



Changes coming to your TD Waterhouse Canada Inc. accounts in 2021

At TD Waterhouse Canada Inc., we are committed to putting your needs first, including keeping you informed of any changes relating to your Account and Services Agreement and Disclosure Documents.

In response to new regulatory requirements, we will be providing you with a separate and updated **Conflicts of Interest Statement** in an upcoming client communication. The Conflicts of Interest Statement will replace the “Statement of Policies” section of your Account and Services Agreement and Disclosure Documents. It will provide updated and enhanced descriptions of our material conflicts, together with how we address them in your best interests.

This notice provides you with a summary of the changes we are making in the Conflicts of Interest Statement.

Understanding conflicts of interest

At times, our interests as a financial services firm and those of our representatives may be inconsistent with your interests as our client. We have adopted policies and procedures to assist in identifying and addressing these material conflicts of interest. If we cannot effectively address a material conflict in your best interests, or the conflict is otherwise prohibited by law, we avoid it.

We inform you about material conflicts so you can better understand them and assess how they may impact you.

Material conflicts may include:

- Conflicts from our being a member of the TD Bank Group, which may raise a perception or risk that we favour the TD Bank Group business interests over yours. Examples of these conflicts may include:
 - ▶ investing your account in TD Bank Group investment products or securities that our affiliate is underwriting, or securities of an issuer with whom an affiliate has a meaningful relationship
 - ▶ service arrangements with our affiliates including trade routing and execution, custodial services, and introducing and carrying broker activities.
- Conflicts where we, or our affiliates, earn revenue related to your investments, in addition to the fees you pay us. These may include:
 - ▶ trailing commissions we earn from fund managers on investment funds in your account
 - ▶ spreads on fixed income trading
 - ▶ foreign currency exchange fees
 - ▶ principal trading of securities (we may sell or purchase securities for our account where those securities are sold to or bought from your account)
 - ▶ lending activities that are secured by your investment account
 - ▶ securities lending.
- Conflicts arising out of competing interests among our clients; for example, allocations of new securities issues, securities lending, and side-by-side management of different client accounts.
- Conflicts caused by compensation practices, incentive programs and referral arrangements with our affiliates, where we receive or provide benefits for identifying opportunities to align your needs with another TD Bank Group entity.

- Conflicts due to our representatives' personal interests, which may raise a perception or risk that our representatives favour their own interests over yours. These may include:
 - ▶ outside business activities
 - ▶ gifts and entertainment
 - ▶ personal trading
 - ▶ personal dealings with clients.

We are strengthening our governance and control environment to help ensure we address these conflicts in your best interests. Our review includes:

- Separating different business functions
- Restricting internal sharing of information
- Evaluating our affiliates' services and whether they remain competitive
- Processes to help assess whether TD Bank Group investment products remain competitive, diversified, and meet clients' financial needs
- Policies, procedures and oversight committees to help achieve best execution and fair pricing
- Internal controls designed to avoid overlap and duplication of clients' fees and charges
- A policy for the fair allocation of newly issued securities among our clients
- Training programs for our representatives on identifying, escalating and addressing conflicts of interest
- Structuring our financial incentives and compensation practices to avoid inadvertently incentivizing our representatives to favour a product or service over one that is more suitable for you

Our representatives are also required to abide by our Code of Conduct and Ethics and our Employee Conduct and Personal Trading policy.

The new **Conflicts of Interest Statement** will be available on our website on June 30, 2021. It will also be included with your account statement for June 2021, which you will receive in early July by mail or electronically, depending on your delivery preference.

Receiving your account-related documents electronically

You may change your delivery preference to receive your client communications and account statements electronically by following these steps:

1. Login to WebBroker, select 'My Account', then click on 'Documents (eServices)' after reviewing the Welcome Information, and select 'Sign Me Up'.
2. After reviewing the eServices Agreement, select the 'Online' option for 'Confirmations, Monthly Statements, and Tax Documents'. (You can choose to receive all your account documents electronically, including statements and tax documents. If you want to continue to receive one type of document by mail, select 'By Mail'.)
3. Once you've chosen your delivery method, enter and confirm your email address and select 'I Accept'. Click 'Save Changes'.

We encourage you to review the **Conflicts of Interest Statement** carefully. No other action on your part will be required. If you have questions or need assistance, please speak to an Investment Representative.