSETS

- Arrange for transfer and re-registration of securities to the account from the present custodian where required
- Provide ongoing safekeeping of securities under Royal Trust's care and control
- Record description and values of other trust assets (promissory notes, mortgages, private company shares, non-marketable investments, real estate, etc.)
- Process security transactions
- Collect all interest, dividend and other income earned on the securities held by Royal Trust
- Collect income from other trust assets if any
- Review notices of corporate changes with the investment manager and process instructions as required
- Review security holder and proxy information materials and take action if requested

INVESTMENTS

- Establish the investment objectives
- Create an Investment Policy Statement
- Provide discretionary investment management of the cash and marketable securities in the account, or provide investment management oversight of an investment agent where applicable
- Provide investment statements

REAL PROPERTY

- Obtain independent appraisal of real property
- Arrange for the security of real property



RBC Wealth Management

- Arrange for insurance
- Arrange for periodic inspections (costs to be paid by the trust)
- Pay property taxes
- Pay utilities
- Deposit post-dated rent payments provided if applicable
- Handle the sale of properties if required

PAYMENTS TO THIRD PARTIES AND BENEFICIARY(IES)¹

- Determine the proper allocation of trust expenses, whether from capital or revenue, and pay expenses accordingly
- Make discretionary decisions regarding payments to the beneficiary(ies), where applicable, and document decisions accordingly
- Make payments from the capital of the trust to the beneficiary(ies) for capital encroachment where applicable
- Deliver assets from the trust to the beneficiary(ies) pursuant to the trustee's exercise of discretion or in satisfaction of a distribution entitlement
- Remit net income earned on trust assets to the beneficiary(ies) on a periodic basis depending on the availability of cash, as per the court order, the Will or the trust agreement if applicable

TRUST ACCOUNTING AND STATEMENTS

- Record transactions and allocate to capital and revenue accounts
- Record and track the adjusted cost base of the trust assets
- Render periodic investment statements detailing the book and market values of assets to the co-trustee(s) and the beneficiary(ies)
- Render periodic statements detailing all capital and revenue transactions of the trust to the beneficiary(ies)
- Render periodic investment and transaction statements to the investment counsellor of the trust, the legal advisor and/or the accountant if required

- Process deemed dispositions
- Report taxes including filing annual T3 returns
- Prepare fiscal year-end worksheets on the trust assets, detailing investment income and asset dispositions
- Provide an annual account review
- Provide an annual account analysis detailing estimated annual income and projected expenses of the trust based on available information

OTHER ONGOING AND SPECIAL SITUATIONS

- Plan for significant events such as the 21-year deemed disposition date under Canadian income tax law
- Provide communications with environmental consultants where required
- Minimize taxes where possible by considering all available tax elections

TRUST DISTRIBUTION¹

- Prepare a statement of accrued income when required
- Prepare a plan of partition for in-kind distribution if applicable²
- Estimate cash requirements (debts, taxes and payments to the beneficiary(ies)) for the initial distribution
- Complete interim distribution (in cash or in kind) to the capital beneficiary(ies)
- Undertake necessary activities to complete final distribution (in cash or in kind) to the capital beneficiary(ies)
- Complete final tax return

FOR MORE INFORMATION

For more information, speak with an RBC advisor, contact us at **1-855-833-6511** or visit our website at **www.rbc.com/estateandtrustservices**.

¹ On certain capital distributions to non-resident beneficiaries, the Canada Revenue Agency requires non-resident beneficiaries to obtain a Certificate of Compliance. Otherwise, a 25% withholding tax may be required. Where required, Royal Trust can prepare a request for a Certificate of Compliance for an additional fee.

² Distributions to the residual beneficiary(ies) can be in either cash or in kind. In certain circumstances, in-kind distributions may not be feasible.

RBC Estate & Trust Services refers to Royal Trust Corporation of Canada and The Royal Trust Company. This document has been prepared for use by Royal Bank of Canada, Royal Mutual Funds Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc.*, Royal Trust Corporation of Canada and The Royal Trust Company. Royal Mutual Funds Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc., Royal Trust Corporation of Canada, The Royal Trust Company and Royal Bank of Canada are separate corporate entities that are affiliated. RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc., Royal Trust Corporation of Canada and The Royal Trust Company are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. *Member—Canadian Investor Protection Fund.

The strategies, advice and technical content in this publication are provided for the general information only and benefit of our clients. This publication is not intended to provide specific financial, investment, tax, legal, accounting or other advice for you, and should not be relied upon in that regard. Readers should consult their own professional advisor when planning to implement a strategy to ensure that individual circumstances have been considered properly and it is based on the latest available information.