



Direct  
Investing

## SWAP OF PROHIBITED/NON-QUALIFIED INVESTMENTS

### CLIENT AGREEMENT AND INDEMNITY

**FAX/SCAN COPY ACCEPTABLE**

**To:** RBC Direct Investing Inc. (“RBC DI”) and The Royal Trust Company, as trustee (“you”, “your”)

**Re:** Registered Plan Account # \_\_\_\_\_ (the “Plan”) held with RBC DI

**And Re:** Non-Registered Account # \_\_\_\_\_ (the “Receiving Account”) held with RBC DI

**Held by:** \_\_\_\_\_  
Client Name (“I”, “me”, “my”, “myself”)

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#### WHEREAS:

A) I am the annuitant or holder, as applicable, of the Plan which now holds the following property (the “**Investment**”):

- a “prohibited investment”
- a “non-qualified investment”

as such terms are defined by the *Income Tax Act* (Canada) (the “**Act**”), as part of the property of the Plan, being \_\_\_\_\_ shares/units of \_\_\_\_\_ (the “**Issuer**”).

B). I confirm that the Investment is comprised of (please indicate one of the following):

- Publicly Traded Securities       Non-Publicly Traded Securities

For non-publicly traded securities, please provide recent company documentation regarding valuation.

C). I have requested that you transfer under my direction, the Investment out of the Plan to the Receiving Account which is held in my sole name, and transfer from the Receiving Account to the Plan, the following property (collectively, the “**Transfers**”):

Cash: \_\_\_\_\_

Both Transfers are of equal total value to the current fair market value of the Investment as set forth above.

**As consideration for you agreeing to complete the Transfers, I acknowledge and agree as follows:**

1. It is my sole responsibility to determine that all investments which I make in respect of the Plan are "qualified investments" for my Plan as that term is defined in the Act and in any applicable provincial or federal tax legislation pertaining to registered plans (collectively "**Applicable Legislation**").
2. It is my sole responsibility to ascertain and satisfy myself that the investments I elect to make under my Plan will provide the desired degree of liquidity and marketability to meet and fulfill my personal investment objectives.
3. It is my sole responsibility to notify RBC DI if any investment held within the Plan becomes a prohibited investment, a non-qualified investment or worthless.
4. You have reporting responsibilities to applicable regulatory authorities for any prohibited or non-qualified investments made in respect of my Plan until the investment is removed.
5. I have been advised to seek, and had the opportunity to obtain, independent legal and/or tax advice that the Investment is a "prohibited investment" or a "non-qualified investment" as such terms are defined under the Act and my independent legal and/or tax advisor informed me of the potential adverse consequences of continuing to hold the Investment in the Plan, as well as any potential adverse consequences that could result from the Transfers.
6. I hereby acknowledge that if the Investment is comprised of non-publicly traded securities, then the method of valuation described above will be used to determine the value of the Issuer's shares/units in my Plan for all purposes. However, if in your reasonable discretion, you decide that you require further evidence that the Investment is a prohibited investment or a non-qualified investment or the method of valuation is not reasonable for the purposes of the Applicable Legislation, then I will direct my legal and/or tax advisors to modify the method of valuation so that it is reasonable for tax purposes, entirely at my own cost, and subject to the indemnity provided herein.
7. I acknowledge that you have not advised me in any way with respect to the Transfers or the facts set out herein and you have not completed any due diligence regarding the appropriateness of methods of valuation or the merits of the transfer of the shares/units of the Issuer and, accordingly, I have not relied on any such advice from you or such persons upon directing you to complete the Transfers.

8. I hereby agree to indemnify and save harmless RBC Direct Investing Inc., The Royal Trust Company, and their respective officers, directors and employees from and against all loss, liability, costs, claims, damages, penalties (including any taxes, penalties and interest resulting from assessment or reassessment of my tax return) and expenses (including any reasonable legal expenses) which may arise at any time as a result of my decision to complete the Transfers.

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Client Signature

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Client Name

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Date (MM/DD/YYYY)

RBC Direct Investing Inc. and Royal Bank of Canada are separate corporate entities which are affiliated. RBC Direct Investing Inc. is a wholly owned subsidiary of Royal Bank of Canada and is a Member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund. Royal Bank of Canada and certain of its issuers are related to RBC Direct Investing Inc. RBC Direct Investing Inc. does not provide investment advice or recommendations regarding the purchase or sale of any securities. Investors are responsible for their own investment decisions. RBC Direct Investing is a business name used by RBC Direct Investing Inc. ® / ™ Trademark(s) of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada. Used under licence. © Royal Bank of Canada 2016. All rights reserved.