



**TDWCI Best Execution and Fair Pricing
Client Disclosure**

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1. PURPOSE OF THIS DOCUMENT

This document describes the arrangements put in place by TD Direct Investing, TD Wealth Financial Planning and TD Wealth Private Investment Advice, which are divisions of TD Waterhouse Canada Inc. (together, "TDWCI"), to provide best execution and fair pricing for client orders.

2. SCOPE OF THE DOCUMENT

This document applies to TDWCI client orders for listed equity securities and over-the-counter ("OTC") fixed income.

TDWCI is a non-Executing Dealer Member of the Investment Industry Regulatory Organization of Canada ("IIROC"). TDWCI's best execution obligations under IIROC Rule 3300 are therefore met by engaging the execution services of other broker/dealers.

For the purchase or sale of listed equities, TDWCI directs client orders to the following brokers/dealers for execution:

- TD Securities Inc. ("TDSI") for Canadian equity order flow
- TD Ameritrade ("TDA") for US equity order flow
- Third party dealers for international order flow

For the purchase or sale of OTC fixed income, TDWCI directs client orders to TDSI for execution.

3. BEST EXECUTION OBLIGATION

Best execution means obtaining the most advantageous execution terms for a client order that are reasonably available under the circumstances. IIROC Dealer Members are obligated to establish policies and procedures that are designed to achieve best execution when acting for a client. These policies and procedures must take into consideration factors such as price, speed of execution, certainty of execution and the overall cost of the transaction, when costs are passed on to clients.

As a non-Executing Dealer Member, TDWCI oversees best execution of its clients' orders for Canadian listed equities and fixed income executed by TDSI.

4. GOVERNANCE & OVERSIGHT

The TDWCI Best Execution and Fair Pricing Committee (the "Committee") has oversight of the TDWCI Best Execution and Fair Pricing Policy.

The Committee undertakes to oversee Executing Dealer Members' fulfillment of their best execution and fair pricing obligations on behalf of TDWCI client orders. This includes a review of their publicly available client disclosure and order routing practices.

TDWCI will obtain annual attestations from TDSI that it has complied with and tested its best execution policies and procedures. TDWCI will also seek to obtain similar annual attestations from non-IIROC executing broker/dealers, including TDA.

TDWCI is committed to reviewing its best execution and fair pricing policies and procedures at least annually to ensure they remain effective and will correct any deficiencies identified in the course of its review.

5. ORDER ROUTING AGREEMENTS

5.1. Listed Equities - Canadian Equity and Options Order Flow

TDWCI has entered into a Routing Agreement¹ with TDSI to route all TDWCI client orders for listed equities to TDSI for execution. To address its best execution obligation, TDSI has established written policies and procedures and a Canadian Equities Best Execution Committee. TDWCI has members on this Committee to provide an oversight function.

For more information, please refer to TDSI's best execution disclosure:

https://www.tdsecurities.com/tds/content/CM_BestExecution?language=en_CA

5.2. Listed Equities - US Equity and Options Order Flow

TDWCI has entered into order routing and services agreements with TDA and other market centers. TDA is subject to similar best execution obligations under U.S. securities law requirements. TDA provides TDWCI order routing services for U.S. equity and option orders to

¹ **Routing Arrangement** means an arrangement under which a Participant that is a member, user or subscriber permits an investment dealer or a foreign dealer equivalent to electronically transmit an order relating to a security containing the identifier of the Participant:

- a) through the systems of the Participant for automatic onward transmission to a marketplace; or
- b) directly to a marketplace without being electronically transmitted through the systems of the Participant.

market centres² with which TDA has order execution arrangements, including support services, using the thinkorswim ("TOS") trading platform. The terms of the arrangement seek to achieve best execution obligations.

For more information, please refer to TDA's Order Execution Frequently Asked Questions:

https://www.tdameritrade.com/trade/orderexecution/inc_faq.html

5.3. International Equity Order Flow

TDWCI executes their international equities through third party Dealer Members that are subject to best execution obligations. These orders are manually handled by TDWCI on a best effort basis.

6. OVER THE COUNTER ("OTC") FIXED INCOME FAIR PRICING

TDWCI directs fixed income client orders to TDSI for execution. TDWCI is responsible for ensuring that the end price it offers to its clients for OTC fixed income is fair and reasonable, taking into consideration the reasonableness of any compensation or mark-up/mark-down (i.e. the spread) on a transaction and the market value of the security. TDSI has established written policies and procedures and a Canadian OTC Best Execution Committee to address its fair pricing obligation. TDWCI has members on this Committee to provide an oversight function.

For more information, please refer to TDSI's Best Execution/Fixed Income disclosure:

https://www.tdsecurities.com/tds/content/CMkt_BestExecution?language=en_CA

TD Wealth Private Investment Advice ("PIA") may add commissions to OTC corporate bonds. TDWCI monitors and reviews spreads on OTC corporate bond transactions to ensure they align with the TDWCI Fixed Income Pricing Policy. If spreads are over the allowable threshold set out in the TDWCI Fixed Income Pricing Policy, the commission is subsequently cancelled and amended.

² Market Centre is an order fulfillment point. For the securities industry, the market centers are comprised of the floor of a stock exchange (via a specialist), market makers and electronic communication networks (ECNs).

7. CONFLICTS DISCLOSURE

TDWCI has established order routing arrangements with TDSI and TDA. TDWCI is an affiliated entity of TDSI. The Toronto-Dominion Bank, through its subsidiaries, has an investment in TDA.

TDWCI routing arrangements with TDSI and TDA have been entered into with a view toward the perceived execution quality provided by these market centers, evaluated on the basis of price improvement performance, liquidity enhancement and speed of execution. All client orders that are subject to these order routing arrangements are sent to market centers that are subject to the principles of best execution.

TDWCI receives payment in the form of a rebate from TDA in return for routing client orders in U.S. equities and options pursuant to the order routing arrangement. In accordance with the routing agreement, TDA will allocate to TDWCI a portion of the payment for order flow revenue received.