

**TD Wealth**

Private Investment Advice

Important Changes to  
TD Waterhouse Canada Inc.  
Account Holder Information

Effective: April 1, 2018



Amendments have been made to the **TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents**. The material changes are summarized below under the heading of the amended section. Complete documents which incorporate all of the changes can be requested by contacting your Investment Advisor.

## **Cash Account Agreement**

### **Clause 2 (Services)**

The following paragraph has been inserted into Clause 2 (Services), as a new third paragraph from Clause 22 (Miscellaneous):

“You agree to advise us of any changes in your personal information, including, your telephone number(s), addresses, marital status, financial and employment information, and, except for TD Direct Investing accounts, your investment objectives and risk tolerance as soon as such changes occur. You acknowledge that it is your sole obligation to provide us with updated information and that until we receive and process it, we are entitled to rely on the information we have for your account in providing any advice to you.”

The following paragraphs have been removed from Clause 2 (Services):

“Where there is no published market report, interdealer quotation sheet or other evidence of the current value of non-listed securities that is satisfactory to us, we will assign a price of zero to the said securities, indicating that their value is not known.

We will be responsible to you only for errors and omissions in any transaction caused by our gross negligence or willful misconduct.”

### **Clause 4 (Security Interest)**

The last sentence of Clause 4 (Security Interest) has been deleted and replaced with the following sentence:

“In enforcing our lien, we may close, without notice, transactions in your account (a) if we consider there to be inadequate security for your liabilities to us, or (b) upon the occurrence of any event which in our opinion jeopardizes your ability to repay any liabilities owed to us.”

### **Clause 5 (Payment)**

The following paragraph has been inserted into Clause 5 (Payment) as a new third paragraph from Clause 11 (Assignment and Account Closing):

“You agree that if your account is closed by you in the first year of its operation, we may charge a fee to close your account. The fee will be disclosed by us from time to time. You agree to pay the fee.”

### **Clause 7 (Communications)**

In the final sentence of Clause 7 (Communications) “best efforts” has been changed to “reasonable efforts”.

### **Clause 8 (Exclusion of Liability)**

In the last bullet point of Clause 8 (Exclusion of Liability), “negligence” has been changed to “gross negligence”.

### **Clause 17 (Leverage Risk Disclosure)**

The following sentence has been added to the end of the third paragraph of Clause 17 (Leverage Risk Disclosure):

“There may also be tax consequences to you if assets in your account must be sold in order to meet any obligations to repay the borrowed money or any interest owing.”

### **Clause 19 (Beneficial Owner Communication – Your Rights as a Securityholder)**

The second and third paragraph of Clause 19 (Beneficial Owner Communication – Your Rights as a Securityholder) have been deleted and replaced with the following:

“As the beneficial owner of securities, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with securityholder meetings. In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, although they are not obliged to do so.

Securities law permits you to choose to not receive securityholder materials. The three types of materials you may choose to not receive are:

- proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting; or
- Annual reports and financial statements that are not part of proxy-related materials; or
- Materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered holders.”

### **Clause 20 (Privacy Agreement – Our Commitment to Your Privacy – More Information)**

The final two paragraphs of Clause 20 (Privacy Agreement – Our Commitment to Your Privacy – More Information) have been deleted and replaced with the following:

“This Privacy Agreement must be read together with our Privacy Code which includes our Online Privacy Code and our Mobile Apps Privacy Code. You acknowledge that the Privacy Code forms part of this Privacy Agreement. For further details about this Privacy Agreement and our privacy practices, visit [www.td.com/privacy](http://www.td.com/privacy) or contact us for a copy.

You acknowledge that we may amend this Privacy Agreement and our Privacy Code from time to time. We will post the revised Privacy Agreement and Privacy Code

on our website listed above. We may also make available the Privacy Agreement and our Privacy code at our branches or other premises or send them to you by mail. You acknowledge, authorize and agree to be bound by such amendments.

If you wish to opt-out or withdraw your consent at any time for any of the opt-out choices described in this Privacy Agreement, you may do so by contacting us at 1-866-222-3456. Please read our Privacy Code for further details about your opt-out choices.”

#### **Clause 22 (Miscellaneous)**

The first sentence of the first paragraph of Clause 22 (Miscellaneous) has been deleted and replaced with the following:

“This Agreement applies to all accounts, in which you have any interest alone or with others, which have or will be opened with us for the purchase and sale of securities and other investment products.”

### **Margin Agreement**

**Clause 1 (Holding and Pledging of Securities)** has been deleted and replaced with the following:

“Any and all property, including credit balances held or carried in any of your accounts for any purpose, and including any property in which you have an interest (“Collateral”) will be held by us for your indebtedness at a location of our choice. Any securities of yours we hold at any time when you are indebted to us may, without notice to you, be pledged by us as security for any of our indebtedness for more or less than the amount due by you to us. Any such pledge may be made separately or together with the other securities we hold. We may lend your securities or any part of them either separately or together with other securities we are holding. We may cancel your access to margin at our discretion at any time without prior notice to you.”

#### **Clause 3 (Obligation to Maintain Margin)**

In Clause 3 (Obligation to Maintain Margin) the phrase “expenses incurred by us in this connection” has been amended to “expenses incurred by us to protect our interests”.

### **Client Problem Resolution Process**

Step 3 of the Client Problem Resolution Process has been deleted and replaced with the following:

Step 3: If you have been through the first two steps and your concern has not been resolved to your satisfaction, you may contact:

- (a) the TD Ombudsman by mail at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, by telephone at 416-982-4884 or toll-free at 1-888-361-0319, by fax at 416-983-3460, or

by e-mail at [td.ombudsman@td.com](mailto:td.ombudsman@td.com). The TD Ombudsman can only deal with your concern after you have completed Steps 1 and 2 and a resolution has not been reached. This service is voluntary and the estimated time that the TD Ombudsman takes to review and provide a response to matters is 90 days; however, complex investigations may take longer to resolve. Note that the time limit will continue to run during this review process; or

- (b) an external agency that can assist in the resolution of your concerns. The Ombudsman for Banking Services and Investments (OBSI) is an independent dispute-resolution service that is available at no charge to clients outside of Québec who are individuals and are not a “permitted client” as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. You can contact the OBSI if you have brought your initial complaint to us within 6 years from the time you become aware of the event that caused the complaint and (i) you have waited more than 90 days for a resolution, or (ii) if you are not satisfied with our decision in Step 2, you have up to 180 days after being provided with our decision to take the complaint to OBSI. You may contact the OBSI by mail at 401 Bay Street, Suite 1505, PO Box 5, Toronto, Ontario M5H 2Y4, by telephone toll-free at 1-888-451-4519, by fax toll-free at 1-888-422-2865 or by e-mail at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca). You must agree that the amount of any compensation recommended by OBSI will not exceed \$350,000.

Any investigation by OBSI will be independent and informal. You do not require a lawyer. During its investigation, OBSI may interview you and our representatives. We are required to co-operate in OBSI’s investigations. Once OBSI has completed its investigation, its recommendations will be provided to you and us. OBSI’s recommendations are not binding.

Please note that the OBSI will not investigate any matters which have gone to arbitration or civil litigation. Please note that making a complaint to OBSI does not restrict your ability to take the complaint to a dispute resolution service of your choice, at your expense, or to take legal action. Note that there are time limits for taking legal action.

- (c) the Investment Industry Regulatory Organization of Canada (IIROC) at [www.iiroc.ca](http://www.iiroc.ca). IIROC provides for an arbitration program through two independent arbitration organizations. The arbitrator will make a final, legally-binding decision about your complaint, and can award up to \$500,000; or
- (d) Québec residents may consider free mediation services offered by the Autorité des marchés financiers (AMF), Québec’s financial sector regulator. If you do not accept the decision of the TD Ombudsman,

you can ask that a copy of your complaint file be transferred to the AMF, who may offer a free mediation service. Participation is voluntary and requires the consent of both of us. For more information on AMF mediation services, you may contact the AMF by telephone toll-free at 1-877-525-0337, by e-mail at [renseignementsconsommateur@lautorite.qc.ca](mailto:renseignementsconsommateur@lautorite.qc.ca), or online at [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

You may also file a complaint with IIROC and it will review your complaint to determine whether any securities laws have been violated; however, IIROC cannot provide compensation to you.

## Statement of Policies

### Conflicts of Interest

The following sentence has been added to the end of the second paragraph of Paragraph c) (Related Issuer to TD Waterhouse Canada Inc.) of the Conflicts of Interest section:

“Due to investment restrictions imposed on TD pursuant to the Stockholders Agreement with TD Ameritrade Holding Corporation, the purchase of TD Ameritrade Holding Corporation by accounts managed by us is restricted.”

In Paragraph d) (Connected Issuers to TD Waterhouse Canada Inc.) of the Conflicts of Interest section “Genesis Trust II” has been inserted as an additional connected issuer to TD Waterhouse Canada Inc. and “York Receivables Trust III” has been deleted.

The ninth bullet of Paragraph i) (Corporate Revenue and Representative Income Sources) of the Conflicts of Interest section has been deleted and replaced with the following:

“fees and spreads in connection with various services provided to, or transactions with affiliates or any investment funds managed by our affiliates, including in connection with banking, custody, securityholder account maintenance and reporting, brokerage, securities lending and derivatives transactions.”

Paragraph n) (Referral Fee Disclosure) of the Conflicts of Interest section has been deleted and replaced with the following:

**“n) Referral Fee Disclosure:** The client may have been referred to TD Waterhouse Canada Inc. by an employee within TD Bank Group, who may or may not be registered to provide investment advice. The purpose of this referral is to better align the client’s investment needs with the TD Bank Group entity that can provide the specific services or products requested. TD Waterhouse Canada Inc. does not pay a referral fee to the affiliate which referred the client to it.

A referral fee may be paid if clients have been referred to TD Waterhouse Canada Inc. by a person or entity outside of TD Waterhouse Canada Inc. The referral arrangement will be set out in a written agreement which will be entered into in advance of any referrals being made. In this case, details of how the referral fee is calculated and paid and to whom it is paid will be provided to the client.

Pursuant to a commission arrangement in place between TD Waterhouse Canada Inc. and TD Waterhouse Insurance Services Inc., TD Waterhouse Canada Inc. currently receives a portion of the commission payable upon the completion of an insurance transaction (currently 70%, but subject to change). TD Waterhouse Canada Inc. may pay a percentage of this commission or a flat fee to the client's financial planner or investment advisor."

Paragraph o) (Outside Business Activities) has been deleted and replaced with the following:

**"o) Outside Business Activities:** At times, individuals may participate in outside business activities such as serving on a board of directors, participating in community events or pursuing personal outside business interests. TD Waterhouse Canada Inc. has policies in place which require individuals to disclose situations where a conflict of interest may arise in order to determine how such conflicts may be addressed."

Paragraph p) (Offices Located within Shared Premises) has been deleted and replaced with a new Paragraph p) (Accounts Opened within TD Canada Trust Branches) as follows:

**"p) Accounts Opened within TD Canada Trust Branches:** Although you may open an account with TD Waterhouse Canada Inc. (TDWCI) in an office located within a TD Canada Trust branch, you are dealing with TDWCI, an investment dealer. By entering into this agreement with TDWCI you are dealing with a separate organization whose products and services may differ from those associated with other entities, including TD Waterhouse Insurance Services Inc., The Toronto-Dominion Bank, TD Investment Services Inc. and/or TD Waterhouse Private Investment Counsel Inc. The investment products sold by TDWCI are generally market priced and may fluctuate in value, based on market conditions. Unless we advise you otherwise with respect to a particular investment product, investment products sold by TDWCI are not insured by the Canadian Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed."

### **Fairness Policy**

Point (d) of the second paragraph of the Fairness Policy has been deleted and replaced with the following:

"(d) Strive towards a high standard of ethical business and personal conduct and professionalism in adherence

to TD Bank's Code of Conduct & Ethics Policy and review and attest to this policy annually."

## **Electronic Brokerage Services Client Agreement**

In the opening paragraph "Active Trader Platform Services" has been amended to "Advanced Dashboard Services".

In Definition (i) ("Services"), "Active Trader Platform Services" has been amended to "Advanced Dashboard Services, thinkorswim".

In Clause 6, references to "our website" have been amended to "our website or TD app".

In clause 10, "WebBroker Security Guarantee" has been deleted and replaced with "TD Online and Mobile Security Guarantee"

## **Electronic Brokerage Service Client Agreement for Active Trade Accounts (Applicable to TD Direct Investing)**

The Electronic Brokerage Service Client Agreement for Active Trade Accounts has been deleted.



---

TD Wealth Private Investment Advice is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. TD Waterhouse Canada Inc. – Member of the Canadian Investor Protection Fund. TD means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services. All trade-marks are the property of their respective owners. © The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.