

GUIDE TO COMPLETING YOUR APPLICATION ORDER FOR A DISCRETIONARY TRUST

PROPOSED TRUST DETAIL

Trust Name

Unlike the election of a name for a Pty Ltd Company, the proposed trust name is completely your choice. Please note that in the formation of a discretionary trust, unacceptable names that are offensive and obscene will not be accepted.

Settlor

The settlor is the person who creates the trust by "settling" a sum of money or item of property on trust for the beneficiaries. The Settlor is normally an unrelated person precluded from benefiting from the Trust.

Tangible Assets Pty Ltd will act as settlor to your discretionary trust.

Principal

The Principal is the person named in the Trust Deed who has the power to remove and appoint trustees. The Appointor also has the power to approve any distribution of income or capital of the Trust to the beneficiaries and appoint or remove beneficiaries of the trust.

The Principal or key person has the ultimate power to "hire & fire" trustee.

Trustee

In all cases the trustee will be Corporate.

Corporate Trustee Name

Here we insert the name of the Pty Ltd Company established to be a trustee for a discretionary trust.

Corporate Trustee ACN

If the Corporate trustee exists, insert the ACN, alternatively leave blank.

Registered Office or Meeting Place

Insert the same address as used in your application for a Pty Ltd Company acting as a trustee for a discretionary trust. Remember:

- A registered office is a place where certain official documents, communications or notices to the company may be sent or left.
- A company must have a registered office in Australia.

- A post office box CANNOT be specified as an address of a company's registered office.
- The company's registered office need not be in the same Australian state as the state in which the company is taken to be registered.

The company's registered office need not be in the same Australian state as the company's principal place of business in Australia.

DIRECTOR OF CORPORATE TRUSTEE

The trustee is the legal owner of the trust property although not the beneficial owner. The trustee carries out all transactions of the trust in its own name and must sign all documents for and on behalf of the trust. The trustee's overriding duty is to obey the terms of the trust deed and to act in the best interests of the beneficiaries.

Insert into this section the name and address of the nominated Director of the Pty Ltd Company established to act as a trustee for a discretionary trust.

BENEFICIARIES

The beneficiaries are the people (including entities) for whose benefit the trustee holds the trust property.

Beneficiaries encompasses: family and relations, companies/trusts in which beneficiaries have an interest plus any company or person nominated by the trustee or principal to be a beneficiary.

A discretionary trust usually has a wide range of beneficiaries, including companies and other trusts.

The beneficiaries of a discretionary trust do not have an interest in the assets of the trust. They merely have a right to be considered for a distribution from the trust when the trustee exercises its discretion to make a distribution.

The general beneficiaries are those beneficiaries named in the trust deed who are eligible to receive a distribution of income or capital at the discretion of the trustee (subject to the approval of the Principal).

The remainder beneficiaries are the beneficiaries automatically entitled to receive a proportionate distribution of income or capital to the extent that the trustee has not exercised its discretion.