# Statement of Trust Income Allocations and Designations

**Select:** ☑ T3 ☐ R16 ☐ AMENDED POSTING ☐ SUBSCRIPTION RECEIPTS

**TAXATION YEAR:** 2016

**TRUST NAME:** The Keg Royalties Income Fund
**ADDRESS (1):** 10100 Shellbridge Way
**ADDRESS (2):**
**CITY:** Richmond
**PROVINCE:** BC
**COUNTRY CODE:** CAN
**POSTAL CODE:** V6X 2W7

**TIN#:** T26140654
**CUSIP#:** 487522104
**QUEBEC TAX ID:**

**Preparer information:**
**CONTACT NAME:** Rob Hewstan
**DATE PREPARED:** 2017/02/27
**PHONE:** 604-821-6465
**PRIMARY E-MAIL:** robh@kegrestaurants.com
**SECONDARY E-MAIL:** leo.iorio@kegrestaurants.com

**SYMBOL:** KEG.UN
**WEBSITE:** www.kegincomefund.com Go

**1) CORPORATE ACTIONS**
**WAS THE TRUST INVOLVED IN ANY CORPORATE ACTION(S) THAT COULD AFFECT T3/RL-16 TAX REPORTING?:** No

**2) WAS THERE ANY U.S.-SOURCE INCOME DISTRIBUTED IN REPORTING TAX YEAR?:** No

**TAXABLE CANADIAN PROPERTY (TCP) APPLICABLE TO NON-RESIDENT UNITHOLDERS (NR4):**

**3) IS CAPITAL GAINS (BOX 21/A) DISTRIBUTION NR TAXABLE?:** No
Part XIII Tax (Income Tax Act)

**4) IS ASSESSABLE DISTRIBUTIONS (ROC BOX 42/M) NR TAXABLE?:** No
Part XIII.2 Tax (Income Tax Act)

**CALCULATION METHOD:** RATE

PER CENT - ALLOCATION MUST ADD TO 100
RATE - ALLOCATION TOTAL MUST ADD TO TOTAL INCOME ($) PER UNIT BEING ALLOCATED

| T3 Box No. | R16 Box No. | | Distribution 1 | Distribution 2 | Distribution 3 | Distribution 4 | Distribution 5 | Distribution 6 | Distribution 7 | Distribution 8 | Distribution 9 | Distribution 10 | Distribution 11 | Distribution 12 | Distribution 13 | Distribution 14 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total Distribution ($) Per Unit | 0.08750 | 0.08750 | 0.08750 | 0.09000 | 0.09000 | 0.09000 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.03000 | |
| | | Record Date | 2016/02/21 | 2016/03/21 | 2016/04/21 | 2016/05/21 | 2016/06/21 | 2016/07/21 | 2016/08/21 | 2016/09/21 | 2016/10/21 | 2016/11/21 | 2016/12/21 | 2016/12/31 | 2016/12/31 | |
| | | Payment Date | 2016/02/29 | 2016/03/31 | 2016/04/29 | 2016/05/31 | 2016/06/30 | 2016/07/29 | 2016/08/31 | 2016/09/30 | 2016/10/31 | 2016/11/30 | 2016/12/30 | 2017/01/31 | 2017/01/31 | |
| | | Total Cash Distribution ($) Per Unit | 0.08750 | 0.08750 | 0.08750 | 0.09000 | 0.09000 | 0.09000 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.09180 | 0.03000 | |
| | | Total Non Cash Distribution ($) Per Unit | | | | | | | | | | | | | | |
| | | **Total Income ($) per unit being allocated** | **0.08750** | **0.08750** | **0.08750** | **0.09000** | **0.09000** | **0.09000** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.03000** | |
| 21 | A | Capital gain | | | | | | | | | | | | | | |
| 49 | C1 | Actual Amount of Eligible Dividends | 0.08529 | 0.08529 | 0.08529 | 0.08773 | 0.08773 | 0.08773 | 0.08949 | 0.08949 | 0.08949 | 0.08949 | 0.08949 | 0.08949 | 0.02924 | |
| 23 | C2 | Actual Amount of Non Eligible Dividend | | | | | | | | | | | | | | |
| 24 | E | Foreign Business Income | | | | | | | | | | | | | | |
| 25 | F | Foreign Non-Business Income | | | | | | | | | | | | | | |
| 26 OTHER INCOME | G | **G- Other Income** (Investment Income) | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| 42 | M | Return of Capital | 0.00221 | 0.00221 | 0.00221 | 0.00227 | 0.00227 | 0.00227 | 0.00231 | 0.00231 | 0.00231 | 0.00231 | 0.00231 | 0.00231 | 0.00076 | |
| X | X | Non Reportable Distribution | | | | | | | | | | | | | | |
| 30 | H | Capital gains eligible for deduction | | | | | | | | | | | | | | |
| 33 | K | Foreign business income tax paid | | | | | | | | | | | | | | |
| 34 | L | Foreign non-business income tax paid | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| **Total Income Allocation (check figure)** | | | **0.08750** | **0.08750** | **0.08750** | **0.09000** | **0.09000** | **0.09000** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.09180** | **0.03000** | |

**CHECK**: When the calculation method is Rate, row 24 should match row 40; when the calculation method is Percentage rows 25 to 39 should add up to 100, when correct, no error message will appear in this row for completed columns.

**NOTES:**

The two distributions to unitholders of record as of December 31, 2016 were paid to unitholders on January 31, 2017. These distributions are included in taxable income for the period from January 1, 2016 to December 31, 2016 and therefore included in the 2016 T3. 2.52% return of capital / 97.48% eligible dividend.