

TD Waterhouse Private  
Investment Counsel Inc.  
Account and Services  
Agreements and  
Disclosure Documents



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The Agreements in this booklet apply to all TD Waterhouse Private Investment Counsel Inc. accounts, except where otherwise noted. The words “we”, “us” and “our” refer to TD Waterhouse Private Investment Counsel Inc.

# Client Account Agreement

The client(s) (the "Client") hereby opens one or more fee-based, discretionary investment management accounts (the "Account") with TD Waterhouse Private Investment Counsel Inc. (the "Manager") and engages the Manager as investment adviser to manage, with discretionary investment authority, the securities, cash or other property of the Client (the "Managed Assets") in the Account subject to the terms and conditions set forth in this Client Account Agreement (the "Agreement") and in an executed investment policy statement (the "IPS") prepared with the Client in respect of such Account. The Account shall consist of the Managed Assets which are credited to the Account and the securities and other instruments in which the Managed Assets are invested and all dividends, interest and other income earned thereon and proceeds of disposition thereof.

The Manager accepts the engagement to manage, with discretionary authority, the Managed Assets which, from time to time, constitute the Account subject to the terms and conditions of this Agreement and the IPS.

**1. Investment Directives:** The Manager shall manage the Account during the term of this Agreement in accordance with the investment objectives and the investment restrictions relating to the Account as set out in this Agreement and the IPS and in accordance with applicable law and regulatory policy. The Client shall ensure that any investment restrictions applicable to the Account imposed by law or by the Client are included in the IPS.

The Client and the Manager shall establish and review, at regular intervals and at least annually, the Client's investment objectives, investment restrictions, risk profile (tolerance for risk and capacity for risk) and other circumstances as well as the Client's income needs and develop an appropriate investment strategy for the Client based on this information. The investment strategy developed and referred to herein shall not, and shall not be deemed to, include the provision of any tax or legal advice, which shall remain the responsibility of the Client.

If the Client is an individual, the Client acknowledges and agrees that in the event of the death of the Client, the Account will continue to be managed by the Manager in accordance with the investment objectives and investment restrictions and practices relating to the Account as set out in this Agreement and the then current IPS, until an executor or administrator is properly appointed in respect of the Client's estate and all necessary documents in respect thereto are delivered to the Manager.

**2. Account Statements:** The Client will receive, on a quarterly basis, unless otherwise requested, statements setting out all transactions in the Account. As all transactions are reflected on the Account statement, the Client hereby waives receipt of trade confirmations of individual transactions for the Account.

**3. Custody, Delivery & Receipt of Securities:** The Manager has designated its affiliate, TD Waterhouse Canada Inc., to act as the custodian (the "Custodian") of the Managed Assets. The Custodian is responsible for the custody, settlement, receipt and delivery of any Managed Assets. The Manager shall have no authority, responsibility or obligation with respect to the custody, settlement, receipt or delivery of any Managed Assets other than to, or cause to, direct dealers and brokers to settle trades and deliver Managed Assets directly to or receive Managed Assets from the Custodian against payment. If any Managed Assets, including cash, are delivered to the Manager, it shall promptly deliver them to the Custodian. All transactions in Managed Assets shall be consummated by payment to or delivery by the Custodian of cash or other Managed Assets due to or from the Account.

**4. Investment in TD Emerald Funds, TD Mutual Funds, TD Exchange-Traded Funds ("TD ETFs") and other Pooled or Mutual Funds:** The Client hereby expressly authorizes and directs the Manager to purchase and sell, on behalf of the Account, such securities of investment funds (the "Funds") as the Manager may in its sole discretion deem appropriate, including Funds managed by the Manager or companies associated or affiliated with the Manager, such as the TD Emerald Funds, TD Mutual Funds and TD ETFs. It is further understood and agreed that holdings in any Fund, including a Fund managed by the Manager or by a company associated or affiliated with the Manager, shall be included in the determination of the market value of the Account. Fees charged for the services under this Agreement shall be in addition to any fees and expenses (including management and/or administration fees) accrued and paid within a Fund. Fees payable within a Fund may be at an annual rate of up to 1.5% per annum of the value of the securities of a Fund held in the Account, which are in addition to the fees charged under this Agreement. Specific information about the fees charged under this Agreement and the fees and expenses associated with an investment in a Fund can be requested from the Manager.

It is expressly acknowledged and understood by the Client that:

(a) all matters relating to the Funds shall be governed by the Funds' constituting documents and applicable legislation and regulations; and  
(b) series securities of the Funds purchased on behalf of the Account are only offered to certain clients of the Manager and its affiliates whose accounts are managed on a discretionary basis by the Manager or its affiliates. Upon the termination of this Agreement, the series securities of the Funds will be: (i) converted to securities of another series of the same Fund, which series may have higher fees and expenses, provided the Client meets the purchase and other eligibility requirements for that series; or (ii) if conversion is not possible, the series securities of that Fund will be redeemed.

**5. Authority of the Manager:** The Client hereby authorizes the Manager, for and on behalf of the Client and only with respect to the Account, without obtaining the approval of or consulting with the Client or any other person to, or cause to, invest, reinvest, hold in cash and otherwise manage all or any part of the Account, including without limiting the generality of the foregoing, to carry out the following:

- (a) to purchase, sell and otherwise trade in or deal with any permitted security or other investment product in accordance with the investment objectives for the Account, on behalf, and at the risk, of the Client;
- (b) to place, or cause to be placed, including by an adviser with which it is associated or affiliated, orders with brokers and dealers, including a securities dealer with which it is associated or affiliated, and execute and deliver such documents, including instruments of transfer and conveyance, as the Manager considers necessary or advisable to carry out and give effect to the terms of this Agreement. Transactions through a securities dealer may include those where the dealer acts as principal;
- (c) to instruct the Custodian to deliver Managed Assets sold, exchanged or otherwise disposed of and to pay for Managed Assets acquired upon delivery thereof to the Custodian;
- (d) to give instructions to the Custodian, consistent with the normal procedures and the timeliness requirements of the Custodian;
- (e) to consult with legal counsel concerning any question which may arise in respect of its duties under this Agreement and to engage such agents and advisers as may be required from time to time by the Manager;
- (f) to exercise at its discretion, unless otherwise required by law, all voting and other rights in Managed Assets, including securities of the Manager or any of its associated or affiliated companies. For greater certainty, the Manager may determine not to exercise its

discretion (absent any specific direction from the Client) to exercise voting rights in respect of any Managed Assets, including securities of the Manager or any of its associated or affiliated companies or of Funds managed by companies affiliated or associated with the Manager;

- (g) to perform all acts necessary to enter into and participate in class action lawsuits, and settlements to class action lawsuits, on behalf of the Client, relating to Managed Assets held in the Account, all as may be determined by the Manager in its sole discretion. The Client acknowledges that in the event the Manager settles or participates in a settlement to a class action lawsuit with respect to a Managed Asset held or previously held in the Account, the settlement may be binding on the Client and preclude the Client from independently participating in the same class action or otherwise participating in a settlement to the same class action;
- (h) to retain such sub-advisers as the Manager desires, including affiliates of the Manager, to provide advisory services with respect to all or a portion of the Account, including decisions regarding trade execution, provided that the Manager shall at all times be responsible for the provision of such services as if such services had been provided solely by the Manager;
- (i) to hold any cash for the Account on deposit in an interest bearing account with The Toronto-Dominion Bank or any of its affiliates;
- (j) to commingle cash held for and on behalf of the Account with cash held for and on behalf of other accounts managed by the Manager from time to time; and
- (k) generally, to perform any other act necessary to enable the Manager to carry out its obligations under this Agreement.

**6. Sub-Advisers:** The Manager may, from time to time, retain sub-advisers, including its affiliates, to provide model portfolios to the Manager based on investment strategies specified by the Manager. The Manager is responsible for the advice of the sub-advisers. The sub-advisers provide investment advice and recommendations to the Manager in respect of the model portfolios. The Manager will consider the Client's investment objectives, investment restrictions and risk profile when determining the investment decisions to be made with respect to the Account.

The Manager retains the discretion to terminate or replace any of the sub-advisers that provide model portfolios in which the Manager may invest all or a portion of the Account.

The Manager shall be responsible for the investment decisions made by any sub-adviser that is not registered in the province or territory in which the Client is resident and if such sub-adviser fails to meet its standard of care in performing the services for which it has been retained.

Certain sub-advisers, as part of their trading procedures, may use a trade rotation methodology that results in sponsors of programs that use model portfolios (such as the Manager) receiving investment advice and trade recommendations after trade orders have been placed for client accounts over which the sub-adviser has full discretionary investment management authority. This may result in the accounts of clients that hold securities in model portfolios provided by such sub-advisers purchasing or selling securities held in the model portfolio at prices which are different than the prices at which clients of the sub-adviser purchased or sold the same securities, and could disadvantage the Manager's client accounts.

**7. Consent to Certain Transactions:** The Client consents to the Manager exercising its discretionary authority to cause the Client's Account to:

- (a) invest in securities of any issuer of which an officer or director of such issuer is also an officer, director or employee of the Manager responsible for investment decisions for the Account or an associate of such officer, director or employee;

- (b) purchase the securities of related and/or connected issuers of the Manager;
- (c) purchase securities from or sell securities to a Fund;
- (d) pay for the purchase of securities of a Fund by delivering to that Fund securities from the Account;
- (e) receive redemption proceeds for the sale of securities of a Fund in the form of portfolio securities of that Fund; and
- (f) purchase securities from or sell securities to an affiliate of the Manager that is a dealer acting as principal in respect of such transaction.

**8. Other Investment Advisory Activities of the Manager:** It is understood and agreed by the Client that the Manager, its associates, affiliates, agents or advisers may have investment counselling, portfolio management or advisory responsibilities and contracts with other persons. The Manager may make investment decisions for the Account that may differ from investment decisions made for or advice given to other persons even though the investment objectives of those other persons may be the same or similar to those of the Client, provided that the Manager acts in good faith and follows a policy of allocating over a period of time investment opportunities to the Account on a basis that is fair and equitable to the Account relative to the accounts of the other persons.

**9. Allocation Policy:** Unless prohibited by law, the Client is given equitable treatment in the execution of trades when an individual trade represents the interests of more than one client. Trade allocation and trading costs are equitably apportioned to all clients on a pro-rata basis. Securities prices for trades involving more than one client account are averaged. Further information regarding the Manager's allocation policies can be found in the Manager's Client Relationship Disclosure.

**10. Receipt of Directions from Third Party:** If the Client wishes the Manager to accept instructions and directions of any kind from a third party, the Client shall instruct the Manager in writing in a form acceptable to the Manager, and hereby releases and agrees to indemnify the Manager against any and all claims and liability to which the Manager or its nominee may be or become subject as a result of acting on the instructions from that third party.

**11. Withholding Tax:** The Client hereby authorizes and directs the Manager to withhold, pay or otherwise satisfy out of the Account, on behalf of the Client, all taxes exigible against the Account or the Managed Assets as may be required under the laws of Canada or those of any other country applicable to the Account or Managed Assets.

**12. Fees and Expenses:** In consideration of the services provided by the Manager, the Client shall pay to the Manager the fees and charges as set out in the Fee Schedule to this Agreement, as such Fee Schedule may be amended from time to time. The Fee Schedule discloses all costs to the Client for the operation of the Account, and describes the costs the Client will pay in making, holding, and selling investments. Minimum fees for the management of the Account shall apply as disclosed in the Fee Schedule to this Agreement if the management fee is below the minimum. Any amendments to the Fee Schedule, which result in an increase in fees, charged to the Client, shall become effective upon 60 days' prior written notice to the Client. In addition, the Client shall reimburse the Manager for all costs and expenses paid or incurred by the Manager or its nominee in carrying out the services hereunder. The Client hereby authorizes the Manager to deduct any fees, charges and expenses from any holdings in the Account.

Notwithstanding the foregoing, if there are insufficient funds in the Account, such fees, charges and expenses shall be paid by the Client forthwith upon receipt of the Account statement(s). The Client hereby authorizes the Custodian to pay the Manager such fees, charges and expenses from the Managed Assets in the Account in accordance with this Section 12.

The Client acknowledges that: (i) the Manager and its affiliates ("TD Affiliates") may earn fees and spreads in connection with any services provided by the Manager or TD Affiliates to the Account, or transactions between the Manager or TD Affiliates and the Account, including in connection with banking, custody, brokerage, derivatives and foreign exchange transactions, and registered plan administration and trusteeship; (ii) although the Manager and each TD Affiliate must properly record credit balances in the Account on its books, neither the Manager nor a TD Affiliate have to segregate or hold the credit balances separately, and may commingle the credit balances within other accounts; and (iii) the Manager may invest or otherwise deposit credit balances in the Account with a TD Affiliate and a TD Affiliate may earn and retain, or pay to the Manager, all or part of, any benefit resulting from such investment, deposit, or other use that is in excess of the amount of interest the Manager or the TD Affiliate pays for the use of the credit balance.

**13. Standard of Care and Limitation of Liability:** The Manager shall exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Client and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in the circumstances.

Notwithstanding anything herein contained, the Manager does not guarantee the performance of the Account or of any Managed Assets in the Account and shall not be liable for any loss to or diminution in the value of the Managed Assets or the Account unless such loss or diminution results from the negligence, willful misconduct or regulatory breach of the Manager or any sub-adviser retained by the Manager. The Manager shall not be liable for any loss howsoever caused, whether directly or indirectly, by any restriction applicable to the Account not contained in this Agreement or the IPS, by the tax status of the Client, by government restrictions, by exchange or market rulings, by the suspension of trading, by wars, strikes or by any other fact or cause which shall not have been caused by an act or default of, or the negligence of, the Manager or any director, officer, employee, or agent of the Manager. The Client shall indemnify and hold the Manager and its employees, officers, directors, agents and nominees harmless from and against all taxes, losses, expenses, liabilities, claims and demands to which they may be or become subject in carrying out their duties under this Agreement. The provisions of this Section 13 shall survive termination of this Agreement.

**14. Joint Accounts:** If more than one Client (each a "Co-Client") opens Accounts which are joint accounts (each a "Joint Account") then the Co-Clients and the Manager agree that the Managed Assets in the Joint Account are owned by each Co-Client of the Joint Account as joint tenants and not tenants in common. All Joint Accounts, except those in Quebec, are with right of survivorship, which means that each Co-Client assigns to the other Co-Clients and their survivors jointly all Managed Assets in the Joint Account. The direction of the Co-Clients to open a Joint Account shall constitute an irrevocable direction to pay the balance of the Joint Account to the surviving Co-Client(s) on the death of one of the Co-Clients, without making further inquiries as to any claims by any other party, including the heirs, executors, estate trustees, administrators, assigns of the decedent Co-Client or any other third party and without recognition of such claims. The Co-Clients and the Manager agree that on the death of any Co-Client, any Managed Assets in the Joint Account may be withdrawn by the surviving Co-Client(s). The Co-Clients and the Manager agree that none of the Co-Clients may unilaterally sever the joint tenancy with right of survivorship created by this Section 14. Each Co-Client of a Joint Account hereby confirms that he or she has the same investment objectives as the other Co-Clients of the Joint Account.

Each Co-Client of a Joint Account, acting alone, is authorized and empowered for, and on behalf of all of the other Co-Clients of the Joint Account:

- (a) to receive every communication with respect to the Joint Account and each transaction;
- (b) to receive and withdraw any Managed Assets from the Joint Account without limitation in amount, in the Co-Client's individual name or in the name of any other person at the Co-Client's direction, and to dispose of the same without recourse to the Manager by any one or more of the Co-Clients;
- (c) to execute agreements relating to any of the foregoing matters and to terminate, modify or waive any of the applicable provisions; and
- (d) generally to act and deal with the Manager in respect of the Joint Account as fully and with the same authority as though the Co-Client alone were interested in the Joint Account; all without notice to any other Co-Client.

Each Co-Client of a Joint Account specifically acknowledges that the Manager may make deliveries of Managed Assets or payments to any one of the Co-Clients of that Joint Account or any other person upon, or pursuant to, instructions received from any one of such Co-Clients and in such event the Manager will be under no duty or obligation to inquire into the purpose or propriety of any such instructions. The Manager will not be bound to see to the application or disposition of the Managed Assets delivered or payments made. Each Co-Client jointly and severally agrees to indemnify and hold the Manager and its employees, officers, directors, agents and nominees harmless from any loss, liability or expense resulting from the Manager acting in accordance with the above authority. Without in any way limiting the foregoing or the authority granted thereunder, the Manager is authorized, in its absolute discretion, to require joint action by all of the Co-Clients of a Joint Account with respect to any matter concerning such Joint Account including but not limited to the giving or cancellation of instructions and the withdrawal of monies, Managed Assets or other property.

The Co-Clients are jointly and severally liable to the Manager for any debts, obligations or liabilities arising in connection with a Joint Account, including, without limitation, the payment of fees due hereunder.

**15. Lien:** For the purpose of securing the payment of any debts, obligations or liabilities arising in connection with the Account, the Client grants a general lien upon all property, including, without limitation, the Managed Assets, of the Client which may at times be in the possession or under the control of the Manager for any purpose, including safekeeping. This lien is in addition to and not in substitution of the rights and remedies otherwise available to the Manager.

**16. Termination:** This Agreement may be terminated by the Manager, the Client or, subject to the Manager's right to require joint action of Co-Clients, a Co-Client, in respect of any Account at any time upon not less than 30 days' prior written notice to the other. The Client shall be bound by any transaction which the Manager carries out on the Client's behalf prior to the effective date of such notice. Upon termination and payment or delivery of the Managed Assets as the Client may direct, the Manager shall, without further act or formality, be released from all obligations and liabilities arising under this Agreement with respect to any terminated Account, except reporting matters for tax purposes, if applicable, and except for any liability arising from the negligence or willful misconduct of the Manager while this Agreement is in force. Upon termination, the Manager shall be entitled to collect fees and charges due and owing with respect to services rendered up to the effective date of such termination. In addition, the Manager may charge a fee upon the closure of each Account which fee shall be set out in the Fee Schedule to this Agreement.

## 17. Trusted Contact Person, Temporary Holds and Legal Representative:

- (a) The Client may provide the Manager with the name of and contact information for a person whom the Client considers to be trustworthy and is familiar with the Client's personal circumstances (the **Trusted Contact Person**).
- (b) The Client agrees to immediately notify the Manager of any change in the contact information of their Trusted Contact Person.
- (c) The Client may change their Trusted Contact Person at any time by contacting the Manager and completing the Manager's Trusted Contact Person documentation.
- (d) The Client agrees that the Manager may disclose personal and confidential information about the Client and the Account to their Trusted Contact Person when the Manager has reasonable grounds to be concerned about the Client's personal or financial well-being. This includes concerns about the Client's mental capacity, concerns that the Client may be the victim of fraud, exploitation or financial abuse or if the Manager needs help locating the Client or the Client's legal representative.
- (e) The Manager has the option to contact the Trusted Contact Person, but is not obligated to do so. If the Manager contacts the Trusted Contact Person, the Manager will disclose personal and confidential information about the Client and the Account only as the Manager considers necessary or helpful to secure assistance for the Client or to protect the Client from fraud, exploitation or financial abuse regarding the Account.
- (f) If the Trusted Contact Person is the Client's legal representative, the Client shall provide a copy of any Power of Attorney or other appointment document in respect of the legal representative, to the Manager and undertakes to provide the Manager with a copy of any future Powers of Attorney or other documentation that revokes the one so provided.
- (g) The Manager shall rely on the most recent Trusted Contact Person information in its files. The Manager has no obligation to confirm this information, but will update the Trusted Contact Person information when notified by the Client.
- (h) In providing the Manager with the name and contact information of a Trusted Contact Person, the Client is confirming that the Trusted Contact Person is aware that the Client will give the Manager this information and the Trusted Contact Person has agreed to act in this capacity.
- (i) The Manager may place a temporary hold on the Account or a particular transaction in circumstances permitted by law. Permitted circumstances include, but are not limited to, placing a temporary hold where the Manager reasonably believes (a) the Client (including, as applicable, a Co-Client), is vulnerable and has been, is, or will be the subject or target of financial exploitation or (b) the Client (including, as applicable, a Co-Client) is experiencing diminished mental capacity which may affect their ability to make financial decisions. The Manager will provide the Client with verbal or written notice of the temporary hold and the reasons for placing the hold. The Manager will regularly review the facts around placing the temporary hold to assess whether the temporary hold should continue. The Manager may also contact the Client's Trusted Contact Person and/or the Client's legal representative(s) to discuss the circumstances around placing or lifting a temporary hold and the Client consents to the Manager seeking additional information from the Client's Trusted Contact Person and/or the Client's legal representative(s) in respect of the capacity of the Client and any circumstances that have led or may lead to a temporary hold. The Manager may consider whether temporary holds should be placed

on other accounts that the Client has with the Manager and may share any information with its affiliates. The Client acknowledges that the Manager may place a temporary hold on their Account.

- (j) Legal Representative means any person recognized as your legal representative under applicable law or by a court order.

If you have a Legal Representative, we may:

- ask for evidence that proves to us that the representative has legal authority to act on your behalf, such as a court order;
- accept and act upon your Legal Representative's instructions; and
- give them access to your Account's history and transaction details.

We may rely on the legal authority of your existing Legal Representative until we receive written notice that the Legal Representative's authority has been terminated.

In certain circumstances, we may refuse to honour your Legal Representative's instructions or Account transactions, including if:

- we cannot verify your Legal Representative's identity;
- we believe that your Legal Representative is acting outside the scope of their legal authority or we have concerns about potential financial abuse; or
- you have a joint Account and the other joint Account holder has not agreed in writing to the appointment of your Legal Representative.

- (k) Upon Your Death

We may continue operating your Account until we receive proof of death, which should be provided to us as soon as possible. We may also require additional information and documentation (such as your probated will) from your Legal Representative before we can release your funds.

If any dispute arises about funds in your Account upon your death, we may do any of the following without notice:

- Restrict your Legal Representative's ability to deal with your Account.
- Restrict access to your Account.
- Pay the amounts held in any Account into court.

We may also provide your Legal Representative with any Account-related documents or information that you had access to while alive. We are not liable for any damages, losses, or inconvenience claimed by your estate or other third parties if we:

- Make any payments from your Account.
- Follow your Legal Representative's instructions.
- Do not follow your Legal Representative's instructions.

**18. Privacy Policy:** You agree that we may handle your personal information as set out in the TD Privacy Policy. You can find the TD Privacy Policy online at [td.com/privacy](https://td.com/privacy).

**19. Reports and Securityholder Matters:**

**Communication with Beneficial Owner of Securities, Prospectuses**

**and Investment Funds Continuous Disclosure:** A non-registered securityholder of a corporation or other issuer has the same rights as a registered securityholder to vote at annual and special meetings of that issuer. Most common shares carry this privilege as do preferred shares in certain circumstances. This voting right carries with it the right to receive such materials as notices of meetings, information circulars, and proxies from the issuers of the securities (the "Issuers"). As the securities are held in safe custody by the Custodian and not registered in the Client's name, the Manager may provide material directly to the Client

or may, unless the Client objects, provide the Issuer with the Client's name, address and extent of security ownership so that the Issuer can provide material directly to the Client. The Client is also entitled to receive other continuous disclosure material of the Issuer. The Client may waive receipt of such materials under securities legislation.

An investment fund is required to send to each of its security holders, by specified dates, the fund's annual and interim financial statements ("Fund Financial Statements") and, where applicable, the annual and interim management reports of fund performance ("Management Reports of Fund Performance"). If the Client owns units of any investment funds in the Account, the Client has the right to receive Fund Financial Statements and (if applicable) Management Reports of Fund Performance.

Management Reports of Fund Performance contain a discussion on the investment fund's performance over the relevant period, including significant factors that have impacted the performance of the investment fund and any changes to the risk profile of the investment fund. Fund Financial Statements provide information related to what the investment fund is invested in and a summary of the investment fund's financial position as at a certain time of the year.

The Client hereby provides standing instructions waiving delivery and receipt, to the extent possible under applicable law, of Management Reports of Fund Performance and Fund Financial Statements, relating to securities of investment funds the Client holds in the Account. Furthermore, the Client hereby waives delivery and receipt, to the extent possible under applicable laws, of material relating to annual and special meetings of Issuers, delivery of fund prospectuses and Fund Facts documents and amendments thereto, financial statements, Fund Financial Statements, Management Reports of Fund Performance, other continuous disclosure materials, trade confirmations and all other information that may be required to be delivered to securityholders, or is otherwise considered necessary or desirable to be delivered by the Manager or any other party, pursuant to applicable laws in connection with securities held in the Client's Account. Furthermore, the Client hereby authorizes the Manager to receive securityholder materials on its behalf, which includes, without limitation, proxy circulars, annual reports and other securityholder materials and the Client acknowledges that it will not receive any such materials. A description of proxy voting services provided by the Manager is set out in the Conflicts of Interest Statement referred to under Paragraph 14 (Addressing Material Conflicts of Interest) of the Client Relationship Disclosure section below.

**20. Set Off Debts:** The Manager can apply a positive (credit) balance in any accounts of the Client with the Manager or the Manager's affiliates against any debt, obligation or liability the Client may owe to the Manager. The Manager may set off these balances in any manner it considers necessary and the Manager shall not be required to provide any prior notice to the Client.

**21. Amendments:** The Manager may amend any provision of this Agreement from time to time. The Manager shall provide notice of such amendment by sending a notice to the Client at the time an account statement is delivered pursuant to Section 2 or such other time as the Manager may determine. Notice of an amendment may be received by the Client in advance of, or subsequent to, such amendments becoming effective. Notwithstanding the foregoing, if an amendment to this Agreement would have the effect of amending the Fee Schedule, the notice requirements set forth in Section 12 shall apply.

**22. General:** This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.

This Agreement and the rights and obligations hereunder are not assignable by any party hereto, except that the Manager shall be permitted to assign this Agreement to any company associated or affiliated with the Manager without the consent of or notice to the Client.

This Agreement shall be governed by and construed in accordance with the laws of the province or territory it is signed within and each of the parties hereto submits to the jurisdiction of the courts of that province or territory.

The Client acknowledges that no rules of any jurisdiction whatsoever, including without limitation, the Civil Code of Quebec, with respect to the administration of the property of other persons apply to this Agreement and recognize that the form of administration applicable to this Agreement as well as the rights, obligations and liabilities of the parties to this Agreement are solely described and governed by the provisions of this Agreement.

If the Client is a Quebec resident, the Client agrees with the following statement: It is my express wish that this Agreement and any related documents be in English. "J'ai exigé que le présent formulaire et tous les documents qui s'y rattachent soient rédigés en anglais."

## Electronic Services Client Agreement

IMPORTANT: PLEASE READ THIS AGREEMENT BEFORE ACCESSING ANY OF THE WEBBROKER SERVICES. YOUR USE OF ANY OF THE SERVICES AS DEFINED BELOW OR SIGNED ACKNOWLEDGEMENT WILL INDICATE THAT YOU HAVE READ THIS AGREEMENT AND WILL ACT AS YOUR ACCEPTANCE OF AND AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS HEREIN AND ANY OTHER TERM, CONDITION OR RESTRICTION APPLICABLE IN RESPECT OF THE WEBBROKER SERVICES. THE WEBBROKER SERVICES ARE PROVIDED TO YOU ONLY UPON THE FOLLOWING TERMS AND CONDITIONS:

Throughout this Agreement the words "you", "your", "yourself" and "yours" mean the Client and the words "we", "us" and "ours" mean TD Waterhouse Private Investment Counsel Inc. and TD Waterhouse Canada Inc. (collectively, "TD Waterhouse") and, where applicable, includes The Toronto-Dominion Bank ("TD") or TD's subsidiaries.

In consideration of us giving you access to the Services, you agree to the following:

## Definitions

In this Agreement:

- a) "Access Device" means any device you use to access the Services, including but not limited to mobile device, personal computer, intelligent terminal or similar device.
- b) "Account" means your account(s) with us.
- c) "Account Number" means the number(s) assigned to your Account by TD Waterhouse.
- d) "Information" means any Account information using the Services.
- e) "Information Providers" means any entity providing us with securities or market data, including but not limited to various securities markets such as stock exchanges and their affiliates.
- f) "Password" means your existing Services personal password or security code or the personal password or security code assigned to you in connection with the Services, as same may be amended by you from time to time.
- g) "Personal Information" will have the meaning set out in Section 9 below.
- h) "Services" means the WebBroker internet Services.

**1.** In order to use the Services, your application must be accepted by us, in our sole discretion. Your first use of any of the Services will act as your acceptance of an agreement to be bound by the terms and conditions

herein (as amended from time to time) and your acceptance of any other term, condition or restriction applicable in respect of the Services.

**2.** You acknowledge, authorize and agree that we may access information from within TD in order to establish and manage your Account on your existing connect ID or access card.

**3.** You may use your Password with your Account Number to access the Services provided. You agree to keep Your Password Number(s) confidential and separate from your Account Number.

**4.** You agree not to disclose your Password(s) to any person and keep it separate from any other information which you will receive or which you already possess concerning the Services. You are solely responsible for maintaining the security of your Password(s) and ensuring that it is used for yourself only. You acknowledge that your Password(s) is unique to you and that we do not have access to your Password(s).

TD Waterhouse is not responsible for unauthorized access to accounts online or losses that occur as a result of you voluntarily disclosing your Access Card, Connect ID or WebBroker password, or the careless or improper handling, storing or disclosure by you of this information.

In the event of loss, theft, misuse or compromise of your Access Card, Connect ID and/or WebBroker password, you must notify TD Waterhouse as soon as reasonably possible.

You will not attempt to enter restricted areas of our computer systems or the computer system of any entity related to or affiliated with us or perform functions which you are not authorized to perform pursuant to this Agreement.

We may, without notice, temporarily suspend your access to the Services by deactivating your Password(s) if we reasonably suspect that you are using the Password(s) to obtain unauthorized access to our other systems or information, or are using the Password(s) or the Services in any other inappropriate manner. These suspensions will be for a period of time necessary to permit the thorough investigation of such suspected activity. We may terminate this Agreement immediately without notice if we determine to our satisfaction that you have undertaken such unauthorized activity or if such unusual activity cannot be reasonably explained.

**5.** Information provided through the Services has been independently obtained from various Information Providers through sources believed to be reliable. TD Waterhouse and the Information Providers do not guarantee the timeliness, sequence, accuracy and completeness of any market data or other information or messages that they disseminate. Neither TD Waterhouse or any Information Provider will be liable in any way to you or any other person for (a) any inaccuracy, error or delay, or omission of (i) any such data, information or message or (ii) the transmission or delivery of any such data, information or message, or (b) any loss or damage arising from or occasioned by any such inaccuracy, error, delay or omission or by reason of non-performance, or of interruption in any such data, information or message, due to any negligent act or omission by any disseminating party or due to any "force majeure" (i.e., flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labour dispute, accident, action of government, dispute, communications or power failure, equipment or software malfunctions) or any cause beyond the reasonable control of any disseminating party.

**6.** Notwithstanding any other term and condition herein or any other agreement applicable to the account, neither TD Bank Group nor the Information Providers will be liable or responsible for any loss caused, directly or indirectly, by any breach of contract, tort (including negligence), or otherwise, arising out of:

- Any interruption of or deficiency in any data, information or other aspect of the Services as a result of any act or omission including without limitation communications or power failure, equipment or software malfunction,

- The delayed access or inability to access your account or the Services for any reason including periods of increased volume or market activity or to allow for systems maintenance, updates, or for any other cause, or
- The availability, access, accuracy, completeness, timeliness or correct sequencing of the Services, any information or data received using the Services, or for any decision made or action taken by you in reliance upon the Services or information or data received using the Services, or for interruption of any aspect of the Services for any reason, or
- The accuracy or timeliness of any quotation Information provided through the Services; except where such direct losses flow from the breach of TD Waterhouse's regulatory requirements or obligations and you have taken reasonable action to mitigate those losses.

**7.** The securities and market data provided through the Services is proprietary to the Information Providers. By using the Services, you agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the data in any manner or furnish it to any other person without the express written consent of TD Waterhouse and the relevant Information Providers. You will use the securities and market data furnished hereunder only for your personal use. You agree that you will only access your Account(s), the Services or any information provided by you or any Information Provider through our website and not through a third party website or software. You will not permit any third party to access your Account(s), the Services or any information provided by you or any Information Provider through our website or through a third party website or software. You will not, and you will not permit any third party, to access or stream any data, including security quotes or news, that originates from our website through any third party website or software.

**8.** IN NO EVENT WILL WE BE LIABLE TO YOU OR TO OTHERS FOR ANY DAMAGES, DIRECT, INDIRECT, CONSEQUENTIAL OR SPECIAL, INCLUDING WITHOUT LIMITATION ALL LOSSES, COSTS, EXPENSES, LOSS OF PROFITS, LOSS OF BUSINESS REVENUE OR FAILURE TO REALIZE EXPECTED SAVINGS ARISING FROM OR OUT OF THE EXISTENCE, FURNISHING OR FUNCTIONING OF THE SERVICES AS PROVIDED FOR IN THIS AGREEMENT, EXCEPT WHERE SUCH DIRECT LOSSES FLOW FROM THE BREACH OF TD WATERHOUSE'S REGULATORY REQUIREMENTS OR OBLIGATIONS AND YOU HAVE TAKEN REASONABLE ACTION TO MITIGATE THOSE LOSSES. Neither TD Waterhouse nor any other party will be held liable for the accuracy or timeliness of any quotation information provided through the Services.

**9.** You agree that all information that you provide to us (including your address, telephone number and internet e-mail address) ("Personal Information") is complete and true and the telephone number and internet e-mail address at which you may be reached is valid and current. You also agree to advise us of any change(s) in your Personal Information, including your contact telephone number(s), as soon as the change(s) occur.

**10.** You agree and acknowledge that we may modify any or all of the Services at any time. You also agree that the Services may periodically be unavailable to you in order to allow for maintenance and updates.

**11.** This Agreement is in addition to, and not in substitution for, any other present or future agreement between you and us, including any agreement relating to your Account or the Services.

**12.** Any action of any kind by you against us arising as a result of this Agreement must be commenced within one year from the date the right, claim, demand or cause will first occur.

This Agreement confers certain rights upon the Information Providers. The Information Providers may enforce those rights against you by legal proceedings or other appropriate means.

**13.** We can change the terms and conditions governing the use of the Services at any time. We will advise you of any changes in writing or via the internet. We may cancel the Services at any time without notice to you.

**14. General**

- a) **Waiver.** No waiver by us of any breach of any provision or condition of this Agreement will be deemed a waiver of any other breach of such provision or any similar or other provision or condition of this Agreement.
- b) **Agreement.** The conditions, rules and regulations set forth in any manuals, materials, documents or instructions relating to the Services form part of this Agreement.
- c) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- d) **Notices.** Notices may be hand delivered or sent by mail, facsimile message or e-mail message. If sent by facsimile or by e-mail, notice will be deemed to have been received upon transmission. If hand delivered, notice will be deemed to have been received upon delivery and if sent by mail, notice will be deemed to have been received five days following the date of mailing.
- e) **Successors and Assigns.** This Agreement will be binding upon the respective successors and permitted assigns of the parties hereto.
- f) **No Assignment.** You agree that you may not assign the rights and obligations hereunder or in respect of the Services without our prior written consent.
- g) **Severability.** If any provision or condition of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability will attach only to such provision or condition. The validity of the remainder of the Agreement will not be affected and the Agreement will be carried out as if such invalid or unenforceable provision were not contained therein.
- h) **Language.** This Agreement has been drafted and executed in the English language at the express request of the parties. Les parties ont exigé que le présent contrat soit rédigé en anglais.
- i) **Termination.** We may, at our sole discretion, terminate your access to the Services without notice to you. You agree that we are not liable to you in any way regarding the termination of the Services.
- j) **Access Records.** You agree that TD Waterhouse will maintain records of electronic access to your TD Waterhouse accounts, including login and logoff times and dates.
- k) **Third Party Software.** From time to time, we may make third party software available for your convenience only. We assume no responsibility for the operation of the software or the accuracy or completeness of the information produced. We will only be liable for the accuracy of the information contained in your TD Waterhouse statement of account.

The information produced by any third party software may not be suitable for income tax or other reporting purposes, and its use is entirely at the risk and discretion of the user.

## Client Relationship Disclosure

TD Waterhouse Private Investment Counsel Inc. ("Private Investment Counsel") is registered as a portfolio manager and may also act as an exempt market dealer of securities, including securities of investment funds managed by its affiliate, TD Asset Management Inc. (TDAM).

Private Investment Counsel offers portfolio management and advisory services for individuals, families, estates and trusts, charitable

organizations and corporations within Canada through discretionary investment management accounts.

Under its registration as an exempt market dealer, Private Investment Counsel may, from time to time, sell third party or proprietary products pursuant to a prospectus exemption. There may be additional fees associated with these products, including TD Greystone private series funds. For instance, where prospectus-exempt funds are invested in underlying funds, there may be an additional layer of fees and expenses from the underlying fund investments, resulting in incremental costs for the prospectus-exempt funds.

Private Investment Counsel may cause your account to invest in investment funds, other fixed income and equity securities, and deposit products or a combination of these. Investment funds will typically be managed by TDAM, including TD Mutual Funds, TD ETFs, TD Emerald Funds and TD Greystone fund families. Private Investment Counsel may invest clients in non-TD funds where it makes a non-TD Fund available because there is no similar or appropriate TD Fund that provides the desired investment features or exposures. Deposit products will be issued by TD. Private Investment Counsel may not allow the transfer-in of certain types of investment products or may place limits on the amount that can be held in your account. Private Investment Counsel's related and connected issuers disclosure can be found on our website at [td.com/to-our-customers/](http://td.com/to-our-customers/).

Certain portfolio management functions, including effecting portfolio transactions, are undertaken by TDAM on behalf of Private Investment Counsel. In sections 13(e) and 13(d) below, references to Private Investment Counsel include TDAM.

**1. Respect for the Law:** Private Investment Counsel, its directors, officers and employees strive to observe all laws governing its business and securities activities.

**2. Focus on Clients:** Private Investment Counsel and its officers and employees must deal fairly, honestly and in good faith with clients. We handle our clients' business within the bounds of ethical conduct, consistent with just and ethical principles of trade, and in a manner that is not detrimental to the interests of the investing public and the securities industry. We take reasonable steps to ensure that all orders or recommendations for any account are within the bounds of good business practice. We strive towards a high standard of ethical business and personal conduct and professionalism through adherence to TD Bank Group's Code of Conduct & Ethics Policy. Our officers and employees are required to review and attest to this policy annually.

**3. Confidentiality of Client Information:** Confidentiality of client information is a fundamental principle of Private Investment Counsel. Private Investment Counsel may release confidential client information only in accordance with the TD Privacy Policy. TD Bank Group means The Toronto-Dominion Bank ("TD") and its affiliates which provides deposit, investment, loan, securities, trust, insurance and other products or services.

**4. Misuse of Confidential and Insider Information:** Our officers and employees are prohibited from misusing confidential information or any insider information that has not been generally disclosed, for personal gain or for the benefit of anyone else. If one of our employees breaches this prohibition, it will be grounds for immediate dismissal.

**5. Know Your Client and Suitability:** Private Investment Counsel is required under securities law to collect and document sufficient and appropriate Know Your Client ("KYC") information to ensure that trades are suitable for its clients. In satisfying this KYC requirement, Private Investment Counsel will:

- a) Establish the identity of the client and if there is any concern, make reasonable inquiries as to the reputation of the client. For the purposes of establishing the identity of a client that is a corporation, partnership or trust, Private Investment Counsel will establish the

nature of the client's business and the identity of any individual who:

- (i) in the case of a corporation, is a beneficial owner of, or exercises direct or indirect control or direction over, more than 25% of the voting rights attached to the outstanding voting securities of the corporation, or
  - (ii) in the case of a partnership or trust, exercises control over the affairs of the partnership or trust;
- b) Establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded. A client who is an insider is responsible for meeting all insider reporting obligations that apply to them (i.e. Private Investment Counsel does not take responsibility for clients' insider reporting obligations and does not submit filings on their behalf); and
- c) Ensure that it has sufficient information regarding the client's investment needs and objectives, expected time horizon, personal and financial circumstances, investment knowledge, and risk profile.

Based on the KYC information a client provides, Private Investment Counsel will prepare an investment policy statement which will identify a client's investment objectives, investment restrictions and risk profile and determine an appropriate asset mix that is consistent with these factors. Private Investment Counsel will obtain the client's agreement to the investment policy statement and manage the client's account on a discretionary basis in accordance with the investment policy statement. Private Investment Counsel will seek for clients to confirm that the client's KYC information remains current at least annually.

Private Investment Counsel has an obligation to ensure that, before it makes a purchase or sale of a security for a client's account, the purchase or sale of that security is suitable for the client, which includes ensuring that the client's interest is put first. Where Private Investment Counsel invests the client's accounts in TD Funds or products, it will generally not consider other non-TD funds or products or whether those investments would be suitable for the accounts.

Private Investment Counsel may request certain "permitted clients" to waive the suitability assessment – this will be discussed with the clients and is intended for institutional clients that are engaging Private Investment Counsel for specific purposes.

**6. Fees and Account Operating Costs:** Private Investment Counsel typically charges its clients a management fee for its services, calculated as a percentage of the market value of the clients' account. A minimum annual fee applies to all client accounts. Any transaction costs, such as brokerage commissions and settlement disbursements related to the purchase and sale of investments within the account, may be charged separately. A schedule of the fees charged by Private Investment Counsel in connection with its services is attached to the Account Services Agreement.

Fees and expenses may also be associated with investment funds held in the account. Some of these fees and expenses (such as sales charges, redemption fees and short-term trading fees) are payable directly by the client. Others (such as management fees, administration fees, performance fees, transaction costs and operating expenses) are payable by the fund and will reduce the value of an investment in the fund. The management expense ratio of each series of a fund is the ratio, expressed as a percentage, of the expenses of an investment fund to its average net asset value. The management expense ratio includes applicable taxes but excludes the costs associated with portfolio transactions, including, without limitation, brokerage commissions to purchase and sell portfolio securities, research and execution costs and costs associated with derivatives contracts.

Holdings in funds, including a fund that is managed by a firm associated or affiliated with Private Investment Counsel, shall be included in the determination of the market value of the account. Fees charged for the

services of Private Investment Counsel are in addition to any fees and expenses (including management, administration and/or performance fees) accrued and paid within an investment fund (the "Funds"), including an investment fund managed by companies associated or affiliated with Private Investment Counsel. Fees charged for the discretionary investment management services provided by Private Investment Counsel are in addition to any fees and expenses accrued and paid within a Fund. Fees payable within a Fund may be at an annual rate of up to 1.5% per annum of the value of the securities of a Fund held in the client's account. Specific information about the fees charged for discretionary investment management services and the fees and expenses associated with an investment in a Fund can be requested from Private Investment Counsel.

Certain Alternative Funds, including Infrastructure and Real Estate, have additional fees and expenses relating to their ongoing operation and maintenance which are not incurred by traditional mutual funds. Depending on the fund these expenses may include, but not be limited to: legal expenses, organizational expenses, third party professional and technical service and advice fees (e.g.: accounting, audit, appraisal, real estate and custodial), insurance premiums, Partnership expenses (including taxes and license fees) and credit facility costs.

When considering the fees charged to your account, you should note that a fee charged to your investment account will compound over time as a deduction to the overall value of your account. Every dollar taken out of your account to cover fees is one less dollar left to invest in the portfolio to compound and grow over time.

**7. Reporting:** Private Investment Counsel will provide clients with the following reports:

An account statement, at least quarterly, setting out the following:

- (a) the date of each transaction, whether it was a purchase, sale or transfer, the name of the security, the number of securities, the price per security if the transaction was a purchase or sale and the total value of the transaction if it was a purchase or sale.
- (b) the name and quantity of each security in the account, the market value of each security in the account, the total market value of each security position, the position cost of each security position, any cash balance, the total market value of all cash and securities in the account and the total position cost of all security positions in the account.
- (c) the name of the party that holds or controls each security and a description of the way it is held.
- (d) whether the securities are, or the account is, eligible for coverage under an investor protection fund approved or recognized by the securities regulatory authority and if so, the name of such fund.
- (e) which of the securities might be subject to a deferred sale charge if they are sold.

An annual report on charges and other compensation, setting out the following:

- (a) the current operating charges which might apply to the account, the total amount of each type of operating charge related to the account paid by the client and a total of all such operating charges.
- (b) the total amount of each type of transaction charge related to the purchase or sale of securities paid by the client, and the total of all such transaction charges.
- (c) the grand total of all operating charges and transaction charges paid during the reporting period.
- (d) if debt securities were purchased or sold during the report period, either
  - (i) the total amount of any mark-ups, mark-downs, commissions or other service charges that were charged on the purchase or sale

of debt securities; or

- (ii) the total amount of any commissions charged to the account on the purchase or sale of debt securities.
- (e) the total amount of each type of payment, other than a trailing commission, that has been made to Private Investment Counsel or any of its registered individuals by a securities issuer or another registrant in relation to registerable services to the client during the reporting period together with an explanation of each type of payment.
- (f) the amount of trailing commission, if any, received by Private Investment Counsel in relation to securities held in the account.

An annual investment performance report, setting out the following:

- (a) the market value of all cash and securities in the account at the beginning and at the end of the 12 month period covered by the report.
- (b) the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, during the 12 month period covered by the report.
- (c) the market value of all deposits and transfers for cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, since the opening of the account or such other date disclosed in the investment performance report.
- (d) the annual change in the market value of the account for the 12 month period covered by the report.
- (e) the cumulative change in the market value of the account since the opening of the account or such other date disclosed in the investment performance report.
- (f) for an account that has been open for more than one year, the annualized total percentage return for the account, calculated net of charges for 1, 3, 5 and 10 year periods.

Subject to any additional charges determined by Private Investment Counsel, other statements and reports as may be reasonably requested by the client from time to time.

**8. Complaints Process:** A client may communicate a complaint verbally or in written form to his/her portfolio manager. The complaint should include a summary of the concerns, when the concerns arose and the expected resolution.

Private Investment Counsel will send or cause to be sent an acknowledgement letter to the client, typically within five (5) business days of a complaint being received. The client may be asked to provide clarification or more information in order to resolve the complaint. In instances in which a client raises an issue verbally, it may not be readily apparent that a complaint is being made. Private Investment Counsel may ask the client to clarify if a verbal complaint is being made and to put the complaint in writing. This acknowledgment letter will include a description of Private Investment Counsel's obligations under the relevant securities regulations, the steps that you must take in order for an independent dispute resolution or mediation service to be made available to you at our expense, and the name and contact information of such service.

Once the complaint has been investigated, Private Investment Counsel will send or cause to be sent to the client a written notification of the outcome of the investigation. This will typically occur within 90 calendar days. This notification will include: a summary of the complaint; the result of Private Investment Counsel's investigation; and Private Investment Counsel's decision with respect to the complaint along with an explanation of its decision. If the client does not receive a decision

by Private Investment Counsel within 90 calendar days, the client will be provided an explanation for the delay, together with a new date for the decision.

If a decision has not been provided by Private Investment Counsel within 90 calendar days after a complaint is made or a client is not satisfied with the decision reached, the client may contact:

- (a) TD Senior Customer Complaints Office at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, or by telephone, toll free at 888-361-0319, or by email at [td.scco@td.com](mailto:td.scco@td.com). Please note that the office of the TD Senior Customer Complaints Office is employed by and is an affiliate of TD Bank Group. While the TD Senior Customer Complaints Office does not report directly to any business areas in order to protect the office's impartiality, it is not an independent dispute resolution service. The mandate of the TD Senior Customer Complaints Office is to review your concerns and provide a response that is objective and unbiased. This service is voluntary and the estimated time that the TD Senior Customer Complaints Office takes to review and provide a response to matters is 90 days; however, complex investigations may take longer to resolve; or
- (b) Clients resident in Quebec who are not satisfied with the outcome or examination of a complaint can request their complaint file be transferred to the Autorité des marchés financiers (AMF). The AMF may offer dispute resolution services if deemed appropriate.
- (c) A client outside the Province of Quebec, who is:
  - an individual; or
  - a non-individual that is not a "permitted client" as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations,

may escalate an eligible complaint relating to Private Investment Counsel's advising activities to the Ombudsman for Banking Services and Investments (OBSI), at no charge to the client.

The client may contact OBSI directly and must agree that the amount of any compensation recommended by OBSI will not exceed \$350,000. Clients demanding compensation greater than the amount available through OBSI may wish to consider another option to resolve the complaint.

Complaint escalations to OBSI are available if the client has brought the initial complaint to Private Investment Counsel within 6 years from the time that the client first knew, or ought to have known, about the event that caused the complaint and: (a) Private Investment Counsel has not responded to the client within 90 calendar days of the complaint, the client can contact OBSI any time after this 90 calendar day period has ended; or (b) the client is not satisfied with Private Investment Counsel's decision, the client has up to 180 calendar days after being provided with this decision to take the complaint to OBSI.

Any investigation by OBSI will be independent and informal. Clients do not require a lawyer. During its investigation, OBSI may interview the client and representatives of Private Investment Counsel. Private Investment Counsel is required to cooperate in OBSI's investigations. Once OBSI has completed its investigation, its recommendations will be provided to the client and Private Investment Counsel. OBSI's recommendations are not binding on either party.

OBSI can be contacted at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or via telephone toll-free at 1-888-451-4519 or at 416-287-2877 in the Greater Toronto Area (GTA) or via fax toll-free 1-888-422-2865 or at 416-225-4722 in GTA. For more information about OBSI, visit [obsi.ca](http://obsi.ca).

Making a complaint to OBSI or AMF does not restrict a client's ability to take the complaint to a dispute resolution service of his/her choosing, at the client's expense, or to take legal action. Clients are reminded that there are time limits for taking legal action and that applicable statutory

limitation periods continue to run while Private Investment Counsel and/or the TD Senior Customer Complaints Office is reviewing your complaint.

### **Concerns related to Insurance Matters or Services**

Most Private Investment Counsel portfolio managers are also licensed as life insurance licensed agents and are agents of TD Waterhouse Insurance Services Inc. A concern with respect to any insurance matters or services must be escalated to the Market Manager or the Region Head and the Private Investment Counsel head office immediately with a copy to Insurance Services Management and Wealth Insurance Compliance.

Contact your Private Investment Counsel portfolio manager for contact information should you have a concern.

**9. Investment Risks:** Investing in securities involves some risk. Risk is often measured by the extent to which the value of the securities fluctuates. The more frequent and greater the fluctuations, the more volatile the security. Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making investment decisions. Risk can be reduced by diversifying investments across the three main asset classes: money market investments for security, bonds for income and equity investments for growth. The common types of investment risks that may be applicable to a portfolio of securities include, but are not limited to:

- An issuer of a fixed income security may be unable to make interest payments or pay back the original investment.
- A high concentration of assets in a single or small number of issuers may reduce diversification and liquidity within a portfolio and increase its volatility.
- Equity securities are affected by stock market movements, and equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.
- Some securities may be illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or other reasons. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the investor to losses or additional costs.
- The value of securities denominated in a foreign currency will be affected by changes in foreign exchange rates or the imposition of foreign exchange controls.
- The value of a portfolio that invests in bonds, mortgages and other income producing securities is affected by changes in the general level of interest rates.
- Investments in foreign securities involves additional risks resulting from different reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of some foreign stock and bond markets.

### **Alternative Funds**

Alternative funds include, but are not limited to, hedge funds, fund of hedge funds, private equity funds and real estate funds. Alternative funds typically have more flexible investment strategies than conventional mutual funds. Many seek to provide performance under all market conditions by borrowing money to increase investment exposure, short-selling and other investment practices that are not often used by conventional mutual funds.

Some alternative funds are publicly offered, in which case they are regulated in similar ways to conventional mutual funds, other than in respect of investment restrictions and practices.

## **Privately offered Alternative Funds are not Regulated**

Alternative funds that are not offered by prospectus are not subject to the same regulations which govern the investment practices of conventional mutual funds or alternative funds offered by prospectus. Managers of alternative funds are subject to requirements similar to other market participants and owe a fiduciary duty to the funds they manage.

Privately offered alternative funds are not required to provide the same level of disclosure as conventional mutual funds to their investors, including certain periodic reporting and valuation information. Privately offered alternative fund documents are not reviewed or approved by securities regulators. As a result, it can be more difficult to evaluate the terms of an investment in these alternative funds.

## **Alternative funds may employ speculative or risky investment strategies**

Alternative funds, both publicly or privately offered, may employ a unique strategy which may not have a comparative benchmark or index. Alternative funds may be leveraged (including highly leveraged) and their performance may be volatile. There is no guarantee that an alternative fund's investment goals, objective or targeted returns will be reached. Strategies intended to hedge risk may be partly or wholly unsuccessful. Some alternative funds may use a single advisor or employ a single strategy, which may mean a lack of diversification and higher risk. Some alternative funds may execute all or a portion of their trades on over the counter markets which may involve a higher degree of risk.

Alternative funds may have limited liquidity or may be illiquid and there may be significant restrictions on redeeming or transferring interests. An alternative fund's fees and expenses, which may be substantial regardless of any positive return, will offset the fund's profits. In the case of a fund of funds, fees and expenses are charged at both the fund and underlying funds levels. As a result, the fees charged will be higher than they would be if an investor invested directly in the underlying funds.

## **Fees related to alternative funds**

Alternative funds may pay a management fee to the fund manager in respect of a series of the fund and all expenses of the fund allocable to that series. These fees and expenses form the management expense ratio which is charged to the alternative fund and not directly to investors in the fund. Some alternative funds may also pay a performance fee in addition to any other fees and expenses which are payable by the fund. The manager of the alternative fund may charge the performance fee on the entire return or on the profit above a high watermark or a hurdle rate. The fees, expenses and compensation structure of any fund will be outlined in the offering documents of the fund.

The account fee which a client pays to Private Investment Counsel for the advice and services it provides is in addition to any fees and expenses (including management, performance and/or administration fees) accrued and paid within the alternative fund.

## **Derivatives**

In addition to the foregoing risks associated with investing in securities, the use of derivatives (such as futures, forwards or options) within a portfolio involves certain other risks:

- There is no assurance that liquid markets will exist for a portfolio to close out its derivatives positions. Derivative instruments in foreign markets may be less liquid and more risky than comparable instruments traded in North American markets.
- Exchange imposed trading limits could affect the ability of a portfolio to close out its positions in derivatives. These events could prevent a portfolio from making a profit or limiting its losses and may

also prevent a portfolio from using derivatives to effectively hedge its positions or implement its strategy.

- Prices of options and futures on a stock index may be distorted if trading of certain stocks in the index is interrupted or trading of a large number of stocks in the index is halted. Such price distortions could make it difficult to close out a position.
- A portfolio that uses derivatives may be subject to credit risk associated with the ability of counterparties to meet their obligations. In addition, a portfolio could lose its margin deposits if a dealer with whom the portfolio has an open derivative position goes bankrupt.
- There is no assurance that a portfolio's hedging strategies will be effective. Using futures and forward contracts to hedge against changes in currencies, stock markets or interest rates cannot completely eliminate fluctuations in the prices of securities in the portfolio or completely prevent losses if the prices of these securities decline.
- Hedging may also limit the opportunity for gains if the value of the hedged security, currency or stock market rises or if the hedged interest rate falls.

This brief description does not disclose all of the risks and other important aspects of investing in securities and the use of derivatives within a portfolio. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals.

**10. Use of Leverage:** Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines. Where a loan is obtained from TD to purchase securities in your Private Investment Counsel account, both TD, through interest earned on the loan, and Private Investment Counsel, through the management fees on the assets purchased for your account using the proceeds of such loan, will earn revenue.

**11. Custody of Client Assets:** Generally, Private Investment Counsel holds client assets in accounts with its affiliate, TD Waterhouse Canada Inc., as Custodian. For further details about this custody services arrangement, please see the Client Relationship Disclosure Information for TD Waterhouse Private Investment Counsel Inc. and TD Waterhouse Canada Inc. In some cases, client assets may be held by a custodian retained by the client under a separate custodial agreement. In such cases, clients may be charged separate fees for custody which, if applicable, will be disclosed by the custodian.

**12. Benchmarks:** A benchmark is an independent standard against which the performance of an investment portfolio can be evaluated. Often a market index or combination of indices, a benchmark allows investors to compare the relative performance of their investment portfolios. An index tracks the performance of a broad asset class, such as all stocks listed on a particular stock exchange, or a narrower portion of the stocks listed on an exchange (e.g. financial services company stocks). Private Investment Counsel does not generally provide customized performance reporting against a benchmark, but may make this information available from time to time upon request. Clients should speak to their portfolio manager for more information.

**13. Standards of Fairness:** Private Investment Counsel maintains standards directed at ensuring fairness for Private Investment Counsel clients. The fairness policies of Private Investment Counsel are set out below.

Each director, officer, and employee of Private Investment Counsel shall, as applicable:

- (a) Deal fairly and objectively with all accounts when making investment recommendations, or taking investment action and must not favour some accounts over others (except in the case of proprietary accounts where restrictions on trade aggregation apply in certain circumstances).
- (b) Use his/her best efforts to avoid or mitigate any conflict of interest between himself/herself, Private Investment Counsel and clients, and inform clients of any material conflict of interest relating to him/her that might impair his/her ability to render unbiased and objective advice with respect to investment opportunities.
- (c) Exercise diligence, independence (including in the case of securities of TD or its affiliates where additional conflict controls are in place), and thoroughness in analyzing investments, making investment recommendations and taking investment action.
- (d) Strive towards a high standard of ethical business and personal conduct, integrity and professionalism in adherence to TD's Code of Conduct & Ethics Policy, comply with the Personal Trading Policy requiring pre-approval of personal trade requests, and review and attest to these policies annually.
- (e) Ensure adherence to policies in respect of fairness of trade aggregation and allocation as follows:
  - (i) Trade Sequencing and Trade Aggregation: Similar orders will be aggregated, subject to certain exceptions that are consistent with Private Investment Counsel's fiduciary duty to treat all of its accounts, or cause all of its accounts to be treated, fairly and equitably at the time of order generation and to not give preferential treatment to a single account or group of accounts to the detriment of other accounts.

Firm proprietary accounts are those investment mandates under the discretionary management of Private Investment Counsel or an affiliate in which TD, its affiliates or any director, officer or employee of TD or its affiliates have a direct or indirect proprietary interest other than non-material interests acquired through normal course purchases. Except as set out below, orders for firm proprietary accounts shall be executed only after all other account orders involving the same security in the same direction of trade are executed in full:

- Orders to transact in a particular security may be placed by multiple portfolio managers, and trading instructions relating to those orders may be communicated at various times throughout the day to multiple traders. As a result, it is possible for a firm proprietary account to transact ahead of other accounts at a different price.
- Trade orders for firm proprietary accounts will be aggregated with trade orders for other accounts when investing in the same private fixed income security (which for greater certainty includes an evidence of indebtedness such as a bond or debenture, a loan participation or a loan syndication) issued without a prospectus ("private fixed income securities") on the basis that participation of other accounts with firm proprietary accounts is beneficial to each such account because the ability to commit to larger investment amounts is an important factor in obtaining access to a diversified range of private fixed income securities.
- Trade orders for firm proprietary accounts will be aggregated with trade orders for other accounts when investing in the same preferred shares distributed through a bought deal on the basis that the terms of the distribution are fixed in the bought deal agreement between the issuer and the underwriters. In particular, the price per security is fixed such that the inclusion of a firm proprietary account will not result in an increase in the price of the preferred shares whereas buying

significant volumes of preferred shares on the exchange could drive prices higher without being able to acquire as much stock as is desired.

- Managed program groups are permitted some flexibility in the timing of placing orders. Due to the model implementation process, implementation of idea generation for models may take longer than for institutional accounts. The timing of trades for model portfolios is dependent on the portfolio modeling and implementation process conducted before trade execution which means upon receipt, all orders may not be immediately entered for execution. The objective is to minimize material delays in the portfolio modeling and implementation process.
- Money market trading is driven by the continuous need to reinvest proceeds from maturing money market securities or to address cash flow requirements. Portfolio managers, within the constraints of regulatory rules and investment guidelines, make a determination about the amount to be invested or reinvested with an issuer.

- (ii) Trade Allocation: Private Investment Counsel must ensure fairness in allocating partially filled orders among its clients. Where similar orders are aggregated, the standard allocation methodology is to have executions allocated on a pro-rata basis or in another fair and reasonable manner.

If an aggregated trade order is filled through multiple executions, all participating accounts will generally receive a weighted average price.

Allocations may be rounded to the nearest normal trading unit. Generally all executions will be allocated and booked into accounts for which they were traded by the end of each trading day.

Partially filled aggregated orders that include pooled proprietary accounts will be first allocated to all other accounts before filling any orders for pooled proprietary accounts. Pooled proprietary accounts are those investment funds launched by an affiliate of Private Investment Counsel that contain seed capital provided by TD or its affiliates in which no third party client has invested at the time.

In the case of bought deals for preferred shares, where an aggregated order receives only a partial fill, orders for firm proprietary accounts may only be filled after orders for all other accounts have been filled in their entirety.

- (iii) Allocation of Limited Investment Opportunities: With regard to the allocation of limited investment opportunities (i.e. securities that are offered pursuant to a prospectus, including initial and other offerings, and private placements, including bought deals), all accounts for which such securities are suitable, after giving consideration to relevant factors such as their investment objectives and guidelines, cash flows, etc., must be allowed to participate other than in limited circumstances such as reverse inquiry related investment opportunities. Managed program groups generally do not participate in limited investment opportunities unless specifically requested by a particular account holder.

**14. Addressing Conflicts of Interest:** We address material conflicts of interest in the best interest of our clients and we tell clients about those conflicts and how we address them in our Conflicts of Interest Statement. The Conflicts of Interest Statement is attached to this relationship Disclosure. We have adopted policies and procedures to assist us in identifying and addressing material conflicts of interest.

We will update the Conflicts of Interest Statement from time to time, including when we identify a material conflict of interest that has not been previously disclosed to you. Please visit the following link for the most recent version of the Conflicts of Interest Statement:

[td.com/picandtdwcicoi](http://td.com/picandtdwcicoi). We will provide you with notice if we have updated the Conflicts of Interest Statement.

**15. Separate Legal Entities; Investments Not Guaranteed:** Private Investment Counsel is a subsidiary of and a separate corporate entity from TD and The Canada Trust Company. Monies held in Private Investment Counsel accounts are not insured by the Canada Deposit Insurance Corporation ("CDIC") or by any other government deposit insurer. Unless, with respect to a particular security, Private Investment Counsel informs its clients to the contrary, the value of securities sold by or through Private Investment Counsel are subject to market fluctuations, and are not insured or guaranteed by CDIC, any other government deposit issuer, or TD.

#### **Trusted Contact Person and Temporary Holds – For Clients who are individuals**

Canadian securities laws require us to ask the Client for the name and contact information for a person that the Client trusts and who is familiar with the Client's personal circumstances ("Trusted Contact Person" or "TCP"), so that the Manager may contact the Client's TCP to assist the Manager in protecting the Client's financial interests and assets in certain circumstances. The Client must immediately let the Manager know of any change in the Client's TCP's contact information and the Client can change the Client's TCP at any time by contacting the Manager and completing the Manager's TCP change process. The Client is not required to provide the Manager with the name and contact information of a TCP but if the Client does, the Client confirms to the Manager that the Client has the Client's TCP permission to give the Manager this information and the Client's TCP has agreed to act in this capacity.

The Manager may contact the Client's TCP if the Manager notices signs of financial exploitation or if the Client exhibit signs of diminished mental capacity which the Manager believes may affect the Client's ability to make financial decisions relating to the accounts. The Manager may also contact the Client's TCP to confirm the Client's contact information if the Manager is unsuccessful in contacting the Client after repeated attempts, particularly if the Manager's failure to contact the Client is unusual. The Manager may also ask the Client's TCP to confirm the name and contact information of a legal representative such as an attorney under a power of attorney. Unlike a legal representative, a Trusted Contact Person has no authority to make decisions about the Client's accounts. The Manager will not accept instructions on the Client's accounts from the Trusted Contact Person unless they are also the Client's legal representative.

The Manager may stop or refuse transactions on the Client's accounts or even place a hold on the Client's accounts, including in the circumstances noted below, until the Manager has taken the steps necessary to ensure that the Manager has complied with its legal and regulatory obligations in respect of the Client's accounts. The Manager may share its concerns with its affiliates, including any actions the Manager may take.

If the Manager reasonably believes that the Client is vulnerable and is the subject or target of financial exploitation or that the Client is experiencing diminished mental capacity which may affect the Client's ability to make financial decisions, the Manager may place a temporary hold on the Client's accounts or a particular transaction. The Manager will provide the Client with a verbal or written notice of the temporary hold and the reasons for placing the hold. The Manager will regularly review the facts around placing the temporary hold to assess whether the temporary hold should continue. The Manager may contact the Client's TCP to discuss the Manager's reasons for placing or lifting the temporary hold and seek the TCP's assistance to resolve the matter.



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