ROYAL CHOICES™
GROUP SAVINGS PLAN

SPONSOR REFERENCE MANUAL

Including:

- RBC Funds
- RBC GICs
- Savings Deposits

Accessing:

- RBC Royal Bank
- RBC Dominion Securities: Full Service Investment Advice
- RBC Direct Investing: On Line Investing

Prepared by
GROUP FINANCIAL SERVICES

(Release No.5.0– Prepared: September 30, 2006)

Contents

How to Use This Manual

This manual has been provided to assist you with the day-to-day administration of your Royal Choices Plan group savings plan. It outlines procedures for the exchange of information and provides details on how you can assist us to better serve your employees.

Information provided is based on the features of a standard Royal Choices Plan.

Not all Royal Choices Plans include all available features (e.g. an employer may or may not contribute to the plan, and may require employees notify their employer prior to making withdrawal requests while employed by the company. Further, not all plans offer employees the option of investing with RBC Direct Investing or RBC Dominion Securities).

To facilitate communications, the section entitled **How to Reach Us - Participant Contacts** has been formatted to allow you to provide employees with copies, if and when required.

Section 1 not only provides details regarding the enrolment process, but also acts as an overview of the Royal Choices Plan structure. Other sections in this manual will flow more logically, if you first familiarize yourself with Section 1.

Any questions or comments you may have relating to the daily operation of your group savings plan should be directed to Group Financial Services, Service Centre (See: How to Reach Us – Sponsor Contact on page 4).

Group Financial Services appreciates the opportunity to assist you and your employees in providing for their retirement needs.

Note: As you read this manual, the following words and acronyms are used interchangeably:
"annuitant", "applicant", "member", "participant" and "plan owner"
"CRA" and "Canada Revenue Agency"
"contributor" and "employee"
"Dominion Securities" and "RBC Dominion Securities"
"company", "employer", "plan sponsor" and "sponsor"
"GFS", "Group Financial Services" and "Group Financial Services, Service Centre".

How to Reach Us – Sponsor Contact

Your Royal Choices Plan is administered by Group Financial Services, part of RBC Financial Group. Any questions or comments you may have relating to the daily operation of your group savings plan may be directed to:

Group Financial Services, Service Centre

Transit 08741
1 Place Ville Marie M1
PO Box 6001, Stn Centre Ville
Montreal, QC, H3C 3A9

Tel.	1-800-835-3855	
Fax	1-800-263-7777	
Hours of operation	Monday to Wednesday	8:00 AM to 8:00 PM (ET)
	Thursday to Friday	8:00 AM to 9:00 PM (ET)
	Saturday	9:00 AM to 6 AM (ET)

How to Reach Us – Participant Contacts

Participants who choose to direct contributions to accounts with RBC Royal Bank have access to the same sources of information and assistance as individual RBC clients.

Participants who choose to direct contributions to accounts with RBC Direct Investing or RBC Dominion Securities should contact the respective members of RBC Financial Group for information and assistance (see details below).

RBC Royal Bank Accounts

Invest by Phone

Employees may call Invest by Phone to enrol. A representative will complete the necessary forms over the phone, and forward them to the employee for signature and distribution.

Participants can use this toll-free service to obtain investment advice, to buy, sell or switch RBC Funds within their group savings plan, or obtain related information. Invest by Phone can also process additional contributions (either from an RBC Royal Bank account or another financial institution) over the phone.

Tel.	-	1-800-ROYAL®- 1-1 (1-800-769-2511)
Hours of operation	-	7 days a week, 24 hours per day

RBC Financial Group - Branch Network

RBC Royal Bank investment representatives can assist participants with a wide range of information and transactions, from investment options to retirement options. To find the location of the nearest RBC Royal Bank branch, participants may call 1-800-ROYAL®-11 (1-800-769-2511).

RBC Direct Investing

Employees who wish to open an account with RBC Direct Investing should call 1-800-ROYAL-60 (1-800-769-2560). A representative will complete the necessary forms over the phone, and forward them to the employee for signature and return.

Participants can obtain information about their investments and other investment options, to buy, sell or switch investments within their account, by phoning RBC Direct Investing Customer Service at 1-800-ROYAL 60 (1-800-769-2560). Representatives can also process additional contributions, from an RBC Royal Bank account, over the phone.

Alternatively, employees may choose to use NetAction®, an investment service accessible via the Internet, www.rbcdirectinvesting.com, to initiate a variety of transactions and obtain information about their accounts. In areas where available, participants may visit their local RBC Direct Investing Investor Centre.

RBC Dominion Securities

To obtain the name of an investment advisor in their area, applicants can go online via http://www.rbcinvestments.com/ds/contactus.html or call 1-800-ROYAL®-11 (1-800-769-2511). Once an account has been opened, participants may call their RBC Dominion Securities investment advisor directly for information and assistance.

How to Reach Us – Internet

Employees may also obtain information on RBC Funds and Group Financial Services through the Internet at www.rbcinvestments.com/gfs.

Important Consumer Information

For Group Plans that allow members to direct contributions to accounts with RBC Direct Investing and RBC Dominion Securities:

Group savings plans are products of Group Financial Services, a division of RBC Asset Management Inc. RBC Funds are offered by RBC Asset Management Inc. and distributed through Royal Mutual Funds Inc. Guaranteed investment certificates are products of Royal Bank of Canada or its affiliates. Investment advice is provided by Royal Mutual Funds Inc. Royal Mutual Funds Inc. is licensed as a financial services firm in Quebec. RBC Asset Management Inc., Royal Mutual Funds Inc. and Royal Bank of Canada are separate corporate entities which are affiliated.

Please consult your advisor and read the prospectus before investing. There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Mutual Funds are not guaranteed, their values change frequently and past performance may not be repeated. RBC Funds may be purchased on a no-load basis through Royal Mutual Funds Inc. RBC Funds pay certain management fees, operating expenses and trailing commissions which are borne indirectly by the investor.

RBC Dominion Securities Inc., RBC Direct Investing Inc. are Member Companies under RBC Investments. The Member Companies, Royal Trust Corporation of Canada and The Royal Trust Company are separate corporate entities which are affiliated.

Monies held by RBC Dominion Securities Inc.* or RBC Direct Investing Inc.* in their respective securities accounts are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Unless otherwise indicated, securities sold through the Member Companies are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer, are not guaranteed by Royal Bank of Canada and are subject to market fluctuations.

*Member CIPF

Participant Contact Table for Enrolling, Initiating Transactions, Account and Fund Information

The following table is provided as a snapshot of contacts for participants.

As you use this table, remember that RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities are different accounts opened with the respective RBC Financial Group member.

Contact

GFS = Group Financial Services, Service Centre
IBP = Invest by Phone
RB = RBC Royal Bank branch
DI = RBC Direct Investing
DS = RBC Dominion Securities

Contact made by

🗎 = paper form
☎ = telephone
RB = visiting an RBC Royal Bank branch
🖳 = On-line

RBC Financial Group Contact

Enrolling Participants in the Group Savings Plan					
	GFS	IBP	RB	DI	DS
To open an RBC Royal Bank account, contact		☎	RB		
To designate more than one beneficiary under an RBC Royal Bank group savings plan account (i.e.: to obtain a Designation of Beneficiaries form) contact		☎	RB		
Return Designation of Beneficiaries forms to		☎	RB		
To open a group savings plan account with RBC Direct Investing, contact				☎	
To access RBC Dominion Securities, please go on line at http://www.rbcinvestments.com/ds/contactus.htmlt		☎			🖳
For accounts with RBC Direct Investing or RBC Dominion Securities, return Payroll Deduction & Spousal Allocation Authorization Forms to				🗎	🗎
To authorize another person to buy, sell & trade mutual funds under an account with RBC Royal Bank (i.e.: to obtain a Mutual Fund Trading Authorization form) contact		☎	RB		
For RBC Royal Bank accounts, return Mutual Fund Trading Authorization forms to		🗎	RB		
To authorize another person to buy, sell & trade mutual funds within accounts with RBC Direct Investing or RBC Dominion Securities, contact				☎	☎

Changing Participant Personal Data within their Group Savings Plan					
	GFS	IBP	RB	DI	DS
To complete a name change under an RBC Royal Bank account, contact		☎	RB		
To complete an address change under an RBC Royal Bank account, contact		☎	RB		
To initiate a change of beneficiary under an RBC Royal Bank account, contact		☎	RB		
For RBC group savings plan accounts, return Designation of Beneficiaries forms to		☎	RB		
To initiate changes in personal information under accounts with RBC Direct Investing or RBC Dominion Securities, contact				☎	☎
Changing Participant Personal Plan / Spousal Plan Split in their Group Savings Plan					
To change personal plan/spousal plan allocations under an RBC Royal Bank account, contact		☎	RB		
To change personal plan/spousal plan allocations under accounts with RBC Direct Investing or RBC Dominion Securities, send copies of Payroll Deduction & Spousal Allocation Authorization Forms to				🗎	🗎
Changing Participant Investment Instructions & Switches in their Group Savings Plan					
To change future investment instructions under an RBC Royal Bank account, contact		☎	RB		
To request a switch under an RBC Royal Bank account, contact		☎	RB		
To change investment instructions or request a switch under accounts with RBC Direct Investing or RBC Dominion Securities, contact				☎	☎
Participant Lump Sum Contributions & Individual Transfers-In to their Group Savings Plan					
Lump sum contributions to accounts with RBC Royal Bank can be initiated through		☎	RB		
Lump sum contributions to accounts with RBC Direct Investing or RBC Dominion Securities should be initiated through				☎	☎
For information on how to transfer other individual RRSPs to accounts under the RBC Royal Bank, contact		☎	RB		
For information on how to transfer other individual RRSPs to accounts with RBC Direct Investing or RBC Dominion Securities, contact				☎	☎

Participant Withdrawals, Retirements & Death Claims for their Group Savings Plan					
	GFS	IBP	RB	DI	DS
Participants who wish to make withdrawals from RBC Royal Bank accounts should contact		☎	RB		
Participants who wish to make withdrawals from accounts with RBC Direct Investing or RBC Dominion Securities should contact				☎	☎
Participants approaching age 71 will be contacted, re: selection of a retirement option, by		☎	RB		
RBC Direct Investing participants approaching age 71 will be contacted, re: selection of a retirement option, by				🖹	
RBC Dominion Securities participants approaching age 71 will be contacted, re: selection of a retirement option, by					☎
For RBC Royal Bank accounts, in the event of the plan owner’s death, claimants should contact		☎	RB		
For RSP accounts with RBC Direct Investing or RBC Dominion Securities, in the event of the plan owner’s death, claimants should contact				☎	☎
Participant Reporting					
To obtain copies of contribution receipts, for RBC Royal Bank accounts, contact		☎	RB		
To obtain missing contribution receipts, for accounts with RBC Direct Investing or RBC Dominion Securities, contact				☎	☎

Section 1 – Enrolling In the Plan

Variables

- Your plan may or may not offer members the option of investing with RBC Direct Investing or RBC Dominion Securities.
- Your plan may or may not allow spousal accounts.
- If your plan allows for spousal accounts and the company contributes to the plan, the company has the option of allowing or disallowing employees to direct *employer contributions* to a spousal account.
- An employer may decide to limit enrolment to fixed dates (e.g.: twice a year, at April 1st and October 1st). However, Group Financial Services, RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities cannot monitor enrolment dates.

Related Form(s)	*Enrolment Kits*	
	Designation of Beneficiaries	(RBC Royal Bank form number 3203)
	Mutual Fund Trading Authorization	(RBC Royal Bank form number 3214)

Royal Choices Plan

Procedures

Depending on your plan variables, participants may elect to direct contributions to: RBC Royal Bank, RBC Direct Investing or RBC Dominion Securities (full-service brokerage).

All RRSP-eligible investment options available to individual clients of the above-noted members of RBC Financial Group are available to Royal Choices Plan participants.

Kindly provide an *Enrolment Kit* to each employee as he or she becomes eligible to join the group savings plan (Should you require additional *Kits*, please contact your local Group Financial Services manager).

RRSP products offered by RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities have been registered separately with the Canada Revenue Agency (CRA) and, therefore, each has their own RRSP *Application* forms.

To open an RBC Royal Bank RRSP, employees may either call Invest by Phone 1-800-769-2511 or visit any RBC Royal Bank branch (See: How to Reach Us on page 5).

To open an RBC Direct Investing RRSP, employees should call RBC Direct Investing and advise them they are a “group client” who wishes to open an RRSP (See: How to Reach Us on page 5).

Note: Individuals who have an existing RBC Direct Investing account must open a new group savings plan account with RBC Direct Investing for their company-sponsored plan. Afterwards, they may wish to transfer assets from their individual account into their group account.

To open an RBC Dominion Securities RRSP, employees should call RBC Funds Customer Service for the name of an RBC Dominion Securities investment advisor in their area (See: How to Reach Us on page 5).

Note: Individuals who have an existing RBC Dominion Securities account must open a new group savings plan account with RBC Dominion Securities for their company-sponsored plan. Afterwards, they may wish to transfer assets from their individual account into their group account. We recommend that plan owners combine their RBC Dominion Securities accounts into one plan so that they will only have one administration fee and one consolidated statement.

Getting Started

The first steps to enrolling in the group savings plan are for applicants to determine:

a) how much to contribute,
b) which type(s) of plan(s) will best meet their needs i.e. personal and/or spousal plan, and
c) the investment strategy appropriate for them.

RBC Group Savings Plan Applicants

Getting Help

Our *Enrolment Kit* should answer most enrolment- related questions.

How to enroll:

For those employees who call Invest by Phone to enrol, an Invest by Phone representative will complete the necessary forms with them over the phone, and will forward the completed forms to the employee for signature.

For those employees who visit an RBC Royal Bank branch to enrol, investment representatives will complete the necessary forms and obtain the employee's signature.

Contribution Amount

Contributions may be expressed as either a dollar amount or a percentage to be deducted from each pay. A minimum contribution of $25 per pay is required. These noted on the brochure, *Your Investment Options*, included in each *Enrolment Kit*.

(Except for bonus payments directed by the company into an employee's RRSP) employees are solely responsible to ensure that they do not exceed their maximum allowable RRSP contribution in any given year.

Personal / Spousal Plans

Depending on your plan variables, an employee may choose: a personal plan to accept contributions on his/her behalf; a spousal plan to accept contributions on behalf of his or her spouse; or both.

Contributions directed to a spousal plan are "owned" by the employee's spouse, who decides which investments to choose. Employees cannot complete any transactions (financial or non-financial) on a spousal plan unless a duly completed *Mutual Fund Trading Authorization* form (3214) has been completed. To obtain a *Mutual Fund Trading Authorization* form, applicants should call Invest by Phone 1-800-769-2511 or visit an RBC Royal Bank branch (See page 5, How to Reach Us).

For employees who wish to contribute to a spousal plan (where permitted), it will be necessary for the employee's spouse to open an account in his or her name.

Investment Options

Depending on the amount contributed, an applicant may choose to direct payroll contributions to:

- up to 6 RBC Funds and/or 5 RBC Fund plus one (1) non-redeemable Guaranteed investment Certificate and/or a Savings Deposit account.

RBC Funds

As required by securities regulations, in order to purchase mutual funds, the applicant:

- ***must*** provide Account Opening Information, also known as "Know Your Client" (KYC) information, on his or her *Application*; and
- ***must*** read the Important Consumer Information section located on the back cover of their *Application*.

Note: Under the Account Opening Information (KYC) section, the Employer's Name, Address and Type of Business refer to the applicant's employer (i.e.: for spousal plans, it is the spouse's employer, which should be identified here. Likewise, for spousal plans, Occupation refers to the spouse's occupation).

Non-redeemable Guaranteed Investment Certificates (GICs)

- Terms of one (1) to 60 months (five years) are available.
- The minimum amount required to purchase a GIC is $1,000. However, an applicant may choose to delay purchase until a larger sum has accumulated.
- If no amount is specified, then the $1,000 minimum will apply.
- Contributions will accumulate in a Savings Deposit account until the minimum is reached.
- Once the minimum or specified amount is reached, deposits will be swept into a GIC on the first calendar quarter applicable.
- If no term is specified, contributions will be invested with a one-year term.
- Monies cannot be withdrawn from a GIC prior to maturity.

Members may direct payroll contributions to either a (1) non-redeemable GIC of a specified term, or to a Savings Deposit account, *but not both*. They may however, switch monies from Savings Deposits or mutual funds into a GIC. Other types of GICs (such as redeemable or market-linked GICs) may be purchased by switch or by lump sum contribution.

Other Requested Information

The following explains why certain non-financial information is required.

Employee Number

Group Financial Services uses the Employee Number assigned by you as the participant's key identifier. As such, this is a mandatory field. If a separate and distinct Employee Number is not issued and/or provided to GFS, then it will be assumed that you utilize the SIN as the Employee Number.

Note: Employers should be aware that there is legislation in place which disallows the use of SIN as a key identifier (other than for purposes of tax reporting). Companies that do not issue separate and distinct Employee Numbers should endeavour to do so.

Employee Numbers (or SIN as noted above) must be included on all forms and contribution remittances.

Social Insurance Number (SIN)

As required by CRA, it is mandatory for employees to provide their SIN for tax reporting purposes. The applicant's SIN is necessary to:

a) register their RRSP with CRA, and
b) issue contribution receipts.

An RRSP account cannot be opened without a valid SIN.

Home and Business Telephone Numbers

Home and business telephone numbers are required by Group Financial Services in case we should need to clarify information or otherwise have to contact the applicant.

Beneficiaries

Applicants may designate only one beneficiary on their *Application* form. If this section is left blank, then, in the event of the member's death, proceeds will be paid to their estate.

Should an applicant wish to designate more than one person as his or her beneficiary, they may do so in their will, or they may complete a *Designation of Beneficiaries* form (3203). To obtain a *Designation of Beneficiaries* form, applicants may either call Invest by Phone 1-800-769-2511, or visit their nearest RBC Royal Bank branch. Completed forms (original copies) may be mailed or delivered to any RBC Royal Bank branch for processing. Faxed copies of *Designation of Beneficiaries* forms cannot be accepted.

Quebec Residents**:** This form may not be used to designate a beneficiary. Designation must be made through a will.

Completed RBC Group RRSP Application Forms

Once *Applications* have been fully completed and signed with our investment representative, they should be distributed as follows:

- Part 1 – Bank Copy

  The *Bank Copy* will be forwarded to the Group Financial Services' Service Centre by our investment representative at least two (2) weeks prior to the date of the employee's first group savings plan payroll deduction.

- Part 2 – Employer/Payroll Copy

  Employees should forward the *Employer/Payroll Copy* to your payroll administrator so that group savings plan contributions can be initiated. We suggest that employees be required to do so at least (2) weeks prior to the date of their first group savings plan payroll deduction.

- Part 3 – Client Copy

  The *Client Copy* should be retained by the applicant for his or her records.

Welcome Packages

Upon receipt of complete enrolment information, a *Welcome Letter* will be provided.

RBC Direct Investing

Procedures

Note: The following pertains to group savings plans that allow members to direct contributions to accounts with RBC Direct Investing:

Individuals who have an existing RBC Direct Investing account must open a new group savings plan account with RBC Direct Investing for their company-sponsored plan. Afterwards, they may wish to transfer assets from their individual account into their group account.

RBC Direct Investing applicants will need to complete the appropriate documents, including an RBC Direct Investing *Application* and a *Payroll Deduction and Spousal Allocation Form*.

Applicants should call RBC Direct Investing and advise them they are a "group client" who wishes to open an RRSP (See page 5, How to Reach Us).

Completed Payroll Deduction and Spousal Allocation Forms

For accounts with RBC Direct Investing:

- Part 1 – RBCI Copy

The *RBCI Copy* of the form should be mailed to RBC Direct Investing at least two (2) weeks prior to the date of the employee's first group savings plan payroll deduction.

- Part 2 – Employer Copy

  Employees should forward the *Employer Copy* to your payroll administrator so that group savings plan contributions can be initiated. We suggest that employees be required to do so at least (2) weeks prior to the date of their first group savings plan payroll deduction.

- Part 3 – Client Copy

  The *Client Copy* should be retained by the applicant for his or her records.

Welcome Packages

Upon receipt of complete enrolment information, a *Welcome Package* will be provided.

RBC Dominion Securities Applicants

Procedures

Note: The following pertains to Group Plans that allow members to direct contributions to accounts with RBC Dominion Securities:

Individuals who have an existing RBC Dominion Securities account must open a new group savings plan account with Dominion Securities for their company-sponsored plan. Afterwards, they may wish to transfer assets from their individual account into their group account.

RBC Dominion Securities applicants will need to meet with a Dominion Securities investment advisor to complete the appropriate documents, including an *Application* and a *Payroll Deduction and Spousal Allocation Form*.

Applicants should call 1-800-Royal®-1-1 (1-800-769-2511) for the name of an RBC Dominion Securities investment advisor in their area (See page 5, How to Reach Us).

Completed Payroll Deduction and Spousal Allocation Forms

For accounts with RBC Dominion Securities:

- Part 1 – RBCI Copy

The *RBCI Copy* should be mailed to DS investment advisor at least two (2) weeks prior to the date of the employee's first group savings plan payroll deduction.

The applicant's investment advisor at RBC Dominion Securities should retain the *RBCI Copy*.

- Part 2 – Employer Copy

  Employees should forward the *Employer Copy* to your payroll administrator so that group savings plan contributions can be initiated. We suggest that employees be required to do so at least (2) weeks prior to the date of their first group savings plan payroll deduction.

- Part 3 – Client Copy

  The *Client Copy* should be retained by the applicant for his or her records.

Welcome Packages

Upon receipt of complete enrolment information, a *Welcome Letter* will be provided.

Section 2 – Changing Personal Information

Related Form(s)	*Designation of Beneficiaries*	(RBC Royal Bank form number 3203)

Procedures In order to ensure the smooth operation of your plan, RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities must be kept aware of changes and corrections to participant information as they occur.

RBC Group Savings Plan

Name Changes To initiate a name change, participants should visit their nearest RBC Royal Bank branch, where they will be asked to complete the appropriate change form.

To complete a name change, the branch will require "certified true" copies of supporting documents (i.e.: marriage certificate or divorce decree and driver's licence). For members who do not have a driver's licence, other pieces of valid, approved ID may be accepted as identification. To have copies certified, members may take the originals to any RBC Royal Bank branch. The branch manager will take copies and certify as "true". Alternatively, copies can be certified as "true" by a notary public.

Address Change Members may initiate an address change by calling Invest by Phone 1-800-769-2511, or by visiting their nearest RBC Royal Bank branch.

Beneficiary Changes To initiate a change of beneficiary, members should visit their nearest RBC Royal Bank branch, where they will be asked to complete the appropriate change form.

Alternatively, participants may complete a *Designation of Beneficiaries* form (3203). To obtain a *Designation of Beneficiaries* form, members may either call Invest by Phone 1-800-769-2511, or visit their nearest RBC Royal Bank branch. Completed forms (original copies) may be mailed or delivered to any RBC Royal Bank branch for processing. Faxed copies of *Designation of Beneficiaries* forms cannot be accepted.

***Quebec Residents*:** This form may not be used to designate a beneficiary.

A participant may, of course, choose to designate their respective beneficiary(ies) in their will.

RBC Direct Investing and RBC Dominion Securities Plans

Procedures Note: The following pertains to Group Plans that allow members to direct contributions to accounts with RBC Direct Investing and/or RBC Dominion Securities:

Members with RBC Direct Investing or RBC Dominion Securities group accounts may request changes to personal information by calling RBC Direct Investing, or their RBC Dominion Securities investment advisor, respectively (See: How to Reach Us on page 5).

Section 3 – Changing Payroll Deductions

Related Form(s)
Group Savings Plan Payroll Deduction Authorization Form
Payroll Deduction and Spousal Allocation Form

RBC Group Savings Plan

Procedures To change the amount of future contributions, we suggest that employees complete a *Payroll Deduction* Authorization form. This internal form is provided to facilitate plan administration. You may of course choose to implement a payroll deduction change form of your own design.

We further suggest that members be required to provide your payroll administrator with their completed *Payroll Deduction* Authorization form at least two (2) weeks prior to the pay date that the requested change is to take effect.

Group Financial Services does not require copies of the members' completed forms.

Personal Plan/Spousal Plan Split

Depending on your plan variables, an employee may choose: a personal plan to accept contributions on his or her behalf; a spousal plan to accept contributions on behalf of his or her spouse; or both.

RBC Direct Investing and RBC Dominion Securities Plans

Procedures To change their personal plan/spousal plan contribution split, employees must complete a *Payroll Deduction and Spousal Allocation Form*.

Note: This is the same form as used to provide initial instructions, on enrolment, for plans with RBC Direct Investing or RBC Dominion Securities. Members should indicate on the form that this is a change to existing instructions.

Completed *Payroll Deduction and Spousal Allocation Forms* may be faxed to Group Financial Services. Plan owners should allow two (2) weeks for processing.

Note: Written requests that do not use this prescribed form cannot be accepted.

Section 4 – Changing Investment Instructions and Switches

RBC Group Savings Plan

Changes in Investment Instructions for Future Contributions Members may request that future contributions be invested in up to six (6) mutual funds, or up to five (5) mutual funds plus either one (1) non-redeemable GIC or a Savings Deposit account. Participants may change their investment instructions for future contributions by calling Invest by Phone 1-800-Royal®-1-1 (1-800-769-2511) or by visiting their nearest RBC Royal Bank branch. As required by provincial securities commissions, in order to purchase mutual funds, the plan owner must provide Account Opening Information (KYC). If the plan owner has indicated that he or she wishes to invest in mutual funds, but has not provided this information, then the requested change cannot be processed.

Switches With the exception of unmatured GICs, participants may switch existing assets from one investment option to another at their discretion. Exception, "excessive trading" in mutual funds is not allowed. The buying, selling and switching of units of the same fund within 90 days of purchase generates significant costs to the fund, which can reduce the fund's return. Please refer to the RBC Funds Simplified Prospectus for additional information. Copies are available from any RBC Royal Bank branch or can be downloaded by visiting http://www.rbcfunds.com/information/reports_pros.html.

Participants may switch monies from one investment option to other(s) by calling Invest by Phone 1-800-769-2511 or by visiting their nearest RBC Royal Bank branch.

As required by provincial securities regulations, in order to purchase mutual funds, the plan owner must provide Account Opening Information (KYC). If the plan owner has indicated that he or she wishes to switch monies into mutual funds, but has not provided this information, then the requested switch cannot be processed.

RBC Direct Investing and RBC Dominion Securities Plans

Changes and Switches Members with RBC Direct Investing group accounts may request a change of Automatic Investment Plan (AIP) instructions, and/or a switch, by filing a letter of direction with RBC Direct Investing. For assistance in this regard, members should call RBC Direct Investing, or visit their nearest RBC Direct Investing Investor Centre (See: How to Reach Us on page 5).

Alternatively, to request a switch, members may choose to use *NetAction*®, an investment service accessible via the Internet. Individuals must enrol in this service to gain access (See: How to Reach Us on page 5).

Members with RBC Dominion Securities group accounts will need to contact their investment advisor (See: How to Reach Us on page 5).

Section 5 – Submitting (Remitting) Contributions and Transfers-In

Related Form(s) *Transfer Authorization for Registered Accounts* (RBC Royal Bank form number 3514)
Notice of Overpayment/Request for Return of Contributions to Plan Sponsor

Variables Payroll contributions may be reported either through the ADP or Ceridian payroll systems, by e-mail attachment, modem, diskette, or web.

Contribution Reporting The following provides an overview of the various methods for reporting contributions to Group Financial Services. If you have any questions regarding contribution reporting, or are interested in changing the way you now report, please contact Group Financial Services.

Reporting Contributions via the ADP or Ceridian Payroll Systems

For those plans where payroll contributions are reported through the ADP (*Paytech*) or Ceridian payroll systems, a direct link exists between ADP or Ceridian and Group Financial Services. As a result, contribution information is submitted directly to Group Financial Services. Should your ADP or Ceridian payroll number(s) change, or additional numbers be assigned, please advise Group Financial Services to maintain your direct link.

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Reporting Contributions by E-mail Attachment

For many companies, e-mail is the most convenient and efficient method for reporting group savings plan contributions. Using this method, the plan administrator enters contribution details (employee names, employee numbers and contribution amounts) on an Excel spreadsheet, in a file format prescribed by Group Financial Services. After the file has been encrypted using RBC Royal Bank's proprietary encryption software, *RBCSecure*, the file is then e-mailed to Group Financial Services.

Reporting Contributions by Diskette

For those plans where payroll contributions are reported by diskette, either ASCII or spreadsheet excel file format is acceptable. For companies who choose to report via diskette, the plan administrator enters contribution details (employee names, Employee Numbers and contribution amounts) on an Excel template, in a file format prescribed by Group Financial Services. The file is then saved on diskette and sent to Group Financial Services by mail, courier or RBC Royal Bank's internal pouch system.

Reporting Contributions by Web

Companies may choose to report contributions on-line by accessing GFS's advisor web file transfer gateway, a secure 128-bit encrypted file transfer facility. To report via web, plan administrators log on, download their contribution details spreadsheet, update and save to their computer. Once the details are updated and saved, administrators upload the file back to RBC via the web file transfer gateway. To ensure privacy, all transfers are protected by 128-bit encryption Secure Socket Layer (SSL) technology.

Contribution Processing

Contributions are reported and processed using Employee Numbers. Using the plan owner's latest investment instructions, contributions are automatically directed to the selected investment options.

For those group savings plans which allow spousal plans, using the employee's latest personal plan/spousal plan allocation instructions on file, Group Financial Services will automatically split contributions by the percentage to be allocated to a personal plan and/or a spousal plan.

Upon completion of contribution processing, Group Financial Services will mail you a *Group Contribution Confirmation Report* detailing contributions posted to participants' accounts. A copy of Sponsor Guide, *How to Read Your Group Contribution Confirmation Report*, is included in this mailing, on an as needed basis only.

Applications (accounts) should be opened at least two (2) weeks prior to the employee's first contribution to avoid the possibility of monies being returned to you.

Bulk Transfers-In

If you are considering the bulk transfer of benefits from another registered group plan to your company-sponsored group savings plan, your local Group Financial Services manager will be pleased to assist you with that process.

Missing *Applications*

If Group Financial Services receives contributions (or a transfer-in) for an individual before the account opening of his or her *Application*, then those monies may be returned to the company (or the transferor). Without properly opened accounts (applications), Group Financial Services has no information as to how to invest contributions received. All *Applications* (accounts) must be opened at least two (2) weeks prior to the employee's first contribution.

Negative Contributions

Please do not report negative contribution amounts (i.e.: do not report amounts less than zero) in payroll remittances as these amounts cannot be processed, and may cause the entire payroll remittance to reject on input.

Group Financial Services cannot legally withdraw funds (i.e.: cannot reverse a previously deposited contribution) from a participant's account without their written instructions. Only plan owners can request a withdrawal from their account for monies deposited as reported by you.

Negative contribution amounts cannot be used to correct an error on a previous remittance.

The preferred way to correct an overpayment (i.e.: to reverse a previously deposited contribution) is to reduce the member's next contribution by an offsetting amount. Another option is to ask that the member consider the inadvertent overpayment as an interest-free loan, to be paid back directly to the company.

If neither of these routes are possible and it is for an individual transaction, please complete a *Notice of Overpayment/Request for Return of Contributions to Plan Sponsor*.

After both you and the plan member have signed the form, please submit the original to Group Financial Services for processing.

Note: Request for return of contributions may not be a viable route where income tax returns have already been filed by the respective members, as amended returns would then have to be filed.

RBC Group Savings Plan Accounts

Recurring/ Payroll Contributions

The Royal Bank agrees to invest all contributions to the plan on or before the end of the **next** business day following their receipt.

Additional Lump Sum Contributions

Employees may make additional lump sum contributions at any time. Monies may be allocated to the same or to different investment options as payroll contributions. To make a "top up" contribution, employees may call Invest by Phone or visit their nearest RBC Royal Bank branch (See: How to Reach Us on page 5).

Individual Transfers-In

The first step to transferring funds from another RRSP to the group savings plan is for the employee or his/her spouse (if your plan allows spousal plans) to apply for a plan in their own name if they have not already done so.

Individuals who require assistance with a transfer request may call Invest by Phone (See: How to Reach Us on page 5). Invest by Phone will assist with the completion of the appropriate transfer forms to be sent to the member's current plan provider who, in turn, will send the proceeds to the client's home branch. Alternatively, participants may visit their local RBC Royal Bank branch.

RBC Direct Investing and RBC Dominion Securities Accounts

Recurring/ Payroll Contributions

Recurring contributions for all plans (including those that offer employees the option of investing with RBC Direct Investing and RBC Dominion Securities) must be reported to Group Financial Services for processing.

The Royal Bank agrees to invest all contributions to the plan on or before the end of the **next** business day following their receipt.

Additional Lump Sum Contributions Members with RBC Direct Investing group accounts may make additional lump sum contributions by calling RBC Direct Investing, by using *NetAction*®, or by visiting their nearest RBC Direct Investing Investor Centre.

Members with RBC Dominion Securities group accounts will need to meet with their investment advisor (See: How to Reach Us on page 5).

Individual Transfers-In Members with RBC Direct Investing group accounts may initiate individual transfers-in by filing a *Transfer Authorization for Registered Accounts* form (3514) with RBC Direct Investing. For assistance in this regard, members should call RBC Direct Investing, or visit their nearest RBC Direct Investing Investor Centre.

Members with RBC Dominion Securities group accounts will need to meet with their investment advisor (See: How to Reach Us on page 5).

Section 6 – Reporting Withdrawals, Terminations and Retirements

Related Form(s) *Terminated Members Report*

Procedures Plan Sponsors may choose whether or not to require members to notify them prior to any withdrawals from the plan while employed. Group Financial Services, RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities will use their *best effort* to ensure the employee has advised the company in advance of any withdrawal from the plan.

RBC Group Savings Plan Accounts

Withdrawals Depending on your plan variables, the company may suspend employer contribution if participants make a withdrawal from the plan while employed. Participants may not withdraw monies from an RBC Royal Bank GIC prior to its maturity.

Withdrawal notification plans, participants who wish to make a partial or full withdrawal, must complete a *Withdrawal Notification Request* form. This form must be signed by both the employee and an authorized signatory for the company, and should include a telephone number for that signing officer. Completed forms should be submitted to Group Financial Services (See: How to Reach Us on page 5).

To make withdrawals from the plan, participants may call Invest By Phone or visit their nearest RBC Bank branch.

Retirement CRA requires that plan owners collapse their RRSP accounts on or before the end of the year in which they turn age 71.

Each year, RBC Royal Bank will contact participants approaching age 71, and will notify them directly of the need to purchase a RIF, life income fund (LIF) or annuity (or request a lump sum cash refund) on or before the end of the year.

If a participant fails to notify RBC Royal Bank of their decision before the end of the year in which they reach age 71, RBC Royal Bank will close ("de-register") the plan and pay the proceeds to the participant. (Cash refunds are subject to applicable withholding taxes.)

RBC Direct Investing and RBC Dominion Securities Accounts

Withdrawals ***If your plan has no withdrawal restrictions***, members with RBC Direct Investing group accounts may make (full or partial) withdrawals by calling RBC Direct Investing, by using *NetAction*®, or by visiting their nearest RBC Direct Investing Investor Centre.

Members with RBC Dominion Securities will need to meet with their investment advisor (See: How to Reach Us on page 5).

For Withdrawal Notification plans, participants who wish to make a (full or partial) withdrawal, must complete a *group savings plan Notice of Withdrawal* form. This form must be signed by both the employee and an authorized signatory for the company, and should include a telephone number for that signing officer. For accounts with RBC Direct Investing, completed forms should be submitted to Group Financial Services. For accounts with RBC Dominion Securities, completed forms should be provided to the member's investment advisor.

Retirement CRA requires that plan owners collapse their RRSP accounts on or before the end of the year in which they turn age 71.

Each year, RBC Direct Investing and RBC Dominion Securities will contact participants approaching age 71, and will notify them directly of the need to purchase a RRIF, LIF or annuity (or request a lump sum cash refund) on or before the end of the year. Clients of RBC Direct Investing will only be able to complete sell transactions until all documentation has been completed and received by them.

If a participant fails to notify RBC Direct Investing of their decision before the end of the year in which they reach age 71, RBC Direct Investing will purchase a RRIF for the participant. (Minimum balance requirements apply.)

In the case of RBC Dominion Securities, the RRSP will be de-registered and the proceeds paid to the participant if they fail to notify Dominion Securities of their decision before the end of year. (Cash refunds are subject to applicable withholding taxes.)

RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities Accounts

Transfers-out Participants who wish to transfer monies in their group savings plan to a registered plan (RRSP, retirement income fund (RIF) or pension plan) with another financial institution, should first visit the other financial institution to complete the necessary forms.

There is a service fee of $50 for each transfer from the group savings plan to another provider that is not one of the companies under the RBC Financial Group at the time of such transfer.

Tax Reporting Cash withdrawals are subject to withholding tax and will be reported on a T4RSP slip. These slips will be mailed by RBC Royal Bank by the end of February each year.

No tax reporting is made on transfer of assets to another registered plan.

Third-Party Demands As per the RBC Royal Bank RRSP *Declaration of Trust* issued to each plan member, and on file with CRA, "…Property may <u>not</u> be exempt from seizure by creditors" (e.g.: in the case of a court order to pay). This applies not only to employee contributions, but also to employer contributions (if any), and includes accounts where withdrawals have been restricted by the employer.

With reference to the latter, it's important to remember that employer contributions are immediately vested (i.e.: become the plan owner's property as soon as they are deposited in the member's account) and contributions are added to employees' income, for purposes of determining income taxes payable.

Circumstances which result in third-party demands (e.g.: non-payment of taxes, bankruptcy or marriage breakdown) are of a private nature. Details of why the respective withdrawal was made are the personal information of the employee, and as per the terms and spirit of the federal Personal Information Protection and Electronic Documents Act, no one other the employee has access to that information. While GFS can inform the Sponsor that an involuntary withdrawal was made to satisfy a third party demand, GFS cannot inform the sponsor of the nature and details of that third party demand.

Terminations On termination of employment, plan members may elect to transfer their accounts to another registered plan (Registered Retirement Savings Plan (RRSP), Registered Retirement Income fund (RRIF) or pension plan), if that other plan allows. Alternatively, members may elect to close their accounts and take a lump sum cash refund. Cash refunds are subject to applicable withholding taxes.

From time to time, participants may overlook to advise us of their termination election. For this reason, we ask that you notify Group Financial Services of employee terminations as they occur (Group Financial Services has T*erminated Members Report* forms available for your convenience).

If a participant is reported to have left the company, and did not previously transfer or redeem their group savings plan, that plan may be converted to a personal RRSP with RBC Royal Bank, RBC Direct Investing or RBC Dominion Securities as applicable.

If your group savings plan allows spousal plans, then those plans must also be transferred or redeemed for cash on an employee's (contributor's) termination of employment.

Section 7 – Death Claims

RBC Group Savings Plan Accounts

Death Claims In the event of a participant's death, claimants should notify their nearest RBC Royal Bank branch.

Branch staff will determine the beneficiary(ies) of record and assist with settlement.

Those representing the estate (executors, lawyers, accountants) may contact us for the processing and settlement of estates, and to make claim inquires.

RBC Direct Investing and RBC Dominion Securities Accounts

Death Claims In the event of a participant's death, claimants may call RBC Direct Investing, or the deceased's RBC Dominion Securities investment advisor (See: How to Reach Us on page 5).

Section 8 – Sponsor and Participant Reporting

Sponsor Confirmation of Contributions Allocated

After each payroll deposit is processed, you will receive a *Group Contribution Confirmation Report* detailing contributions posted to participants' accounts.

Every effort is made to ensure accuracy during processing and reporting. If however, upon reviewing those reports, you should note a discrepancy, please advise Group Financial Services *within 15 business days.*

Participant Contribution Receipts

RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities issue contribution receipts at least twice a year. Receipts are issued in January, for contributions during March to December of the previous year. Receipts are issued in March, for contributions received in January and February. Receipts reflect total contributions during the period (payroll and lump sum) and are mailed directly to employees' home addresses.

If a participant contributing to a RBC group savings plan account does not receive his or her March to December receipt by the first week of February, or his/her January-February receipt by the first week of April, then they should call Royal Direct 1-800-769-2511 and a representative will ensure that one is (re)issued to them (See: How to Reach Us on page 5).

Participants with RBC Direct Investing or RBC Dominion Securities group accounts who do not receive contribution receipts within these same timeframes may call RBC Direct Investing, or their RBC Dominion Securities investment advisor (See: How to Reach Us on page 5).

RBC Group Savings Plan Accounts

Participant Statements

RBC Royal Bank participant statements are mailed directly to members' home addresses. Participant statements are issued quarterly by RBC Royal Bank (as of March 31, June 30, September 30 and December 31).

RBC Direct Investing and RBC Dominion Securities Accounts

Participant Statements

Participant statements are issued monthly by RBC Direct Investing and RBC Dominion Securities (unless there is no account activity, in which case, RBC Direct Investing statements are issued quarterly).

Section 9 – Group Plan Amendments and Termination

Plan Amendments

RBC Royal Bank, RBC Direct Investing and RBC Dominion Securities may, from time to time, amend their RRSP Specimen Plans on file with the CRA, by giving at least 30 days prior written notice to each plan owner.

Any modification made will not affect the value of any plan owner's account at the date of the amendment, nor will it change the registration of the plan.

Plan Termination

You may elect to terminate your Royal Choices Plan group savings plan at any time by giving at least 60 days prior written notice to RBC Royal Bank.

Termination of your group savings plan by you will not result in de-registration of any plan owner's RRSP account.

Appendix A - Schedule of Fees

- Group Registered Retirement Savings Plan (group savings plan)
- Group Investment Account (GIA)

Annual Administration Fee

- There is no annual administration fee for RBC group savings plans and Group Investment Accounts No Annual Administration Fee applies.

Participant Record-keeping Fees[F2].

Sponsors who report contributions by paper listing will be charged a processing fee of $3 per transaction, per plan member.

RBCSecure Software

For sponsors who send encrypted payroll information to GFS using RBCSecure software, there is no charge for the use of this software.

Financial Reports

After each group contribution is processed, you will be provided with one copy of the Group Contribution Confirmation Report at no charge.

You may also choose to receive one copy of the following quarterly reports at no charge: Group Investments Summary (also available monthly), and either a Group Transactions Summary, or a Group Transactions and Investments Summary. If selected, one copy of these reports will be mailed to you at no charge.

At the end of each fiscal year, DPSP sponsors will receive one copy of the Group Statement of Accounts report at no charge.

If you require additional copies of any of the above-mentioned reports, or other customized (ad hoc) reports, the respective fees will be determined in accordance with G., Special Services, below.

Ad hoc One-off reports will be billed when delivered. Fees for regularly scheduled ad hoc reports will be billed annually in advance (pro-rated for the first billing period, where applicable).

There is no charge for sponsor reports obtained via the Internet.

Audit Fees

If a sponsor requests RBC Financial Group engage an external auditor(s) to audit a client’s account, all fees charged to RBC by the requested external auditor(s) will be charged to the sponsor when incurred.

Special Services

There is a charge of $40/hour (or part thereof) for sponsor-requested investigations and customized (ad hoc) reports.

Additional services (not specified above) requested by sponsors outside those normally performed by RBC Financial Group will incur fees. Charges will be made commensurate with the amount of work involved, again at a rate of $40 per hour (or part thereof).

Fees for Special Services will be billed when incurred.

F1. For new DPSPs, the projected number of members in the first billing period will be calculated as 80% of total eligible employee.

F2. Participant Record-keeping Fees are calculated at your billing date by multiplying the number of plan members by the projected number of Group contributions to be submitted/processed in the next 12 month period (pro-rated for the first billing period, where applicable). No adjustment will be made either during or at the end of the billing period for any increase or decrease in plan membership or change in the contribution frequency.

The fees are subject to all applicable taxes including GST, which will be calculated and charged in addition to the above fees. This fee schedule is subject to review July 1st of each year.