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Account Type	Applicable Agreement
Cash	Cash Account Agreement
Margin	Cash Account Agreement and Margin Account Agreement
Margin and Short	Cash Account Agreement and Margin Account Agreement
Margin and Option	Cash Account Agreement, Margin Account Agreement, Options Trading Agreement and Derivatives Risk Disclosure Statement
Joint Account	Cash Account Agreement, Joint Account Agreement and other applicable Agreements

*The agreements in this booklet apply to all TD Waterhouse Canada Inc. accounts, except where otherwise noted. The words “we”, “us” and “our” refer to TD Waterhouse Canada Inc. (“TD Waterhouse”), including its divisions, TD Direct Investing (including TD Easy Trade, which is a service of TD Direct Investing), TD Wealth Financial Planning (including TD Wealth Financial Planning Direct which is a service of TD Wealth Financial Planning) and TD Wealth Private Investment Advice. The words “you”, “your” and “yours” means the client and any other individuals with authority over the client’s account.*

## Cash Account Agreement

When you open an account and we agree to act for you in the purchase, holding and sale of securities, you accept and confirm the following:

**1. Legal Capacity:** You have reached the age of majority. You are not an employee of (i) a member of any stock exchange, or (ii) a Canadian Investment Regulatory Organization (CIRO) Dealer Member, or (iii) any business registered under any securities law or regulations. However, if you are or become employed by any exchange, member firm, registered firms or businesses, you will notify us immediately and provide written approval from your employer to open or maintain an account with us.

If you are an insider (e.g. a director or officer), significant shareholder (with 10% or more shareholding) or reporting insider of a publicly traded company (a company whose shares are traded on domestic, foreign, exchange-listed and over-the-counter markets), you are required to inform us of this when you open your account. If you become an insider, significant shareholder or reporting insider of a publicly traded company, you will notify us immediately. If you are an insider, you are responsible for meeting all insider reporting obligations that apply to you - we do not take responsibility for your insider reporting obligations and we will not submit filings on your behalf. This requirement also applies if you or the account holder has trading authority for, control over, a financial interest in, and/or a beneficial ownership interest in, an account.

**2. Services:** You understand all transactions made for your account will be subject to the rules governing the exchanges, markets and clearing houses (as applicable) where the orders are executed, and you agree to comply with these requirements.

You will be responsible for all obligations arising out of the account, including those authorized by any person you have appointed as your authorized agent, and all obligations under any trading platform agreement or agreement for access to services provided by third parties available through any trading platform. If a trade in your account fails, we may without further notice to you either buy in the security or sell from the account to cover the failed trade and will provide temporary custodial services for the security or cash until settlement of that trade.

You agree to notify us immediately of any changes in your information, including, your telephone number(s), addresses, marital status, financial and employment information, tax status, tax residency, disclosure of any trust discretionary beneficiaries in the calendar year which they receive a distribution, and, except for TD Direct Investing accounts and TD Easy Trade accounts, your investment objectives, risk profile (tolerance for risk and capacity for risk), investment time horizon, and investment knowledge. You acknowledge that it is your sole obligation to provide us with updated information and that until we receive and process it, we are entitled to rely on the information we have for your account in providing any advice to you.

Please be aware that we reserve the right to reject any transactions requested by you or your authorized agent.

You acknowledge and agree that your calls with us may be recorded to enhance the overall quality of your client experience and to record the details of our conversation, including your trading instructions. Calls between us and any broker or dealer to whom an order is directed, may also be recorded to confirm the information exchanged, including trading instructions. If you use our voice identification system to access your account, we will retain your voice print and further information you give us to verify your identity before permitting such access.

**3. Joint Account:** If the account opened has more than one owner, all owners must agree that each (a) will be responsible for any obligations arising out of the account, including those arising under any trading platform agreement or agreement for access to services provided by third parties available through any trading platform, regardless of which joint tenant (co-owner) has entered into those obligations or taken action with respect to the account, and (b) will have authority to act on the account as if they were the only owner. You agree that we may deliver securities, money or other property relating to the account and communications of any kind to any one of the joint tenants (co-owners) without notice to any of the others. Joint accounts are subject to the Joint Account Agreement below.

**4. Security Interest:** Any and all property, including credit balances held or carried in any of your accounts for any purpose, and including any property in which you have an interest (the “Collateral”), will be subject to a lien in favour of us. The Collateral will be held as security by us for repayment of your liabilities to us. We may transfer any of the Collateral in any of your accounts from or to any of your accounts. We may deliver all or any part of the Collateral when we consider it necessary for our protection. In enforcing our lien, we may close, without notice, transactions in your account (a) if we consider there to be inadequate security for your liabilities to us, or (b) upon the occurrence of any event which in our opinion jeopardizes your ability to repay any liabilities owed to us.

**5. Payment:** You agree to pay for all securities purchased on the day of settlement or as otherwise directed by us. You agree to pay all commissions on securities or commodities bought and sold by us at the rates established by the exchange for such transaction, if any, or at our prevailing rates for such transactions.

When you deposit a cheque or other instrument, you may be restricted from trading with those funds or moving those funds from your account until the deposit clears. Clearing times vary depending on a number of factors, including the nature of the instrument and where the source of the funds is located. We may, in our discretion, permit trading with, or withdrawal of uncleared funds, which will be determined by us on a case by case basis.

You agree that if your account is closed or transferred by you to another financial institution, we may charge a fee, the amount of which is set out in the Commission Schedule and Statement of Disclosure of Rates and Fees which was provided to you when you opened your account.

You will be liable for:

- payment of all commissions and fees,
- payment of any debit balance or other obligation owing in any of your accounts including withholding tax,
- any payment still owing to us after your accounts are liquidated in whole or in part by us or by you, and
- payment of any such obligation and indebtedness on demand.

Segregated Funds held in your account in nominee name:

TD Waterhouse will act as your attorney or agent for the purposes of making any withdrawals from any segregated funds held in your account required to pay fees or expenses owing in that account.

**6. Collection Costs:** You will reimburse us for the reasonable costs of collection of payments owed to us, including legal fees.

**7. Communications:** Communications include notices, margin calls, demands, account maintenance and service calls, reports and transaction confirmations. You agree that we: (a) may send communications to you at any address including a mailing address or email address, or fax number that you give us in your application or thereafter in writing, or through secure online platforms which you are registered for (e.g. WebBroker); and (b) may contact you by phone for communications not required to be in writing. All communications sent to you at any address or fax number that you give to us, or through online platforms for which you are registered, will be considered to be delivered to you personally, whether you actually receive them or not.

Reports, transaction confirmations and account statements will be considered final unless you object to them within the specified time period:

For reports and transaction confirmations: if we notify you by telephone, you must object on the same date that we call you. If we send reports and transaction confirmations to your address or through a secure online platform, you must object within 10 days of when we send them to you.

For account statements: you must notify us in writing of any errors, omissions or objections within 45 days after we send your account statement to you. If you do not notify us within 45 days, you agree that the information and balances shown on the statement are correct and accepted by you and we will be released from all claims by you in connection with the statement, any transactions shown or not shown on it and any actions taken or not taken by us regarding your account.

### Please note:

It is your obligation as the account holder to review these communications carefully when you receive them and notify us in writing immediately of any errors, omissions or objections to the information provided. This written notice must be emailed to [td.waterhouse@td.com](mailto:td.waterhouse@td.com) or mailed to:

Wealth Cares team  
P.O. Box 5999, Station F,  
Toronto, ON, M4Y 2T1

If you notify us outside the above noted periods of errors or discrepancies in any communication and we (a) undertake an investigation of your claim, or (b) make any other type of request for which we need to launch an investigation, we may charge you an investigation fee, the amount of which is set out in the Commission Schedule and Statement of Disclosure of Rates and Fees. You agree to pay such fee to us immediately or we may charge the fee to your account.

It is important that when you give instructions to or receive information from us, that you record the date, the time, the instructions or information and the name of the representative, if applicable. If you do not do so, retrieval of information will be on a reasonable efforts basis.

**8. Exclusion of Liability:** We will not be responsible for any loss caused, directly or indirectly, by

- Government restrictions, exchange, securities commission or market rulings, trading suspensions or restrictions of trading
- Failure of any person to release and deliver any securities or make any payments to us for you
- Any cause beyond our reasonable control including: any act of God, public health events (including pandemics), fire, act of government or state, order of any court, war, civil commotion, insurrection, embargo, industrial action, act or regulation of any governmental or supra national bodies or authorities, prevention from or hindrance in obtaining any energy or other supplies, late or mistaken delivery or payment by any financial institution or counterparty, breakdown, malfunction or failure of transmission, communication or computer facilities, the failure of any relevant broker, custodian, agent, nominee, dealer, exchange, clearing house or regulatory or self-regulatory organization, for any reason, to perform its obligations
- Reason of any fact not caused by our bad faith, breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws, negligence, willful default or fraud.

We shall not have any liability to you for any consequential, incidental or any similar damages. By agreement, you unconditionally waive any right you may have to claim or recover any such damages, even if you have informed us of the possibility or likelihood of such damages.

**9. Account Identification:** You understand that we will provide you with an identification number with an account number for each account you open. This number and other authentication processes will be used to identify you when placing orders.

**10. Amendments:** This Agreement may be amended at any time by us. For any material amendments to this Agreement, we will give you prior notice in writing of the amendment. Your continued use of your account(s) after the effective date of the amendment, including maintaining the account and the assets in the account, will be deemed to be your consent and acceptance to the amendment(s). This Agreement will remain in force until terminated by you or until written notice of termination by us has been mailed to you.

**11. Assignment and Account Closing:** You agree that you will not assign this Agreement or the account. We may assign the agreement or account to another party, including a company associated or affiliated with us, after notice to you. You agree to give us seven days notice of any intended cash withdrawal.

U.S. persons transferring accounts to U.S. addresses will not be able to transfer U.S. fixed income or option assets purchased on or after January 1, 2014. U.S. persons holding these assets prior to January 1, 2014 are able to transfer the assets as grandfathered or uncovered assets within the meaning of the Internal Revenue Service (IRS) legislation.

U.S. persons who move to the U.S. after January 1, 2014, and retain an account with TD Bank Group, will be required to sell U.S. fixed income or option assets purchased on or after this date before their move to the U.S. (Registered retirement accounts excepted).

We may, at our sole discretion, terminate your account agreement(s) with us and require that you close or transfer your account(s) to another broker within a limited time set by us. In the event that you fail to do so, we may, without further notice to you, deliver the assets to you or liquidate your account(s), pay all outstanding payments owed to us, The Toronto-Dominion Bank ("TD"), and its affiliates and forward the net balance, if any, to you. The liquidation of your account(s) may have significant financial consequences for you, including tax consequences, for which you will be solely liable. You agree that we are not liable to you regarding the termination, closure, transfer or liquidation of your account(s).

In the event that your account remains inactive and has no assets or balances owing in the account for a period of at least one year, we may close your account and terminate your account agreement(s) with us without prior notice to you.

**12. Transactions Subject to Applicable Law:** All transactions in your accounts are subject to applicable legislation, regulations, and rulings, orders, rules and policies of any authority, including exchanges, securities commissions, markets and self-regulatory organizations ("Applicable Law"). You acknowledge that you are responsible for determining whether any trade you intend to make is permitted under Applicable Law before placing your order.

**13. Direct Market Access and No Recommendations**

(Only applicable to TD Direct Investing and TD Easy Trade accounts): Orders entered by you may be sent directly to the exchange or market without prior review by us. However, we reserve the right to review any of your trades prior to entry to the exchange or market. You understand that we have the right to reject, change or remove any order entered by you or to cancel any trade resulting from an order entered by you.

You acknowledge that neither TD Direct Investing nor TD Easy Trade give tailored investment advice or recommendations to you and does not accept any responsibility to advise you on the suitability of any of your investment decisions or transactions. You acknowledge that you are responsible for your investment decisions as well as for any profits or losses that may result.

**14. Correction of Errors:** We are entitled to correct any error in filling a market order to buy or sell equities by filling such order at the market price in effect at the time such order should have been filled.

**15. Adjustment and Cancellation of Open Orders:** We will make reasonable efforts to adjust certain open orders to reflect dividends. This includes open "buy" and "sell on stop" orders that are entered with a "good 'til" date and placed prior to 4:00 p.m. ET on the business day preceding the ex-dividend date, but does not include "trailing stop orders", which are cancelled. When an adjustment is made, the order price will be reduced by the per-share amount of the dividend, and fractional dividends will be rounded up to the nearest cent for the purpose of the adjustment. The orders will be adjusted prior to 9:30 a.m. ET on the ex-dividend date. Open orders may be cancelled when the security is subject to a "name change", "reverse split" or other types of reorganization.

**16. Safekeeping, Security Receipt and Delivery Obligations:** We may accept or reject securities submitted for your account at our discretion. If we elect to hold securities for you in safekeeping, our responsibility is limited to exercising the standard of care exercised by us in the custody of our own securities and as required under Applicable Law. We will not be responsible as a guarantor for any loss. Securities held for your account may be kept at our head office, any of our branch offices, at the office of our correspondent broker, at any institutional depository or at any other acceptable location. We may fulfill our obligation to deliver your securities to you by delivering certificates or securities of the same kind or amount, although not the same certificates or securities deposited or delivered to us.

We are not responsible for instances where a transfer agent or registrar of the securities is delayed or unable to provide a certificate or securities.

If the sale of any security, commodity or other property by us at your direction results in us being unable to deliver due to your failure to supply it to us in transferable or negotiable form, you authorize us to borrow any security, commodity or other property necessary to make delivery. You agree to be responsible for any resulting loss we may sustain and any premiums, dividends or charges which we may be required to pay. You agree to be responsible for any loss which we may sustain by reason of your failure to supply us with the security, commodity or other property in transferable or negotiable form.

We are under no obligation to accept securities that are restricted from trading or transfer, but may do so at our discretion but at your sole risk. You agree that we are not liable regarding the processing of the restricted securities, including any market value movements that may occur during the processing period regardless of any delays, whether caused by our negligence or otherwise.

**17. Leverage Risk Disclosure:** Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only.

If you borrow money 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.

An investment strategy that uses borrowed money could result in far greater losses than an investment strategy that does not use borrowed money. There may also be tax consequences to you if assets in your account must be sold in order to meet any obligations to repay the borrowed money or any interest owing.

**18. Currency Exchange:** If you trade a security which is denominated in a currency other than that of the account in which the trade is to settle, or you receive a payment

to your account in a currency other than that of the account, a conversion of currency may be required. At any time a conversion of currency is made, we will act as principal with you in converting the currency at rates established or determined by us or parties related to us. We and the parties related to us may earn revenue, in addition to the commission applicable to such a trade, based on the difference between the bid and ask rate for the currency and the rate at which the rate is offset internally, with a related third party, or in the market. The charge to you and the revenue earned by us and parties related to us may be higher when a transaction requires more than one currency conversion or when the currency is not commonly traded. Conversion of currency, if required, will take place on the trade or deposit date, as applicable, unless we agree otherwise.

Where a transaction with a mutual fund company involves a currency conversion, the company may charge you for the conversion. Where the company is not a member of the TD Bank Group, neither we nor any party related to us earns any revenue in connection with such conversions. Where the company is a member of the TD Bank Group, it may earn revenue in connection with such conversions as described herein, but we do not.

When a security is held in an account denominated in a currency other than that specified for payment in a corporate action, we will convert that payment at our then-prevailing exchange rate and make payment to your account in the currency of that account.

**19. Beneficial Owner Communication – Your Rights as a Securityholder:** When you purchase securities through us, the securities are held for you in electronic form and are not registered in your name, though you are the beneficial owner. This practice allows you to place and settle trades much faster.

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

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

However, even if you decline to receive these materials, a reporting issuer or other person or company is entitled to send these materials to you at their expense.

Securities regulations allow reporting issuers or other persons or companies to send materials related to the affairs of the reporting issuer directly to the beneficial owners. If you agree to share your name, address, electronic mail address, the number of shares or units you hold in your account, and your preferred language of communication, the issuer or other person or company will send the materials directly to you and will pay all delivery costs.

If you do not agree to share such information, we, on behalf of the issuer or other person or company, will forward the materials to you and you may be responsible to pay the delivery costs. Please refer to the *Commission Schedule and Statement of Disclosure of Rates and Fees* for details.

We encourage you to take advantage of your rights as a securityholder. The decision is yours. You can change your instructions at any time by notifying us of your preference.

**20. Best Execution and Fair Pricing:** To access TDWCI's Best Execution and Fair Pricing Policy client disclosure, please visit the following link by business line:

TD Direct Investing (which includes TD Easy Trade): [td.com/ca/products-services/investing/td-direct-investing/index-res.jsp](http://td.com/ca/products-services/investing/td-direct-investing/index-res.jsp)

TD Wealth Private Investment Advice: [td.com/ca/products-services/td-wealth/private-investment-advice.jsp](http://td.com/ca/products-services/td-wealth/private-investment-advice.jsp)

TD Wealth Financial Planning (which includes TD Wealth Financial Planning Direct): [td.com/ca/products-services/td-wealth/financial-planning.jsp](http://td.com/ca/products-services/td-wealth/financial-planning.jsp)

**21. Trusted Contact Person Temporary Holds and Legal Representative – applicable to individuals only**

- (a) You may provide us with the name of and contact information for a person whom you consider to be trustworthy and is familiar with your personal circumstances (the **Trusted Contact Person**).
- (b) You agree to immediately notify us of any change in the contact information of your Trusted Contact Person.
- (c) You may change your Trusted Contact Person at any time by contacting us and completing our Trusted Contact Person documentation.
- (d) You agree that we may disclose personal and confidential information about you and your account to your Trusted Contact Person when we have reasonable grounds to be concerned about your personal or financial well-being. This includes concerns about your mental capacity, concerns that you may be the victim of fraud, exploitation or financial abuse or if we need help locating you or your legal representative.
- (e) We have the option to contact the Trusted Contact Person, but we are not obligated to do so. If we contact the Trusted Contact Person, we will disclose personal and confidential information about you and your account only as we consider necessary or helpful to secure assistance for you or to protect you from fraud, exploitation or financial abuse regarding your account.
- (f) If the Trusted Contact Person is your legal representative, you shall provide a copy of any Power of Attorney or other appointment document in respect of your legal representative, to us and you undertake to provide us with a copy of any future Powers of Attorney or other documentation that revokes the one so provided.
- (g) We shall rely on the most recent Trusted Contact Person information in our files. We have no obligation to confirm this information, but will update the Trusted Contact Person information when you notify us.
- (h) In providing us with the name and contact information of your Trusted Contact Person, you are confirming that your Trusted Contact Person is aware that you will give us this information and the Trusted Contact Person has agreed to act in this capacity.

**TEMPORARY HOLDS – applicable to individuals only**

We may place a temporary hold on your account or a particular transaction in circumstances permitted by law. Permitted circumstances include, but are not limited to, placing a temporary hold where we reasonably believe (a) you (including, as applicable, a joint holder of your account), are vulnerable and have been, are or will be the subject or target of financial exploitation or (b) you (including, as applicable, a joint holder of your account) are experiencing diminished mental capacity which may affect your ability to make financial decisions. We will provide you with verbal or written notice of the temporary hold and the reasons for placing the hold. We will regularly review the facts around placing the temporary hold to assess whether the temporary hold should continue. We may also contact your Trusted Contact Person and/or your legal representative(s) to discuss the circumstances around placing or lifting a temporary hold and you consent to us seeking additional information from your Trusted Contact Person and/or your legal representative(s) in respect of your capacity and any circumstances that have led or may lead to a temporary hold. We may consider whether temporary holds should be placed on other accounts that you have with us and may share any information with our affiliates. You acknowledge that we may place a temporary hold on your account.

**Legal Representative**

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.

## 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.

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

You acknowledge, authorize and agree as follows:

### Automated Decisioning

We may use your personal information to make decisions in real time by using tools to automate the processing of that information. For example, if you apply for the options trading feature in connection with a TD Direct Investing account, we may decline your options trading request based on your investment experience, net worth, annual income or employment status. To learn more about the automated decisioning process, including your right to correct any information, please contact us at 1-800-465-5463.

**23. Contact by Telephone:** The Canadian Radio-Television and Telecommunications Commission (CRTC) has rules governing when we call you. We will ordinarily contact you by telephone between the hours of 9:00 a.m. and 9:30 p.m. local time on weekdays or 10 a.m. and 6:00 p.m. on weekends ("Ordinary Hours"). For the purposes of the CRTC rules, you authorize us to contact you by telephone outside Ordinary Hours with information about important developments or changes in the markets, particular securities, investment funds or other investment products relevant to your investment portfolio.

You understand this authorization does not alter the scope of the investment services we will provide to you under this Agreement.

You may withdraw this authorization at any time by contacting us by telephone or in writing to advise us that you want us to only contact you with time-sensitive market information during Ordinary Hours, in which case, we will only contact you with time-sensitive information during Ordinary Hours.

### Waiver of liability

You release us from any and all claims and from all liability for financial losses or other damages you may sustain as a result of your decision to withdraw your authorization.

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

Except as otherwise specifically provided in relation to an account:

- (a) If you are a resident of Canada, your account will be located in the province or territory of your current residence and the laws of the province or territory and Canada, will govern your account, this Agreement and our relationship in general. You accept and agree to the jurisdiction of the courts in your province or territory of residence. You also agree that any legal proceeding commenced by you related to your account will be in the courts in your province or territory of residence. Notwithstanding our agreement to submit to the applicable jurisdiction, pursuant to the requirements of the applicable Canadian securities regulatory body, we must disclose to you that, because we do not have an office in the territories listed below, if you are a resident in such territory, you may have difficulty in enforcing any legal rights you have against us. The address that should be used on our behalf for service of legal proceedings in the following territories, as applicable, is:

Northwest Territories:  
#18, YK Centre, 4910-50th Avenue  
Yellowknife, Northwest Territories X1A3S5

Nunavut:  
P.O. Box 11032, 1-4012 Anuri Street,  
Iqaluit, Nunavut X0A1H0

Yukon:  
200 Main Street & 2nd Avenue,  
Whitehorse, Yukon Y1A2A9

- (b) If you are not a resident of Canada, your account will be located in the province of Ontario. The laws of Ontario and Canada will govern your account, this Agreement and our relationship in general. You accept and agree to the jurisdiction of the courts in the province of Ontario. You also agree that any legal proceeding commenced by you related to your account will be in the courts in the province of Ontario.

Whenever there is a credit balance in your account, the credit balance need not be segregated or held separately. A credit balance may be commingled with our general funds or deposited in trust and used for the general purposes or benefit of our business and/or that of any of our affiliates, including earning an interest rate spread. A credit balance will be considered an item in a debtor and creditor account between you and us. You will rely only on our liability in respect of the credit balance.

We can apply a positive (credit) balance in any of your accounts with us, TD and its affiliates (excluding registered accounts) against any debt or liability you owe to any of us, TD or any of its affiliates, however arising. We can set off any positive balance against any such debt or liability in any manner and at any time we consider necessary (unless we have specifically agreed not to do so) and we are not required to first give you any notice.

This Agreement is binding on your heirs, executors, administrators, successors and permitted assigns and upon our successors and assigns. If the account is joint, the singular includes the plural. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability will only apply to such provision. The validity of the rest of the Agreement will not be affected. The Agreement will continue to be carried out as if such invalid or unenforceable provision were not in the Agreement. Headings do not form part of the Agreement. They are inserted for convenience only.

## Margin Account Agreement

If we permit you to trade securities on margin, you agree to be bound by the following provisions, which apply to each specific margin account you open with us, and the provisions of the Cash Account Agreement.

**1. Holding and Pledging of Securities:** Any and all property, including credit balances held or carried in any of your accounts for any purpose, and including any property in which you have an interest ("Collateral") will be held by us for your indebtedness at a location of our choice. Any securities and cash of yours that we hold at any time when you are indebted to us may, without notice to you, be pledged by us as security for any of our indebtedness for more or less than the amount due by you to us. Any such pledge may be made separately or together with the other securities we hold. We may lend any of your securities or any part of them either separately or together with other securities we are holding and may choose which securities to lend from time to time based on market demand. You acknowledge that we, or parties related to us, may earn revenue from securities lending activities. We may cancel your access to margin at our discretion at any time without prior notice to you.

So long as any Indebtedness remains unpaid, you authorize us, without notice, to use at any time and from time to time the Collateral in the conduct of our business, including the right to: (a) combine any of the Collateral with our property or other clients or both; (b) pledge any of the Collateral which is held in our possession as security for its own indebtedness; (c) lend any of the Collateral to us for our own purposes; or (d) use any of the Collateral for making delivery against a sale, whether a short sale or otherwise and whether such sale is for the account or for the account of any other client of ours.

**2. Transfers between Accounts:** We can transfer to your margin account, any time following a transaction, any credit balance in any of your accounts, including any free balances in your margin account.

Any such transfer may be sufficient to cover such transaction. You agree that any debit occurring in any of your accounts can be transferred by us at our option to your margin account.

**3. Obligation to Maintain Margin:** You will maintain such margin and pay any debit balance owing in any of your accounts, as we may in our absolute discretion require from time to time. If you do not meet our margin calls promptly, we can and without notice to you:

- take any step necessary to protect our interest in connection with put and/or call option transactions made for your account, including the right to buy or sell for your account and risk any part or all of the shares represented by options made by us for your account, or
- buy for your account and risk any put and/or call options as we may deem necessary to fully protect us.

You also agree that all expenses incurred by us to protect our interests will be paid by you. If we consider it advisable for our protection (without the necessity of a margin call) we may, without prior demand, tender and without any notice of the time or place of sale, all of which are expressly waived by you:

- (a) sell any or all securities or contracts relating thereto which may be in our possession, or which we may be carrying for you, or
- (b) buy any securities or contracts relating thereto of which your account may be short, in order to close out in full or in part any commitment on your behalf, or
- (c) place stop orders with respect to such securities.

If you are short any security or hold a security that creates a short position, you are liable to us for all consequences and expenses resulting from that position, including the expenses incurred by us and by third parties for which we are responsible to buy in the security or to exercise any corporate action election. Any cash resulting from a short sale (as well as additional cash, as the value changes) may be segregated at our discretion from the cash balance in accounts for securities held long.

Such sale or purchase may be made at our discretion on any exchange or other market where such business is then transacted, or at public sale or private sale, with or without advertising. Any demands, calls, tenders or notices which we may make or give in any one or more instances, nor prior course of conduct or dealings between us, will invalidate these waivers on your part.

**4. Payments:** Except as provided above, required margin for the transactions must be available in the account at the time of the trade. Any demand by us for payment will be paid by you immediately following the demand.

**5. Interest on Credit Extended; Additional Margin Calls:** You agree to pay us interest on any credit extended to or maintained for you by us for the purpose of purchasing, carrying or trading any security. The initial rate of interest will be disclosed to you by us when we open the account. Thereafter, the rate is subject to change from time to time.

If there is a change in the market value of securities in your margin account, we may require additional Collateral. We retain the right to require additional margin at any time we consider it necessary. Any written or verbal call for additional Collateral may be satisfied by delivery of additional marginable securities or cash immediately following the demand. All deposits and securities in any of your accounts are Collateral for any debit balances in your margin account. We reserve the right to consider any security to be ineligible from time to time.

**6. Free Credit Balances:** Any monies held by us from time to time to your credit are payable on demand, need not be segregated and may be used by us in the ordinary conduct of our business. You acknowledge that our relationship with respect to such monies is one of debtor and creditor only.

**7. Limitation of Liability and Indemnification:** You acknowledge and agree that use of the margin permitted under this Agreement is solely within your discretion. You are solely and wholly responsible for the consequences of your use of any margin under this Agreement, including the success or otherwise of any use to which you put such margin. You agree to indemnify and hold us and each of our respective employees, directors, officers and agents harmless from and against all losses arising from your use of the margin permitted under this Agreement, except for any losses that are a direct result of our bad faith, breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws, negligence, willful default or fraud.

**8. Trading on Margin – Risks and Benefits:** Your ability to trade securities on margin may present an opportunity for you to make additional investments. Utilizing a margin facility may present additional risks which are summarized in section 17 of the Cash Account Agreement (Leverage Risk Disclosure).

**9. Miscellaneous:** Any security or commodity held by us for your account when you are indebted to us may be used by us for making delivery against a sale, whether short or otherwise. We may use the security whether such sale is for your account or for the account of another of our clients.

**10. Waivers; Joint Account:** No waiver of any provision of this agreement is considered a waiver of any other provision, or the continuing waiver of the provision(s), so waived. If your account is a joint account, the obligations of each of you are joint and several (that means collective and individual).

**11. Compliance with CRO Requirements:** We must carry out any transaction under this agreement in accordance with CRO requirements and, where applicable, the requirements of the marketplace on which such transaction has been executed.

## Options Trading Agreement

The risk of loss in trading exchange option contracts can be substantial. You should carefully consider whether such trading is suitable for you in light of your financial condition. In considering whether to trade, you should be aware that if you purchase an exchange option or an exchange futures option you may sustain a total loss of the premium and all transaction costs.

If we act as your agent in the purchase, sale or execution of exchange traded put or call options ("Options") traded on stock or option exchanges, you agree to be bound by the following provisions and the provisions of the Cash Account Agreement and the Margin Account Agreement which are hereby incorporated by reference.

**1. Financial Resources:** You understand the special risks pertaining to trading in Options. You declare that you have adequate financial resources to cover any such transaction in which you participate.

**2. Governing Regulations:** Each transaction will be subject to the by-laws, regulations, rules, rulings and customs (whether in force at the time of the transaction or subsequently adopted) (herein called the "Regulations") of the clearing corporation issuing the Option, the exchange on which the Option trades, CRO and any other regulatory body which may have jurisdiction. Each transaction will also be subject to our rules, regulations and customs for Options trading. You have read the Derivatives Risk Disclosure Statement.

**3. Compliance with Regulations:** You will comply with all Regulations which may provide, without limitation, position limits, exercise limits, and margin requirements, and requirements for cash-only trades during certain periods such as the last 10 business days to expiry of an Option. We may also set maximum limits on short positions. You will comply with all Regulations, limits and requirements in effect or which may be passed or adopted by us. You acknowledge that CRO or other regulators may impose other rules affecting existing or subsequent transactions. You will not exercise a long position in any Option contract if you alone or with others, directly or indirectly, have or will have exercised within any five consecutive days, aggregate long positions in excess of the applicable limits. You acknowledge that we may be obligated to provide information to regulators regarding position limits or exercise limits, and derivative positions or derivative transactions related data, if required by law or on request.

**4. Notice of Other Contract; Indemnity:** You will inform us of any Option transaction or contract you have entered into with any other broker, dealer, individual or other entity, prior to or at the same time with any Option transaction executed through us. You indemnify us for any loss or liability we suffer as the result of your failure to notify us of such transaction or contract.

**5. Discretion:** We will have sole discretion to determine whether or not to accept any order from you for a trade in an Option. You acknowledge that we have no duty or obligation to exercise an Option belonging to you without your specific instructions to that effect. We have the right to impose trading limits and position limits as well as the right to close out positions under specified conditions. We may execute orders for you acting as principal on the other side of a transaction or as part of larger transactions for you and others. We may also act for other clients on the other side of a transaction as we may consider advisable, subject, however, to the rules of the applicable exchange. We are obligated to obtain your consent before taking the other side in a transaction for you and to document such consent. You agree to confirm any transactions in your account in which we act as a market maker or principal in the purchase or sale of Options. You agree that in any consent regarding the Option trade you will notify us if there is a dispute, within 10 days of placing the trade. You agree that any charge to you expressed as a commission for any purchase or sale of Options where we act as a market maker or principal will be a sum payable increasing the cost to you of such transactions.

**6. Business Hours and Timely Instructions:** You may instruct us as to Option transactions through our office during local business hours and it will be executed when the applicable exchange is open for trading. Your instructions must allow sufficient time for us to complete the sale, close-out or exercise of any Options or any other action to be taken in connection with such Options. *With respect to expiring Options, you will instruct us by no later than 4:30 p.m. Eastern time on the last trading day of the Option or by such other time as we may advise by notice in writing to you. If the last day of trading of the Option occurs on a day where the market closes early, you will instruct us by no later than one (1) hour after the market has closed.* If you fail to give us timely instructions, we may take any action with respect to an Option that we in our sole discretion determine should be taken.

**7. Allocations:** We have established procedures for the allocation of Exercise Notices assigned to us regarding short positions in clients' accounts. The allocation will be on a random selection that is fair and equitable to our clients and consistent with the regulations, rules and policies of each exchange on which the option is traded.

**8. Liability:** We will be responsible to you only for errors or omissions in the handling of orders for the purchase, sale, execution or expiration of an Option caused by our negligence, breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws or willful misconduct.

**9. Margin:** You will, at all times, maintain such margin as we may require from time to time. You will promptly meet all margin calls. The conditions under which we may apply your funds, securities or other property to satisfy your outstanding debts or margin calls are detailed in the Margin Account Agreement.

**10. Commission, Interest and Debts:** You are obligated to pay us commission or any other compensation related to your trading in Options as applicable. You agree to pay us interest on account debit balances, or on any credit extended to or maintained for you by us. You will also promptly pay all debts owed to us.

**11. Authorizations:** While any securities held in any of your Options Trading Accounts are retained by us as Collateral in accordance with Clause 4 of the Cash Account Agreement, you authorize us without notice to you, to:

- (a) raise money on or pledge all or part of the securities as security for our own indebtedness,
- (b) loan all or part of the securities for our purposes or as our security,
- (c) use all or part of the Collateral for your debit and position obligations,
- (d) use all or part of the Collateral for making delivery against a sale, whether short or otherwise, for our account or that of any other of our clients,
- (e) use your free credit balances for our own business purposes or to finance other client account debits, and
- (f) perform any credit checks we deem necessary.

**12. Securities:** The term "securities" as used in the Cash Account Agreement, the Margin Account Agreement and in this Options Trading Agreement includes shares of stock, warrants or rights, options, bonds, notes, debentures, trust and deposit certificates, commodities (including contracts relating to commodities), gold and all other rights to property of any kind. "Securities" include those belonging to you that are in our possession or control, or in transit to or from us.

**13. Advice of any Changes or Restrictions:** You will advise us of any changes in your Information, financial situation, or your investment needs and objectives. You agree to advise us of any restrictions in Option trading that may apply to you and advise us of any changes in such restrictions.

**14. Protection of Your Position:** In case of any insolvency, death or attachment of any property, we may, regarding any open positions, take such steps as we consider necessary to protect ourselves against loss. Whenever we consider it necessary for our protection to sell any securities in our possession or to buy any securities of which your account may be short, or to buy or sell short Options for your account and your risk, such sale or purchase may be made in our sole discretion without advertising the same and without prior notice, demand, tender or call to you.

**15. Correction of Errors:** We are obligated to address situations where errors and omissions occur. We are entitled to correct any error in filling an order to buy or sell an Option at market by filling such order at the market price in effect at the time such order should have been filled.

**16. Waivers:** None of the provisions of this Options Trading Agreement will be considered to have been waived, modified or otherwise affected without express written agreement signed by our Designated Options Supervisor or our Alternate Options Supervisor. Failure to exercise any of our rights in any one or more instances shall not be considered a waiver of any such rights for the future.

**17. Receipt of Risk Disclosure Statement:** You confirm that you have received the Derivatives Risk Disclosure which has been approved by CRO.

**18. Insider Status:** As per the Cash Account Agreement, you will inform us immediately of any circumstances under which you may be considered an insider of any reporting issuer of securities or any other issuer whose securities are publicly traded.

## Derivatives Risk Disclosure Statement

This risk disclosure statement does not disclose all of the risks and other significant considerations associated with trading in derivatives. In light of the variety of risks involved, you should undertake such transactions only if you understand the nature of the contracts, the contractual relationships into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for everyone and often entails a high level of risk. Trading in derivatives should be made with caution and you should carefully consider whether such transactions are appropriate for you in light of your personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, and other relevant circumstances. You should consult with your own business, legal, tax and account advisers before engaging into such transactions.

### You may lose more than the amount of funds deposited

A characteristic of many derivatives is that you are only required to deposit funds that correspond to a portion of your total potential obligations and yet your profits or losses are based on changes in the total value of the derivative. This inherent leverage characteristic means that losses incurred can greatly exceed the amount of funds deposited. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. Your dealer may require you to deposit additional funds on short notice to maintain your position as the value of the derivative changes. If you fail to deposit these funds, your dealer may close out your position at a loss without warning and you will be liable for any resulting deficit in your account.

### Using borrowed funds carries greater risk

Using borrowed funds to finance a derivatives transaction involves greater risk than using cash resources only. If you borrow money, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the derivative declines.

### Deposited cash and property

You should familiarize yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules.

### Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### Fluctuations in price or value

The price and value of derivatives can be adversely affected by volatile market conditions and such occurrences may significantly increase your risk exposure. There are a variety of market factors and conditions which can directly or indirectly affect derivatives such as market demand and supply, interest rate, foreign currency exchange rate, indices, commodity prices, equity prices, investor perception and other political or economic factors. Since derivatives are linked to one or multiple underlying interests, the price or value of the derivatives may also be subject to considerable fluctuations due to the risks associated with the underlying interest. The level of sensitivity of an underlying interest with specific market conditions can have wide implications on the value of derivatives linked to that underlying interest. For example, when two or more factors are affecting one or more underlying interests of a derivative, its value may become unpredictable. A small movement in the price of one underlying interest can cause a sudden and large fluctuation in a derivative's value.

## Hedging and risk management strategies

Hedging transactions may require constant monitoring. A failure to adjust your hedging transaction in light of changing market conditions may result in the position becoming either under-hedged or over-hedged and losses can ensue.

The placing of certain orders (e.g. "stop-loss" or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

## Listed derivatives

Under certain market conditions, you may find it difficult or impossible to liquidate or offset an existing position on a marketplace (e.g. buy-to-close or sell-to-close order). This can occur, for example, when the market reaches a daily price fluctuation limit ("daily price limit" or "circuit breakers").

You should ask your dealer about the terms and conditions of the specific derivatives which you are trading and associated obligations. Under certain circumstances the specifications of outstanding contracts may be modified by the marketplace or clearing house to reflect changes in the underlying interest.

## Over-the-counter derivatives

Over-the-counter derivatives (OTC derivatives) trading is not done on a marketplace. Your dealer is your trading counterparty. When you sell, your dealer is the buyer and when you buy, your dealer is the seller. As a result, when you lose money trading, your dealer may be making money on such trades, in addition to any fees, commissions, or spreads it may charge.

An electronic trading platform for trading OTC derivatives such as contracts for difference and foreign exchange contracts is not a marketplace. It is an electronic connection for accessing your dealer. You are accessing that trading platform only to transact with your dealer. You are not trading with any other entities or clients of the dealer by accessing such platform. The availability and operation of any such platform, including the consequences of the unavailability of the trading platform for any reason, is governed only by the terms of your account agreement with the dealer.

You are limited to your dealer to offset or liquidate any trading positions since the transactions are not made on a marketplace. As such, it may be difficult or impossible to liquidate an existing position. The customized nature of certain OTC derivatives may also add to illiquidity.

The terms of OTC derivative contracts are generally not standardized, and the prices and characteristics are often individually negotiated with your dealer. A central source to obtain or compare prices may not exist. It may be difficult to assess the value, to determine a fair price or to assess the exposure to risk. You should ask your dealer about the terms and conditions of the OTC derivative contracts you are trading and understand the related rights and obligations.

# Joint Account Agreement

## Not Applicable for Quebec Stock Savings Plan (QSSP) Accounts

If we are directed to open a joint account for the Applicant and Co-Applicant, in return of our opening the account the Applicant(s) and Co-Applicant(s) (collectively referred to as the "Clients"), jointly and severally agree with us as follows:

**1. Other Agreements Apply:** All transactions for the account of the Clients will be subject to the terms and conditions of all other existing agreements (if any) between us and each of the Clients. Each of the agreements is incorporated by reference.

**2. Authority of Each Client:** Each of the Clients, acting alone, is authorized and empowered for, and on behalf of all of the Clients,

- a) to buy and sell (including short sales) and otherwise deal in stocks, bonds and other securities on margin or otherwise through us;
- b) to receive every communication regarding each account and transaction;
- c) to receive and withdraw money, securities or other property without limitation in amount, in the Clients' individual name or in the name of any other person at the Clients' direction, and to dispose of the same without recourse to us by any one or more of the Clients;
- d) to execute agreements relating to any of the foregoing matters and to terminate, modify or waive any of the applicable provisions; and
- e) generally to act and deal with us in respect of an account as fully and with the same authority as though the Client alone were interested in the account, all without notice to any other Clients.

Each Applicant and Co-Applicant acknowledges that we may make deliveries of securities or payments to any one of the Clients or any other person upon, or pursuant to, instructions received from any one of the Clients and in such event we will be under no duty or obligation to inquire into the purpose or propriety of any such instructions. We will not be bound to see to the application or disposition of the securities delivered or payments made.

The Clients jointly and severally agree to indemnify and hold us harmless from any loss, liability or expense resulting from our acting in accordance with the above authority. Without limiting the authority granted, we are authorized, in our absolute discretion, to require joint action by all of the Clients regarding any matter concerning an account, including the giving or cancellation of orders and the withdrawal of monies, securities or other property.

**3. Liability of Clients:** The Clients are jointly and severally liable to us for any debts, obligations or liabilities arising in connection with the account. For the purpose of securing the payment of such debts, obligations or liabilities, we will have a general lien upon all property belonging to the Clients, collectively or individually, which may be in our possession or under our control for any purpose, including safekeeping. This lien is in addition to, and not in substitution of the rights and remedies we otherwise would have.

**4. Rights and Obligations of Survivors:** (not applicable to residents of Québec)

In the event of the death of any of the Clients:

- a) the surviving Client or Clients will immediately give us written notice thereof;
- b) we are authorized prior to the receipt of the written notice of the decedent's death to execute orders and deal with and for the account as though the death had not occurred;
- c) we are authorized, prior to or after, the receipt of the written notice of the decedent's death, to take such proceedings, require such papers, retain such property or restrict transactions in the account as we may consider advisable to protect us against any tax, liability, penalty or loss under any present or future laws or otherwise; and
- d) the estate of the decedent and each survivor will continue to be liable to us, jointly and severally, for any debts, obligations, liabilities or losses in respect of the account, including, without limitation, those resulting from the completion of transactions initiated prior to the receipt by us of the written notice of the decedent's death or incurred in the liquidation of the account or the adjustment of the interests of the Clients.

**5. Right of Survivorship:** (not applicable to residents of Québec) The Clients declare that their interests in the joint account are as joint tenants with full rights of survivorship and not as tenants-in-common. In the event of the death of any of the Clients the entire beneficial interest in the joint account will be vested in the surviving Client or Clients on the same terms and conditions as held, without in any way releasing the decedent's estate from the joint and several liability of the decedent Client provided for in this Agreement.

Your direction to open this joint account will constitute your irrevocable direction to us to pay the balance of the account to the surviving joint account holder(s) on your death on request without making any further inquiries as to any claims by any other party, including your heirs, executors, estate trustees, administrators, assigns of the decedent Client or any other third party and without any recognition of such claims.

**6. Rights and Obligations of Survivors:** (for residents of Québec only)

In the event of the death of any of the Clients:

- a) the surviving Client or Clients will immediately give us written notice thereof;
- b) we are authorized prior to or after the receipt of the written notice of the decedent's death, to take such proceedings, require such papers, retain such property or restrict transactions in the account as we may consider advisable to protect us against any tax, liability, penalty or loss under any present or future laws or otherwise; and



- c) the estate of the decedent, which estate will be bound to the terms hereof, and each survivor, the heirs and assigns of each
- Client will continue to be liable to us, jointly and severally, for any debts, obligations, liabilities or losses in respect of the account, including, without limitation, those resulting from the completion of transactions initiated prior to the receipt by us of the written notice of the decedent's death or incurred in the liquidations of the account.

## Client Problem Resolution Process

We value the trust you place in us and are committed to providing the best possible service to our clients. If you have a concern with or about the service you have received, we want to work with you to resolve it quickly and effectively. To address your concern, please provide the following information: the date(s) and time(s) plus any additional supporting documents to explain your concern, the name(s) of the employee(s) involved in the specifics of the concern and how we can help. Once this information is collected, please refer to Step 1 of the process outlined below. We will handle your complaint in a fair and timely manner and provide an appropriate escalation option if the response does not meet your expectations. If the resolution of your problem is delayed, we will provide regular updates on the progress being made.

**Step 1:** Talk to your representative as many concerns can be resolved at the time they occur. If they are unable to resolve the problem to your satisfaction, ask to speak with their Manager. The Manager has the decision-making authority to resolve most problems and will immediately escalate a concern to Step 2, if required.

**Step 2:** Contact the Wealth Cares team. If the Manager is unable to resolve the problem to your satisfaction, they will ask the Wealth Cares team to review the issue on your behalf. At this point, you may be asked to put your concerns in writing so they can be thoroughly investigated. You can send your written complaint by mail to Wealth Cares team, P.O. Box 5999, Station F, Toronto, Ontario, M4Y 2T1 or by email at [td.waterhouse@td.com](mailto:td.waterhouse@td.com). Where applicable, a Letter of Acknowledgement and a brochure entitled **"How to Make A Complaint"** will be sent to you within 5 business days of receipt of your complaint.

We are committed to reviewing your concerns thoroughly and we shall provide a written response within 90 calendar days of receiving your written complaint. This response will include a summary of your complaint, the results of our investigation, and a decision as to the merits of your complaint. Where more time is required to complete our investigation, we shall provide you with a status update, which will include a new date for our decision.

**Step 3:** If you do not receive our response to your complaint within 90 days or you are not satisfied with our response, below are additional resources for the resolution of your concerns:

- (a) the TD Senior Customer Complaints Office by mail at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, by telephone at 416-982-4884 or toll-free at 1-888-361-0319, by fax at 416-983-3460, or by email at [td.scco@td.com](mailto:td.scco@td.com). The TD Senior Customer Complaints Office can only deal with your concern after you have completed Steps 1 and 2. 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. Note that the time limit will continue to run during this review process; or
- (b) an external agency that can assist in the resolution of your concerns. The Ombudsman for Banking Services and Investments (OBSI) is an independent dispute-resolution service that is available at no charge to clients outside of Québec who are individuals or who are non-individuals that are not "permitted clients" as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. You can contact the OBSI if you have brought your initial complaint to us within 6 years from the time you become aware of the event that caused the complaint and (i) you have waited more than 90 days for a resolution, or (ii) if you are not satisfied with our decision in Step 2, you have up to 180 days after being provided with our decision to take the complaint to OBSI. You may contact the OBSI by mail at 20 Queen Street West, Suite 2400, PO Box 8, Toronto Ontario M5H 3R3, by telephone toll-free at 1-888-451-4519, by fax toll free at 1-888-422-2865 or by email at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca). You must agree that the amount of any compensation recommended by OBSI will not exceed \$350,000.
- Any investigation by OBSI will be independent and informal. You do not require a lawyer. During its investigation, OBSI may interview you and our representatives. We are required to co-operate in OBSI's investigations. Once OBSI has completed its investigation, its recommendations will be provided to you and us. OBSI's recommendations are not binding.
- (c) Please note that the OBSI will not investigate any matters which have gone to arbitration or civil litigation. Please note that making a complaint to OBSI does not restrict your ability to take the complaint to a dispute resolution service of your choice, at your expense, or to take legal action. Note that there are time limits for taking legal action and that applicable statutory limitation periods continue to run while we and/or the TD Senior Customer Complaints Office is reviewing your complaint; or the Canadian Investment Regulatory Organization (CIRO) at [ciro.ca](http://ciro.ca). CIRO provides for an arbitration program through two independent arbitration organizations. The arbitrator will make a final, legally-binding decision about your complaint, and can award up to \$500,000; or
- (d) Québec residents may consider free mediation services offered by the Autorité des marchés financiers (AMF), Québec's financial sector regulator. If you are not satisfied with the resolution provided in Step 2 and/or with the decision of the TD Senior Customer Complaints Office, you can ask your complaint file be transferred to the AMF. Following the transfer, the AMF will examine the complaint file and, if deemed appropriate, may offer dispute resolution services. The filing of a complaint with the AMF is voluntary and does not interrupt the prescriptive period of civil remedies. For more information on AMF mediation services, you may contact the AMF by telephone toll-free at 1-877-525-0337, by email at [renseignementsconsommateur@autorite.qc.ca](mailto:renseignementsconsommateur@autorite.qc.ca), or online at [autorite.qc.ca](http://autorite.qc.ca).

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

For Registered Plans Only: Financial Consumer Agency of Canada (FCAC). If you have a concern regarding a potential violation of a consumer protection law, a public commitment or an industry code of practice, you may contact the FCAC in writing at: Financial Consumer Agency of Canada, 6th Floor, Enterprise Building, 427 Laurier Avenue West, Ottawa, Ontario, K1R 1B9. The FCAC determines whether there is a problem with our compliance; however, this organization does not become involved in matters of redress or compensation.

Concerns related to Insurance Matters or Services: Some planners and many Investment Advisors are also licensed as life insurance licensed agents and are agents of TD Waterhouse Insurance Services Inc. A concern regarding any insurance matters or services must be escalated to the Branch Manager and Senior Regional Manager immediately with a copy to Insurance Services Management and Wealth Insurance Compliance. Contact your planner or Investment Advisor for additional information should you have a concern.

If you are not satisfied with our response you may escalate your concern to the TD Senior Customer Complaints Office. If you are not satisfied with the response from the TD Senior Customer Complaints Office, you may escalate your complaint to the OmbudService for Life & Health Insurance (OLHI).

You may contact the OLHI by telephone toll-free at 1-888-295-8112, online at [olhi.ca](http://olhi.ca), or by mail at: 401 Bay Street, P.O. Box 7, Toronto, ON M5H 2Y4  
Attention: General Manager

# Mutual Fund Trading Agreement

If we act as your agent for the purchase and sale of mutual funds, you agree with us as follows:

**1. Redemptions:** We will only accept a redemption request from you for a chosen fund if the initial purchase of that fund has settled with the fund company and been confirmed in your account.

**2. Net Asset Value Guarantee:** Currently, our deadline to guarantee receipt of the next available net asset value is 3:00 p.m. ET. This deadline may be changed without notice to you.

**3. Approved/Unapproved Fund Companies:** We will only transact purchase orders for approved fund companies (as communicated by us). For holdings of unapproved fund companies, we will only accept redemption and transfers requests within a family of funds.

In addition, we are not responsible for:

- a) the timely payment of distributions,
- b) the next available net asset value, or
- c) fixed settlement dates.

All the above will be executed only when communicated to us by the applicable fund company (i.e. redemption proceeds from unapproved fund companies will only be deposited to the client's account when received from the applicable fund).

**4. Unit Holder Responsibility:** Although we will make every effort to inform the client of applicable trading details, it is the unit holder's responsibility to fully review the fund's prospectus or Fund Facts and take note of all applicable fees (e.g. management fees, early redemption penalties, commissions front or deferred loads or trailing and trading procedures).

**5. Charges:** We may charge fees, spreads and/or other costs which are not noted in the fund's prospectus or Fund Facts. All such charges will be communicated to you in writing.

**6. Minimum Investment:** We reserve the right to set our own minimum purchase or redemption amount, which may be higher than what is noted in the fund's prospectus or Fund Facts.

**7. Jurisdictional Purchase Limitations:** We will only transact a purchase request for a client if the applicable fund is fully registered for sale in the jurisdiction in which the client resides.

**8. Pre-Authorized Plans:** If you purchase securities of a mutual fund through a Systematic Investment Plan (SIP) or redeem securities of a mutual fund through a Systematic Withdrawal Plan (SWP) monthly or more frequently, you waive the right to receive trade confirmations after the initial transaction for (a) all future transactions for the SIP or SWP; and (b) all future SIPs or SWPs that you may establish in your account.

Fund Facts will be provided for the first purchase of mutual fund securities under your Systematic Investment Plan (SIP) although not for any subsequent purchases of the same fund, unless you request the Fund Facts. You can view the Fund Facts online at [sedar.com](http://sedar.com). We will inform you annually about how to obtain the Fund Facts. While you will not have a right of withdrawal for subsequent purchases under your SIP, you do have a right of action for damages or rescission if there is a misrepresentation in the prospectus, annual information form, Fund Facts or financial statements. We may, at our discretion, deliver Fund Facts to you. You may terminate your SIP at any time.

**9. Rights of Rescission:** We will only accept requests to rescind the purchase if it does not exceed the sum of \$50,000 and if you give us notice in writing within 48 hours of your receipt of the trade confirmation for a lump sum purchase. The trade confirmation will be deemed conclusively to have been received in the ordinary mail by you within five (5) days of the date it is mailed.

**10. Rights of Withdrawal:** We will only accept requests to withdraw from an agreement to purchase if such requests are made in writing within 48 hours of the receipt of the trade confirmation for the purchase and/or within two (2) business days of receipt of the Fund Facts for the fund in connection with the purchase. The trade confirmation and Fund Facts will be deemed conclusively to have been received in the ordinary mail by you within five (5) days of the date it is mailed.

**11. Disclosure of Equity Interests:** Securities regulations require a dealer that participates in the distribution of the securities of a mutual fund to disclose the amount of the equity interests, if any, which the dealer and a member of the organization of the mutual fund have in each other and to obtain the prior written consent of the purchaser to the completion of such purchases if such equity interests exist.

TD Waterhouse participates in the distribution of the securities of a number of different mutual funds including the TD Mutual Funds and the TD Exchange-Traded Funds ("TD ETFs") (collectively the "TD Funds") and the TD Managed Assets Program ("TD MAP"). The TD Funds and TD MAP are the only mutual funds distributed by TD Waterhouse in respect of which a member of the organization of the mutual fund has an equity interest in TD Waterhouse. TD Asset Management Inc. is the manager of the TD Funds and TD MAP. Epoch Investment Partners, Inc. is a portfolio adviser for certain TD Funds. TD Asset Management Inc., Epoch Investment Partners, Inc., and TD Waterhouse are all subsidiaries of TD. By opening this account, you are acknowledging these relationships and consenting to the completion of any such trades.

If, at any time, TD Waterhouse, its associates or representatives, should, in the aggregate, become the owner of an equity interest in any member of the organization of a mutual fund other than a TD Fund or TD MAP (a "Third Party Fund"), TD Waterhouse will disclose the equity interest to each prospective purchaser of the Third Party Fund and obtain the written consent of the prospective purchaser prior to completion of the trade. In addition, if an associate or representative of TD Waterhouse that acts on a trade involving the securities of a Third Party Fund has an equity interest in any member of the organization of the Third Party Fund, the associate or representative will disclose the equity interest to each prospective purchaser of the Third Party Fund and will obtain the prospective purchaser's written consent prior to completion of the trade. For purposes of such disclosure and consent requirements, an equity interest consists of the direct and indirect ownership of securities which represent more than 10% of any class of voting securities, equity securities or partnership units of an issuer that is a reporting issuer which has securities listed on a Canadian stock exchange. For all other issuers, an equity interest consists of the direct or indirect ownership of a voting security, equity security or partnership unit of the issuer.

**12. Market Timing Policy:** This policy addresses issues regarding unacceptable mutual fund trading activity, specifically the market timing of mutual funds. The Canadian securities industry has identified mutual fund market timing as practices that include:

Frequent Trading - defined as the frequent buying and selling of mutual fund units; and Price Arbitrage Trading - defined as buying and selling of mutual fund units in order to exploit inefficiencies in the pricing of mutual funds.

For further clarity, "selling of a mutual fund" includes a redemption to cash and a redemption that involves a switch into units of another mutual fund in the same fund family.

While many fund companies will charge an early redemption fee if a mutual fund is sold within a specified number of days of purchase, securities regulators do not specify what period of time constitutes frequent trading but consider that any repeated buying and selling of mutual funds is harmful to other unit holders, and could be perceived as being frequent trading.

Market timing of mutual funds can adversely affect the mutual funds and hence the other unit holders of the fund. Market timing may present risks including interference with efficient management of a fund's portfolio, increased brokerage, administrative and transaction costs, generation of taxable capital gains for unit holders, and increased borrowing or holding of cash reserves. All of these may lead to a dilution in the unit value or diminished returns for long term unit holders.

We will not maintain accounts that use mutual fund market timing practices, through the use of Frequent Trading or Price Arbitrage Trading. If it is determined that mutual fund market timing has taken place, steps will be taken to close those client accounts.

This policy does not apply to the buying and selling of money market mutual funds, provided that they trade at a fixed net asset value.

# Fractional Share Trading Agreement

## (Only applicable to TD Direct Investing and TD Easy Trade)

When you buy or sell fractional shares, also referred to as partial shares, you agree with us as follows:

**1. Trade Execution:** The fractional shares will be priced according to the real-time market price at the time of execution and will be executed in accordance with TDWCI's Best Execution and Fair Pricing Policy available at [www.td.com/TDWBestExecution](http://www.td.com/TDWBestExecution). We will only support payments that are equal to or greater than \$0.01 per share, for purposes of distribution. Amounts smaller than this or non-divisible amounts will not be distributed. We record the quantity of fractional shares traded or held in an account to five decimal places.

**2. Corporate Actions:** You will not have voting rights for any of the fractional shares held in your account – you will be entitled to exercise voting rights only on whole shares. For greater clarity, if you hold a combination of whole shares and fractional shares of an issuer on the record date and those shares carry voting rights, you will only be entitled to vote your whole shares and not the fractional share portion of your holdings. You will not be able to make voluntary elections on any corporate action (including, without limitation, any tender offers or rights offerings) with respect to your fractional shares. You will, however, receive payments of dividends, or in some cases, either dividend shares or value commensurate to the dividend shares. You may also participate normally in any mandatory corporate actions based on your proportionate fractional holdings. If you are entitled to non-cash assets as a result of a corporate action, we reserve the right to convert the non-cash assets to cash and distribute based on your proportionate fractional holdings.

**3. Dividends:** Dividends paid in respect of securities you hold will be automatically deposited into the account that houses such securities.

**4. Tax:** You agree to treat yourself as the owner of all fractional share interests allocated to your accounts and to file all tax returns in accordance with such treatment.

For more information on fractional share trading, including securities available, and the unique features, limitations, and risks associated with trading in and holding fractional shares, please see our *Fractional Shares Disclosure - For TD Direct Investing and TD Easy Trade™* (a service of TD Direct Investing) page at [td.com/DIFractionalShares](http://td.com/DIFractionalShares).

## Governing Principles for the Operation of Your Account by TD Waterhouse Canada Inc.

**Respect for the Law:** TD Waterhouse Canada Inc. (TDWCI) and its officers and employees strive to scrupulously observe, in letter and spirit, all laws governing its business and securities activities.

**Focus on Clients:** TDWCI 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's Code of Conduct & Ethics Policy. Our officers and employees are required to review and attest to this policy annually.

**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*, which is attached to this booklet. 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/tdwcoi](http://td.com/tdwcoi). We will provide you with notice if we have updated the *Conflicts of Interest Statement*.

**Account Opening:** Before we open an account for you, we determine, on a reasonable basis whether the account would be appropriate for you and with the exception of TD Direct Investing, whether the scope of products, services and account relationships which you would have access to within the account are appropriate. This does not apply for certain institutional investors.

### *TD Wealth Private Investment Advice*

TD Wealth Private Investment Advice offers a comprehensive range of products and services including TD and non-TD products.

### *TD Wealth Financial Planning and TD Wealth Financial Planning Direct*

TD Wealth Financial Planning (including TD Wealth Financial Planning Direct, a service of TD Wealth Financial Planning) solely recommends TD products. While clients can transfer into their account non-TD products and can continue to hold such non-TD products, TD Wealth Financial Planning does this as an accommodation for clients and does not permit any further investments in these products.

### *TD Direct Investing*

TD Direct Investing provides order execution only accounts with access to TD products and non-TD products. For certain types of products (such as principal protected notes, principal-at-risk notes, investment savings accounts and short term GICs) TD Direct Investing may offer only TD products.

### *TD Easy Trade (a service of TD Direct Investing)*

TD Easy Trade offers access to TD ETFs and qualifying securities (other than ETFs) listed on select North American exchanges.

**Transferring-in Investment Products:** Investment products that are not offered by your TDWCI line of business may generally be transferred-in and held within your account. However, you will not be able to make new investments in those products. Your TDWCI line of business may prohibit the transfer-in of certain types of investment products or place limits on the amount of certain products that can be purchased or held in your account.

**Shared Premises:** TDWCI may have an office in a location that is shared with The Toronto-Dominion Bank or its subsidiaries, including TD Canada Trust branches where it conducts its activities. Transactions governed by this Account and Services Agreement you make at those locations are between you and TDWCI. By entering into this agreement with TDWCI you are dealing with a separate organization whose products and services may differ from those associated with other entities, including TD Waterhouse Insurance Services Inc., The Toronto-Dominion Bank, The Canada Trust Company, TD Investment Services Inc. and/or TD Waterhouse Private Investment Counsel Inc. The investment products sold by TDWCI are generally market priced and may fluctuate in value, based on market conditions. Unless we advise you otherwise with respect to a particular investment product, investment products sold by TDWCI are not insured by the Canadian Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed.

**Confidentiality of Client Information:** TDWCI may release confidential client information only in accordance with our Privacy Policy.

**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.

**TDWCI Relationship Disclosure Document:** Our relationship with our clients is governed by this Account and Services Agreements. What you can expect when opening an account with TDWCI is described in our "Relationship Disclosure Document" which is attached to this booklet. We will update this Relationship Disclosure Document from time to time. We will provide you with notice if we have updated our Relationship Disclosure Document in material ways.

# Electronic Brokerage Services Client Agreement

IMPORTANT: PLEASE READ THIS AGREEMENT BEFORE ACCESSING ANY OF THE WEBBROKER®, TALKBROKER®, TELEMAR®, TD Easy Trade, TD Active Trader, TD APP, ADVANCED DASHBOARD, OR OTHER ONLINE OR MOBILE PLATFORM 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 SERVICES. TD WATERHOUSE CANADA INC. WILL PROVIDE THE SERVICES 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 Canada Inc., (“TD Waterhouse”) which term, where applicable, includes, TD or the Bank’s subsidiaries.

In consideration of us providing 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 telephone, cellular phone, 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 request which you place using any Access Device for account information or a stock, option, index, mutual fund or other security or market quotation including the bid/ask/last price/change, etc., using the Services.
- e) “Information Providers” means any entity providing us with securities or market data, including various securities markets such as stock exchanges and their affiliates.
- f) “Order Request” means any Buy, Sell or Short Sell trade request for stocks, options, mutual funds or other security that is created and transmitted via Access Device by you to us using the Services.
- g) “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.
- h) “Personal Information” will have the meaning set out in Section 9 below.
- i) “Services” means individually and collectively WebBroker, TalkBroker, TeleMax, TD Easy Trade, TD Active Trader, TD app, Advanced Dashboard, electronic signature platforms or other online or mobile platform services and the Order Entry Service component or any element of these services as applicable.

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 may use your Password with your Account Number to access the Services provided. You may also use your Password(s) to enter Order Requests using the Services. You agree to keep Your Password Number(s) confidential and separate from your Account Number.

3. 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, TD Easy Trade password 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, TD Easy Trade password 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 performs 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 suspended 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.

4. Information provided through the Services has been independently obtained from various Information Providers through sources believed to be reliable. Other than statements, trade confirmations and other Information we are required to provide by Investment Dealer and Partially Consolidated Rules and applicable securities laws, the timeliness, sequence, accuracy and completeness of any market data or other Information or messages that TD Bank Group and the Information Providers disseminate is for your reference only and may be subject to errors. You agree to verify such information before relying upon it. Neither TD Bank Group nor 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, accident, communications or power failure, public health events including pandemics, equipment or software malfunctions beyond our reasonable control) or any cause beyond the reasonable control of any disseminating party except where direct losses flow from our breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws.

5. 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 beyond our reasonable control 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 significantly 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,
- The accuracy or timeliness of any quotation Information provided through the Services, except where such direct losses flow from our breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws.

6. 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 Bank Group 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 websites 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 stock quotes or news, that originates from our website through any third party website or software.

**7.**

- a) YOU HEREBY AUTHORIZE US TO ACCEPT ALL TRANSACTIONS FOR YOUR ACCOUNT USING THE SERVICES AND YOU AGREE TO BE SOLELY RESPONSIBLE FOR THE ACCURACY OF ANY INSTRUCTIONS GIVEN BY YOU USING AN ACCESS DEVICE.
- b) ALL ORDER REQUESTS ARE SUBJECT TO VERIFICATION AND ACCEPTANCE BY US.
- c) YOU AGREE THAT ALL ORDER REQUESTS WILL ONLY BE PROCESSED IF YOUR ACCOUNT IS IN GOOD ORDER AND YOU HAVE SUFFICIENT FUNDS TO COMPLETE THE TRANSACTION ORDERED.
- d) YOU UNDERSTAND THAT ALL TRANSACTIONS MADE FOR YOUR ACCOUNT WILL BE SUBJECT TO THE RULES GOVERNING THE EXCHANGES OR MARKETS AND CLEARING HOUSES (IF ANY) WHERE THE ORDERS ARE EXECUTED, AND YOU AGREE TO COMPLY WITH THESE REQUIREMENTS.
- e) YOU UNDERSTAND THAT EXECUTION OF ANY ORDER REQUEST IS SUBJECT TO OUR PRIOR APPROVAL AND THAT WE HAVE THE RIGHT TO REJECT, CHANGE OR REMOVE ANY ORDER ENTERED BY YOU OR TO CANCEL ANY TRADE RESULTING FROM AN ORDER ENTERED BY YOU.
- f) IN CERTAIN CIRCUMSTANCES, WE MAY REQUEST ADDITIONAL CONFIRMATION OF ANY ORDER REQUEST BEFORE EXECUTION OF SAME.

**8.** All transactions based on Information acquired from using the Services are subject to confirmation by us.

**9.** Notwithstanding any other term and condition herein or any other agreement applicable to the account, we shall not be liable to you for any direct, indirect, consequential, incidental or any similar damages including, without limitation, all losses, costs, expenses, loss of profits, loss of revenue or failure to realize expected savings arising from or out of the existence, furnishing, or functioning of the Services, or in connection with your accessing the Services except where such direct losses flow from our breach of Investment Dealer and Partially Consolidated Rules or applicable securities laws or except as otherwise provided in Section 5 above. By agreement, you unconditionally waive any right you may have to claim or recover any such damages, even if you have informed us of the possibility or likelihood of such damages.

**10.** You agree that ALL INFORMATION THAT YOU PROVIDE TO US (INCLUDING YOUR ADDRESS, TELEPHONE NUMBER AND INTERNET ADDRESS) ("Personal Information") is complete and true and the telephone number and Internet email address at which you may be reached to discuss any Order Request you may submit to us using the Services 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.

**11.** You agree to accept responsibility for any loss caused through the submission of an Order Request by Access Device using the Services except where we determine that the provisions of the WebBroker Security Guarantee apply. You acknowledge that for mutual protection, TD Bank Group will record all Order Request instructions from you pursuant to the Services.

**12.** We may, at our sole discretion, act upon all instructions given or purported to be given by you or on your behalf in respect of an Order Request using the Services and we will not incur any liability by reason of acting or failing to act due to an error in such Order Request.

**13.** You agree and acknowledge that we may modify any or all of the Services at any time.

**14.** 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.

**15.** 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.

**16.** 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.

**17.** By using the Services, you acknowledge, for each Account, that there are charges for the use of the Services and you agree to accept responsibility for any charges incurred for the use of the Services.

**18.** 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.

**19.**

- 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 this Agreement 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 email message. If sent by facsimile or by email, 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 (5) 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 accounts, including login and logoff times and dates, and confirmation of trading instructions received.
- 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 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 discretion of the user.

# TD Waterhouse Self-Directed Retirement Savings Plan Declaration of Trust

The Canada Trust Company, a trust company amalgamated under the laws of Canada and having its Head Office in the City of Toronto in the Province of Ontario (the “Trustee”), hereby declares that it accepts the office of administrative trustee for the account holder who is also the applicant named on the application, and who is the “annuitant” within the meaning of subsection 146(1) of the Income Tax Act (Canada) (the “Act”), named on the application (herein “you,” “your” and “yours”), under a Retirement Savings Plan (herein the “PLAN”), for the purpose of providing for you a retirement income. The Trustee accepts this office on the following terms:

**1. Administration:** The Trustee may delegate certain administrative duties to an affiliate of the Trustee (such affiliate herein referred to as “Agent”). Notwithstanding the duties delegated to the Agent, the ultimate responsibility for the administration of the PLAN remains with the Trustee.

**2. Registration:** The Trustee will apply for registration of the PLAN as a Retirement Savings Plan pursuant to the provisions of the Act and, if applicable, the provisions of any similar legislation of the Province in which you reside (the Act and such provincial legislation, including the regulations issued thereunder, collectively or individually referred to as the “Applicable Tax Legislation”).

**3. Your Account:** The Trustee will maintain an account for your exclusive benefit and in your name which will record the contributions made by you only or by you and/or your spouse providing your PLAN is a spousal plan, and all investment transactions less applicable liabilities of the PLAN including fees and other amounts described herein and any applicable taxes including amounts in respect of tax assessments described in section 10. The Trustee may, at its discretion and without notice to you, sell or liquidate assets in the PLAN or realize upon such assets as it determines to be appropriate to pay any such liability or debit balance of the PLAN and its costs. You acknowledge that the Trustee will not be liable to you regarding any aspect of such liquidation, sale or realization. In addition, you acknowledge that the liquidation, sale or realization of assets in the PLAN may have significant financial consequences for you and the PLAN, including tax consequences, for which you are solely liable. You are jointly liable with the PLAN for the payment of any liability or debit balance owing within the PLAN and you are liable for any liability or debit balance remaining after liquidation of assets in the PLAN and the application of such liquidation against the liability or debit balance.

## 4. Contributions:

- a) Contributions made by you or your spouse to the PLAN in such amounts as permitted by Applicable Tax Legislation and the income earned thereon, will be held in trust by the Trustee for the purpose of providing you with a retirement income in accordance with section 14 hereof. You are responsible to ensure that no contribution exceeds the maximum permitted under the Applicable Tax Legislation. The Trustee shall accept only such payments of cash and other transfers of property acceptable to it.
- b) The Trustee will, on your written or oral directions, invest the property of the PLAN, provided that the Trustee may in its sole discretion decline to make any particular investment for any reason including, without limitation, if the proposed investment and related documentation do not comply with the Trustee’s administrative requirements, which may be modified from time to time. You will have the right to designate a person or persons in a satisfactory form as may be determined by the Trustee, as your attorney for the purpose of giving any such directions and the Trustee will be released from any claims of or liability to you in acting pursuant to such directions unless it has received written notice that such person or persons is not or has ceased to be your attorney and the Trustee has acknowledged receipt of such notice in writing.
- c) The Trustee or the Agent, as defined herein, may require you from time to time to provide such documentation in respect of any investment or proposed investment as the Trustee in its sole discretion deems necessary. Contributions to the PLAN may be invested and re-invested in any eligible securities and/or deposits, including securities issued or managed by, or deposits with the Trustee and its affiliates, as you may direct from time to time. The Trustee may, at its sole discretion, hold uninvested cash balances in any affiliate of the Trustee.
- d) Pending the investment of any uninvested cash in the PLAN, the Trustee or the Agent will hold such cash in a segregated account and may pay interest thereon on such terms and at such rate or rates as it may from time to time establish, provided that such cash has been deposited with the Trustee or its Agent. Until the PLAN is terminated as provided herein, the Trustee’s sole obligation relating to investments of the PLAN will be confined to:
  - (i) executing your directions with respect to the investment and reinvestment of monies contributed by you or your spouse and of the proceeds of any sales of such investments or reinvestments and any income named thereon; and
  - (ii) maintaining legal ownership and possession of the investments which from time to time form part of the property of the PLAN or maintaining such investments in bearer form or in the name of a nominee or in such other name as the Trustee may determine.
- e) Without restricting the generality of the foregoing, it will be your sole responsibility to choose the investments of the PLAN, and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the PLAN. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the PLAN holds a non-qualified investment. Other than as heretofore stated, it will be your responsibility to determine whether any investment is or remains a qualified investment within the meaning of Applicable Tax legislation. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) any investment in the PLAN results in additional taxes or penalties imposed by Applicable Tax Legislation on you or the PLAN, (ii) any such investment produces losses of any nature whatsoever for the PLAN whether or not the Trustee or Agent has communicated to you any information the Trustee or Agent may have received, or any judgment the Trustee or Agent may have formed, with respect to the foregoing at any particular time, or (iii) the Trustee takes action because an investment in the PLAN is or has become a non-qualified or prohibited investment for purposes of the Applicable Tax Legislation or there is a material risk thereof including because you have not provided information requested by the Trustee.
- f) Should the PLAN become liable for any taxes, interest or other penalties under Applicable Tax Legislation or for any such taxes, interest and penalties for which the Trustee is jointly liable with the PLAN to pay or for which the Trustee has paid on behalf of the PLAN and is entitled to recover from the PLAN as tax, such Taxes shall be paid out of the assets of the PLAN and you authorize the Trustee to redeem sufficient securities and/or deposits, as required, in the PLAN to pay for such liability. Notwithstanding the above, the Trustee is not entitled to charge against and deduct from the assets in the PLAN any charges, taxes or penalties imposed on the Trustee under Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the PLAN to pay or for which the Trustee has paid on behalf of the PLAN and is entitled to recover from the PLAN as tax.

Notwithstanding any of the above, if the Trustee determines, at its sole discretion, that any investment in the PLAN is or has become a non-qualified or prohibited investment for purposes of the Applicable Tax Legislation or that there is a material risk thereof including because you have not provided information requested by the Trustee, the Trustee may, at its sole discretion, deal with such investment as it in its sole discretion determines including to withdraw such investment from the PLAN in-kind subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment sell the investment for cash or realize on the investment for cash. You acknowledge that the valuation of an investment shall be determined by the Trustee in its sole discretion, provided that it is your obligation to provide the Trustee with such independent evidence of the value of the investment as the Trustee at any time requests. Should you fail to provide evidence of the value of the investment upon the request of the Trustee, the Trustee, at its sole discretion, may obtain a valuation from a third party selected by the Trustee at its sole discretion. You agree that the PLAN shall reimburse the Trustee for the cost incurred by the Trustee for any such valuation by a third party immediately upon the request of the Trustee failing which you shall do so personally forthwith after demand. Notwithstanding the above, in the event that you do not provide to the Trustee a valuation of an investment upon a request by the Trustee, the Trustee may, at its sole discretion, withdraw such investment from the PLAN in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. You authorize the Trustee to take any such actions and you irrevocably consent to them. You further acknowledge that you are responsible for all consequences (whether foreseeable or not), including tax consequences, of any of the above.

**5. Withdrawals:** The property of the PLAN may not be withdrawn, transferred, assigned or surrendered, in whole or part, except where property of the PLAN is paid or transferred:

- a) to you as a full or partial commutation of retirement income under the PLAN;
- b) to you pursuant to paragraph 7 hereof;
- c) to a registered pension plan, RRSP or RRIF pursuant to paragraph 146(16)(a) of the Act;
- d) upon marriage breakdown pursuant to paragraph 17 hereof;
- e) upon your death pursuant to paragraph 15 hereof; or
- f) as otherwise permitted by the Act.

**6. Assets Received Outside the PLAN:** You agree that, if you receive any amounts in respect of an asset or right belonging to the PLAN, you shall forthwith pay over such amount to the PLAN.

**7. Refunds:** Subject to Applicable Tax Legislation, the Trustee shall, upon receipt of your written request and authorization, refund to you or your spouse as directed in the request an amount paid to reduce the amount of tax otherwise payable under Part X.1 of the Act. The Trustee will not have any responsibility whatsoever for determining the amount as stated in the previous paragraph in respect of any registered retirement savings plan.

**8. Income Tax Receipts:** On or before March 31 in each year, the Trustee shall forward to your registered address a receipt(s) for income tax purposes with respect to contributions received by the Trustee under the PLAN for the preceding taxation year. It is the sole responsibility of the contributor to your PLAN to ensure that the deductions claimed for income tax purposes do not exceed the permitted deductions under the Applicable Tax Legislation.

**9. Fees:** The Agent and the Trustee may levy fees and charge expenses which will be disclosed to you when you open your account, and the Agent and the Trustee reserve the right to change the fees at any time subject to 60 days' notice in writing to you and to reimburse itself out of the assets of the PLAN for disbursements and expenses reasonably incurred by it in performing its duties hereunder. Notwithstanding anything herein contained, the Trustee is empowered to retain in cash such portion of the contributions and/ or investment income earned as the Trustee may in its sole discretion deem advisable for the payment of any fee introduced in accordance with section 9 hereof or other reimbursement hereunder, and any liability including for applicable taxes. All such amounts will, unless paid directly to the Trustee, be charged against and deducted from the assets of the PLAN in such manner as the Trustee determines, and the Trustee may realize upon assets of the PLAN in its sole discretion for the purposes of such amounts. Any such realization shall be made at such price or prices as the Trustee or the Agent at its sole discretion may determine and neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization.

Neither the Trustee nor the Agent shall be liable for any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the PLAN except for those taxes, assessments or other charges for which the Trustee or the Agent is liable on behalf of the PLAN in accordance with Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the PLAN to pay or for which the Trustee has paid on behalf of the PLAN and is entitled to recover from the PLAN as tax.

**10. Tax Matters and Assessments:**

- a) Withholdings: Where required by Applicable Tax Legislation, the Trustee will withhold tax from payments made from the PLAN.
- b) No withdrawal shall be made until all applicable liabilities of the PLAN, including for applicable taxes of the PLAN and for fees and other amounts described herein have been paid or a reasonable amount in the sole discretion of the Trustee has been retained in the PLAN to satisfy such amounts.) No withdrawal shall be made if the Trustee has requested information necessary for it to determine the amount of or potential liability for any applicable liabilities and you have not provided information satisfactory to the Trustee to be able to make a determination that no applicable liability exists. It is your responsibility to ensure that the PLAN has sufficient cash to pay any applicable withholding tax associated with a withdrawal and no withdrawal shall be made unless and until the PLAN has such cash. Neither the Trustee nor the Agent shall be liable for any losses or damages arising from any delay to make a withdrawal as a result of any of the above.
- c) If an assessment of taxes is made against the PLAN, or the PLAN files a return reporting taxes payable, the Trustee shall pay the amount of such taxes out of the assets of the PLAN to the applicable governmental authority unless arrangements satisfactory to the Trustee are made with you regarding any objection to such taxes, including arrangements for the payment of fees and expenses to make such objection and arrangements to ensure that the PLAN will have the ability to be able to pay such taxes.
- d) Neither the Trustee nor the Agent will be liable to you or the PLAN in respect of any amount paid to any relevant tax authority in compliance with or intended compliance with Applicable Tax Legislation.

**11. Date of Birth:** Your statement of your date of birth contained in your application for the PLAN shall be deemed to be your certification of your age upon which the Trustee may rely and your undertaking to provide any further evidence of proof of age that may be required when a retirement income is to be provided.

**12. Designation of Beneficiary:** If permitted by applicable law, you may designate one or more beneficiaries in accordance with this paragraph to receive the proceeds payable under the PLAN in the event of your death. A valid beneficiary designation can only be made, changed or revoked by a written instrument which adequately identifies the PLAN signed by you in a form reasonably acceptable to the Trustee and received by the Trustee prior to any payment hereunder. If more than one instrument has been so lodged, the Trustee shall make payment only in accordance with the instrument in its possession bearing the latest execution date. An instrument shall be valid for the purposes of this section even though it does not meet the applicable provincial requirements for a testamentary disposition. An instrument shall not be valid for the purposes of this section when the Trustee has actual notice of a valid will or codicil that specifically designates a beneficiary which postdates the latest instrument filed with the Trustee. In the event of your death, unless your spouse has become the annuitant of the PLAN under the terms hereof or with the consent of your legal representative, the Trustee will, upon receipt of satisfactory evidence of your death and all other documentation which it may reasonably require, distribute the proceeds of the PLAN, after deduction of all proper charges including any applicable income tax, in accordance with the beneficiary designation on the latest valid instrument filed with the Trustee. If there is no valid instrument filed with the Trustee or if all of your beneficiaries predecease you, this amount will be paid to your legal personal representative. On making any such payment, the Trustee shall be released from all further obligations under the PLAN.

**13. Retirement Income:**

- a) Your PLAN will mature on a date ("maturity date") which must not be later than December 31 of the year in which your 71st birthday (or such other age as prescribed by the Act) occurs. You will, upon at least 90 days' written notice to the Trustee or upon such shorter period of notice as the Trustee may in its sole discretion permit:
  - (i) specify the date of maturity of the PLAN and the commencement of a retirement income as defined under subsection 146(1) of the Act (which date will be no later than the last day in the calendar year in which you attain 71 years of age (or such other age as prescribed by the Act)).
  - (ii) provide any necessary documentation required by the Trustee; and
  - (iii) provide written instructions to the Trustee to apply the property of the PLAN to the provision of a retirement income as defined under subsection 146(1) of the Act by means of:
    - (A) an annuity payable to you for your life (or, if you so designate, to you for the lives jointly of yourself and your spouse and to the survivor of them for his or her life) commencing at the maturity date and with or without a guaranteed term not exceeding the period of time calculated according to the formula in paragraph (B) below; or
    - (B) an annuity commencing on the maturity date payable to you, or to you for your life and to your spouse after your death, for a term of years equal to 90 minus either your age in whole years at the maturity of the Plan, or where your spouse is younger than you and you so elect, the age in whole years of your spouse at the maturity of the PLAN;
    - (C) the purchase of a registered retirement income fund in accordance with the Act; or
    - (D) any combination thereof.

It is your sole responsibility to ensure that your PLAN liquidates its assets to permit the property of the PLAN to be applied as you have instructed.

- b) On the maturity date chosen by you, not to exceed December 31 of the year in which your 71st birthday (or such other age as prescribed by the Act) occurs, unless the PLAN has otherwise liquidated its assets in accordance with your instructions, the Trustee shall liquidate the assets in your account and use the proceeds to purchase your retirement income as defined under subsection 146(1) of the Act, subject to the following conditions:
  - (i) the retirement income shall be provided by a company qualified under the Applicable Tax Legislation to provide a retirement income;
  - (ii) any annuity shall be payable in equal annual or more frequent periodic payments to you until such time as there is a payment in full or partial commutation of the retirement income and, where such commutation is partial, equal annual or more frequent periodic payments thereafter;
  - (iii) any annuity shall not be capable, either in whole or in part, of assignment;
  - (iv) where any annuity has a guaranteed term, that guaranteed term may not exceed the number of years equal to 90 minus your age in whole years at the maturity date or, if you so choose and your spouse is younger than you, your spouse's age in whole years at the maturity date.

- (v) any annuity so acquired may be integrated with any Old Age Security pension;
  - (vi) any annuity so acquired may be increased in whole or in part to reflect increases in the Consumer Price Index (as defined in Applicable Tax Legislation), or increases at a rate specified in the annuity, not exceeding 4% per annum;
  - (vii) any annuity will, subject to subparagraphs 13(b)(v) and (vi), provide for equal annual or more frequent periodic payments until there is a payment in full or partial commutation of the annuity, and, where there is partial commutation, provide for equal annual or more frequent periodic payments thereafter;
  - (viii) any annuity will not provide for the aggregate of the periodic payments in a year after your death which exceed the aggregate of the payments in a year before your death;
  - (ix) will provide for commutation if the annuity would become payable to a person other than yourself or, upon your death, to your spouse.
- c) In the event that you do not instruct the Agent or the Trustee within 90 days of the last day of the year in which your 71st birthday (or such other age as prescribed by the Act) occurs (or within such lesser period of time as the Trustee may in its sole discretion determine from time to time) (the "Wind-up Period") as to the maturity date and to provide written instructions to purchase a retirement income for you, the Agent or the Trustee shall within the Wind-Up Period, liquidate the PLAN assets, and thereafter may, at its discretion, use the PLAN proceeds to obtain a retirement income for you under the provisions of this section. In this regard:
- (i) the Trustee will not transfer the property in the Plan to a Registered Retirement Income Fund for which you shall be the annuitant and for which the Trustee will act as carrier in compliance with Applicable Tax Legislation unless the value of the property in the PLAN is equal to or exceeds \$10,000 (or such greater or lesser amount as the Trustee may in its sole discretion determine from time to time), and if the Trustee exercises its discretion to purchase a Registered Retirement Income Fund, you hereby appoint the Agent as your attorney in fact to execute all such documents and make elections as are necessary to establish and operate the Registered Retirement Income Fund. In such event, any beneficiary that you have designated in the PLAN will be designated as the beneficiary of such Registered Retirement Income Fund; and
  - (ii) where the value of the property in the PLAN is less than \$10,000 (or such greater or lesser amount as the Trustee may in its sole discretion determine from time to time), the fair market value of the property of the PLAN will be included in your taxable income as of January 1 of the year in which your 72nd birthday (or, where a maturity age other than 71 years has been prescribed by the Act, of the year after you have reached such maturity age) occurs, the Trustee will distribute all amounts held in the PLAN subject to any required withholding therefrom in respect of taxes or other charges which shall be remitted to you as soon as is practicable following January 1 in such year.

**14. Death Prior to Maturity Date:** In the event of your death prior to the commencement of a retirement income, the Trustee shall, upon receipt of satisfactory evidence of your death and all other legal documents that the Agent or the Trustee may reasonably require, liquidate the assets held in your account and, subject to the deduction of all proper charges including any applicable income tax, make a lump-sum payment to the person legally entitled thereto pursuant to section 13 hereof.

**15. Amendments to PLAN:** The Trustee may from time to time amend this Declaration of Trust with the concurrence of the Minister of National Revenue, if required, and the concurrence of provincial tax authorities, if applicable:

- (a) without notice to you or without your consent, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation or at its effective date the amendment will not in the Trustee's sole opinion adversely affect your rights under the PLAN; and
- (b) in all other cases, by giving 30 days' notice in writing to you, provided that in all cases no such amendment will have the effect of disqualifying the PLAN as a registered retirement savings plan within the meaning of the Applicable Tax Legislation. Prior to the maturity date, the PLAN may also be amended according to the provisions of the Applicable Tax Legislation upon 30 days written notice to the Trustee to provide for the payment or transfer of the assets held by the Trustee in your PLAN to another registered retirement savings plan, registered pension plan or registered retirement income fund.

**16. Payments Upon Marriage Breakdown:** To the extent and in the manner permitted by Applicable Tax Legislation, the Trustee will make a payment or payments out of the PLAN to effect a division of property provided such payment is made pursuant to decree, order or judgment of a competent tribunal or under a written separation agreement in the settlement of rights arising out of or on the breakdown of your marriage or other conjugal relationship.

**17. Notices:** Any notice given to the Trustee hereunder shall be sufficiently given if delivered to, or mailed, postage prepaid, addressed to the Agent or the Trustee at its head office in Toronto, Canada and shall be considered to have been given on the day that it is received by the Agent or the Trustee. Any notice, statement or receipt given by the Agent or the Trustee to you will be sufficiently given if (i) sent to you electronically or (ii) mailed, postage prepaid, addressed to you at your last address known to the Agent or the Trustee in connection with this PLAN and such notice shall be deemed to have been given on the day of delivery if sent electronically or third business day following the day of mailing.

**18. Indemnity:** You, your successors, executors and administrators shall at all times indemnify and save harmless the Agent and the Trustee in respect of any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the PLAN or on the Trustee for which the Trustee is jointly liable with the PLAN to pay or for which the Trustee has paid on behalf of the PLAN and is entitled to recover from the PLAN as tax. The Trustee and the Agent shall be entitled to and shall be fully protected in acting upon any instrument, certificate, notice or other writing believed by the Trustee or the Agent to be genuine and to be signed or presented by the proper person(s). The Trustee and the Agent shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but shall be entitled to accept the same as conclusive evidence of the truth and accuracy of the statement therein contained. When the PLAN is terminated and the proceeds thereon are withdrawn, the Trustee and the Agent shall be released and discharged from any further responsibility or obligation in connection herewith. Except as otherwise provided herein, the Trustee shall not be liable for any loss incurred by the PLAN, by you or by any beneficiary under the PLAN unless due to the negligence, willful misconduct or lack of good faith of the Trustee.

**19. Applicable Laws:** This agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to "spouse" contained herein or in the application means "spouse or common-law partner" and any reference to "marriage" herein or in the application means "marriage or common-law partnership".

## **20. Successor Trustee:**

- (a) Subject to paragraph (c) the Trustee or any successor trustee of the PLAN may resign as trustee by appointing a replacement trustee as provided in paragraph (b) and by giving 30 days prior notice in writing to you advising you of its resignation and the name and address of the replacement trustee to be appointed. The Trustee shall resign at the request of the Agent subject to the appointment of a successor trustee as provided in paragraphs (b) and (c).
- (b) A resigning Trustee may, by writing, appoint another party to be trustee in its place, provided that such party is a corporation licensed or otherwise authorized under the laws of Canada or a province thereof to carry on in Canada the business of offering to the public its services as trustee and is acceptable to the Agent.
- (c) The Trustee or any successor trustee shall not resign as trustee of the PLAN
  - (i) unless a replacement trustee described in paragraph (b) is appointed and accepts the appointment to replace the resigning trustee, or
  - (ii) if the replacement trustee described in paragraph (b) will result in the PLAN ceasing to be a registered retirement savings plan under Act.
- (d) A retiring trustee shall transfer to the replacement trustee all property of the trust and all records related to its duties as trustee and shall do all acts and execute all deeds necessary for the proper vesting of the trust property in the replacement trustee.
- (e) Notwithstanding anything herein before contained, a trustee shall continue as trustee of the PLAN until such time as a replacement trustee shall become vested with all the rights and obligations of the retiring trustee hereunder.
- (f) Any corporation into which the Trustee may be merged, consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee is a party, or any corporation succeeding to the trust business of the Trustee or to which substantially all of the trust assets of the Trustee may be transferred shall be the successor trustee of the PLAN, provided such corporation is authorized by law to be the trustee of the PLAN, without the execution of any further instrument.

**21. Heirs, Executors and Assigns:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the respective successors and assigns of the Trustee and the Agent.

**22.** In the event that, at any time, there are no assets held in the PLAN, the Trustee may, in its sole discretion, close the PLAN.



# TD Waterhouse Self-Directed Retirement Income Fund Declaration of Trust

The Canada Trust Company, a trust company incorporated under the laws of Canada and having its Head Office in the City of Toronto in the Province of Ontario (the "Trustee"), in consideration of the transfer of qualified property hereby declares that it accepts the office of administrative trustee and agrees to hold the property and make payments from a Retirement Income Fund (herein the "FUND") to the account holder who is also the applicant named on the application (herein called "you", "your" and "yours"), and who is the "annuitant" within the meaning of subsection 146.3(1) of the Income Tax Act (Canada) (the "Act"), and if you so elect, to your spouse after your death. The Trustee accepts this office on the following terms:

- 1. Registration:** The Trustee will apply for registration of the FUND under your Social Insurance Number as a Retirement Income Fund under the provisions of the Act and, if applicable, the provisions of any similar legislation of the Province in which you reside (the Act and such provincial legislation, including the regulations issued thereunder, collectively or individually referred to as the "Applicable Tax Legislation").
  - 2. Administration:** The Trustee may delegate certain administrative duties to an affiliate of the Trustee (such affiliate herein referred to as "Agent"). Notwithstanding the duties delegated to the Agent, the ultimate responsibility for the administration of the FUND remains with the Trustee.
  - 3. Purpose of the FUND:** The Trustee undertakes to hold such property (including cash) in trust and to pay to you and, if you so elect, to your spouse after your death, in each year commencing not later than the first complete calendar year after the year this agreement is entered into, an amount (herein called a "retirement income") calculated according to the terms of the Act.
  - 4. Transfers to the FUND:** No qualified investment will be accepted by the Trustee as consideration for the payment of a retirement income other than property transferred by direct transfers from:
    - (a) a Registered Retirement Savings Plan under which you are the annuitant;
    - (b) a Registered Retirement Income Fund under which you are the annuitant;
    - (c) you to the extent that the property is an amount described in paragraph 60(1)(v) of the Act;
    - (d) a Registered Retirement Savings Plan or Registered Retirement Income Fund of you or your spouse or former spouse pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of your marriage on or after the breakdown of your marriage;
    - (e) a Registered Pension Plan under which you are a member within the meaning assigned under subsection 147.1(1) of the Act;
    - (f) a Registered Pension Plan in accordance with subsections 147.3(5) and (7) of the Act; or
    - (g) a specified pension plan in circumstances to which subsection 146(21) of the Act applies.
    - (h) a First Home Savings Account under which you are the annuitant as permitted by subsection 146.6 (7) of the Act; or
    - (i) as otherwise permitted by the Act
  - 5. Investments:**
    - (a) The Trustee will, on your written or oral directions, invest the Property of the FUND, provided that the Trustee may in its sole discretion decline to make any particular investment for any reason including, without limitation, if the proposed investment and related documentation do not comply with the trustee's administrative requirements, which may be modified from time to time. You will have the right to designate a person or persons in a satisfactory form as may be determined by the Trustee, as your attorney for the purpose of giving any such directions and the Trustee will be released from any claims of or liability to you in acting pursuant to such directions unless it has received written notice that such person or persons is not or has ceased to be your attorney and the Trustee has acknowledged receipt of such notice in writing.
    - (b) The Trustee or the Agent, as defined herein, may require you from time to time to provide such documentation in respect of any investment or proposed investment as the Trustee in its sole discretion deems necessary. The FUND may be invested and reinvested in any eligible securities and/or deposits, including securities issued or managed by or deposits with the Trustee and its affiliates as you may direct from time to time. The Trustee may, at its sole discretion, hold uninvested cash balances in any affiliate of the Trustee.
    - (c) Pending the investment of uninvested cash in the FUND, the Trustee or the Agent will hold such cash in a segregated account and may pay interest thereon on such terms and at such rate or rates as it may from time to time establish, provided that such cash has been deposited with the Trustee or its Agent. Until the FUND is terminated as provided herein, the Trustee's sole obligation relating to investments of the FUND will be confined to: (i) executing your directions with respect to the investment and reinvestment of monies in the FUND and of the proceeds of any sales of such investments or reinvestments and any income earned thereon; and (ii) maintaining legal ownership and possession of the investments that from time to time form part of the property of the FUND or maintaining such investments in bearer form or in the name of a nominee or in such other name as the Trustee may determine.
    - (d) Without restricting the generality of the foregoing, it will be your sole responsibility to choose the investments of the FUND, and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the FUND. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the FUND holds a non-qualified investment. Other than as heretofore stated, it will be your responsibility to determine whether any investment is or remains a qualified investment within the meaning of Applicable Tax Legislation. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) any investment in the FUND results in additional taxes or penalties imposed by Applicable Tax Legislation on you or the FUND, (ii) any such investment produces losses of any nature whatsoever for the FUND whether or not the Trustee or Agent has communicated to you any information the Trustee or Agent may have received, or any judgment the Trustee or Agent may have formed, with respect to the foregoing at any particular time, or (iii) the Trustee takes action because an investment in the FUND is or has become a non-qualified or prohibited investment for purposes of the Applicable Tax Legislation or there is a material risk thereof including because you have not provided information requested by the Trustee.
    - (e) Should the FUND become liable for any taxes, interest or other penalties under Applicable Tax Legislation or for any such taxes, interest and penalties for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax, such Taxes shall be paid out of the assets of the FUND and you authorize the Trustee to redeem sufficient securities and/or deposits, as required, in the FUND to pay for such liability. Notwithstanding the above, the Trustee is not entitled to charge against and deduct from the assets in the FUND any charges, taxes or penalties imposed on the Trustee under Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the FUND to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax.
- Notwithstanding any of the above, if the Trustee determines, at its sole discretion, that any investment in the FUND is or has become a non-qualified or prohibited investment for purposes of Applicable Tax Legislation or that there is a material risk thereof including because you have not provided information requested by the Trustee, the Trustee may, at its sole discretion, deal with such investment as it in its sole discretion determines including to withdraw such investment from the FUND in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. You acknowledge that the valuation of an investment shall be determined by the Trustee in its sole discretion, provided that it is your obligation to provide the Trustee with such independent evidence of the value of the investment as the Trustee at any time requests. Should you fail to provide evidence of the value of the investment upon the request of the Trustee, the Trustee, at its sole discretion, may obtain a valuation from a third party selected by the Trustee at its sole discretion. You agree that the FUND shall reimburse the Trustee for the cost incurred by the Trustee for any such valuation by a third party immediately upon the request of the Trustee failing which you shall do so personally forthwith after demand. Notwithstanding, the above, in the event that you do not provide to the Trustee a valuation of an investment upon a request by the Trustee, the Trustee may, at its sole discretion, withdraw such investment from the FUND in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. You authorize the Trustee to take any such actions and you irrevocably consent to them. You further acknowledge that you are responsible for all consequences (whether foreseeable or not), including tax consequences, of any of the above.
- 6. Your Account(s):** The Trustee will send to you statements at least annually, setting forth the particulars of each transaction within your account(s) and the balance then standing to your credit. Notwithstanding anything herein contained, the Trustee is empowered to retain in cash or realize upon such portion of your account(s) as the Trustee may in its discretion deem advisable for the payment of your retirement income or applicable liabilities of the FUND including fees and other amounts described

herein and any applicable taxes including amounts in respect of tax assessments described in section 13.

The Trustee may, at its discretion and without notice to you, sell or liquidate assets in the FUND or realize upon such assets as it determines to be appropriate to pay any such liability or debit balance of the FUND and its costs. You acknowledge that the Trustee will not be liable to you regarding any aspect of such liquidation, sale or realization. In addition, you acknowledge that the liquidation, sale or realization of assets in the FUND may have significant financial consequences for you and the FUND, including tax consequences, for which you are solely liable. You are jointly liable with the FUND for the payment of any liability or debit balance owing within the FUND and you are liable for any liability or debit balance remaining after liquidation of assets in the FUND and the application of such liquidation against the liability or debit balance.

**7. Retirement Income:** Commencing not later than the first calendar year after the year in which the FUND is established, the retirement income payable each year will be one or more amounts the aggregate of which is not less than the minimum amount as defined below, but in no event will the retirement income exceed the fair market value of the FUND immediately before the time of payment. If the Trustee agrees, you may elect to receive in any year any amount between the minimum amount and the fair market value of the property in the FUND.

The minimum amount will be the minimum amount as defined in subsection 146.3(l) of the Act. If, at the time that the Trustee is to make payment to you of the minimum amount and the only property remaining in the FUND cannot be partially liquidated to fund such payment, the Trustee may, at its sole discretion, make such payment by transfer in-kind of all such remaining property to you or to a non-registered account in your name, even though such transfer exceeds the amount of the required payment, regardless of any tax consequences to you.

If you elect to have your minimum amount determined using your spouse's age, you must complete the appropriate area on the face of this form before the Trustee makes any payment out of the FUND to you.

At the end of the year in which the last payment is made, an amount equal to the value of the property must be paid out.

No assignment will be made of any amount payable to you or, if applicable, to your spouse, out of or under the FUND.

**8. Payments Received outside FUND:** You agree that, if you receive any amounts in respect of an asset or right belonging to the FUND, you shall forthwith pay over such amount to the FUND.

**9. Your Death:** If you die during the term of the FUND, the Trustee will, unless your spouse has become the annuitant of the FUND under the terms of the agreement or with the consent of the carrier of the FUND and your legal representative, and upon receipt of satisfactory evidence of your death and all other legal documents that it may reasonably require, distribute all the property in your account, after deduction of all proper charges including any applicable income tax, to the person legally entitled thereto pursuant to section 10 hereof.

**10. Designation of Beneficiary:** If permitted by applicable law, you may designate one or more beneficiaries in accordance with this paragraph to receive the proceeds payable under the FUND in the event of your death. A valid beneficiary designation can only be made, changed or revoked by a written instrument that adequately identifies the FUND signed by you in a form reasonably acceptable to the Trustee and received by the Trustee prior to any payment hereunder. If more than one instrument has been so lodged, the Trustee shall make payment only in accordance with the instrument in its possession bearing the latest execution date. An instrument shall be valid for the purposes of this section even though it does not meet the applicable provincial requirements for a testamentary disposition. An instrument shall not be valid for the purposes of this section when the Trustee has actual notice of a valid Will or codicil that specifically designates a beneficiary which postdates the latest instrument filed with the Trustee. In the event of your death, unless your spouse has become the annuitant of the FUND under the terms hereof or with the consent of the carrier and your legal representative, in which case the Trustee shall continue the payment to your spouse in accordance with the terms hereof, the Trustee will, upon receipt of satisfactory evidence of your death and all other documentation which it may reasonably require, distribute the proceeds of the FUND, after deduction of all proper charges including any applicable income tax, in accordance with the beneficiary designation on the latest valid instrument filed with the Trustee. If there is no valid instrument filed with the Trustee or if all of your beneficiaries predecease you, this amount will be paid to your legal personal representative. On making any such payment, the Trustee shall be released from all further obligations under the FUND.

**11. Income Tax Information Slips:** On or before, the end of February in each year, the Trustee will give you a T4 RIF information slip with respect to retirement income paid to you under the FUND for the preceding taxation year. It is your sole responsibility to ensure that the amount of your retirement income under the FUND is properly reported on your income tax return as required under the Applicable Tax Legislation.

**12. Fees:** The Trustee and the Agent may levy fees that will be disclosed to you when you open your account, and the Agent or the Trustee reserves the right to change the fees at any time subject to 60 days' notice in writing to you and to reimburse itself out of the assets of the FUND for disbursements and expenses reasonably incurred by it in performing its duties hereunder.

Notwithstanding anything herein contained, the Trustee is empowered to retain in cash such portion of the investment earned as the Trustee may, at its sole discretion, deem advisable for the payment of any fee introduced in accordance with section 12 hereof or any other reimbursement hereunder and any liability, including for applicable taxes, all such fees and other charges will, unless paid directly to the Trustee, be charged against and deducted from the assets of the FUND in such manner as the Trustee determines, and the Trustee may realize assets of the FUND in its sole discretion for the purposes of paying such amounts. Any such realization shall be made at such price or prices as the Trustee or the Agent at its sole discretion may determine and neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization.

Neither the Trustee nor the Agent shall be liable for any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the FUND except for those taxes, assessments or other charges for which the Trustee or the Agent is liable on behalf of the FUND in accordance with Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the FUND to pay or for which the Trustee has paid on behalf of the FUND and is entitled to recover from the FUND as tax.

### **13. Tax Matters and Assessments:**

(a) Withholdings: Where required by Applicable Tax Legislation, the Trustee will withhold tax from payments made from the FUND.

(b) No payment above the minimum amount shall be made until all applicable liabilities of the FUND, including for applicable taxes of the FUND and for fees and other amounts described herein have been paid or a reasonable amount in the sole discretion of the Trustee has been retained in the FUND to satisfy such amounts.) No such payment shall be made if the Trustee has requested information necessary for it to determine the amount of or potential liability for any applicable liabilities and you have not provided information satisfactory to the Trustee to be able to make a determination that no applicable liability exists. It is your responsibility to ensure that the FUND has sufficient cash to pay any applicable withholding tax associated with such a payment and no such payment shall be made unless and until the FUND has such cash. Neither the Trustee nor the Agent shall be liable for any losses or damages arising from any delay to make such a payment as a result of any of the above.

(c) If an assessment of taxes is made against the FUND, or the FUND files a return reporting taxes payable, the Trustee shall pay the amount of such taxes out of the assets of the FUND to the applicable governmental authority unless arrangements satisfactory to the Trustee are made with you regarding any objection to such taxes, including arrangements for the payment of fees and expenses to make such objection and arrangements to ensure that the FUND will have the ability to be able to pay such taxes.

(d) Neither the Trustee nor the Agent will be liable to you or the FUND in respect of any amount paid to any relevant tax authority in compliance with or intended compliance with Applicable Tax Legislation.

**14. Your Certification:** Your statement of your date of birth and, if applicable, your spouse's date of birth contained in your application for the FUND will be deemed to be your certification of your age and, if applicable, your spouse's age upon which the Trustee may rely and your undertaking to provide any further evidence of proof of age that may be required.

**15. Amendments to FUND:** The Trustee may from time to time amend this Declaration of Trust with the concurrence of the Minister of National Revenue, if required, and the concurrence of provincial tax authorities, if applicable:

(a) without notice to you or without your consent, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation or at its effective date the amendment will not in the Trustee's sole opinion adversely affect your rights under the FUND; and

(b) in all other cases, by giving 30 days' notice in writing to you, provided that in all cases no such amendment will have the effect of disqualifying the FUND as a registered retirement income fund within the meaning of the Applicable Tax Legislation.

**16. Transfer from FUND:** Subject to the terms and the maturity of the qualified investment(s) you have chosen for the FUND, pursuant to section 5 hereof, the Trustee or the Agent will, within 10 business days of receipt of your written notice, transfer as directed, pursuant to the provisions Applicable Tax Legislation and subject to paragraph 146.3(2)(e) of the Act, all or part of the property of the FUND to another registered retirement income fund after all applicable liabilities of the FUND including for fees and other amounts described herein have been paid together with all applicable taxes.

Where the minimum amount for the year has not yet been withdrawn, the Trustee will retain a sufficient portion of the FUND to allow it to make a payment sufficient to ensure that the minimum amount is paid to you for the year.

The Trustee accepts no responsibility for the establishment and validity of any new retirement income fund arrangement between you and any other carrier or for the investment or payment of any funds after the payment or transfer provided for herein.

**17. Notices:** Any notice given to the Trustee hereunder will be sufficiently given if delivered to or mailed, postage prepaid, addressed to the Agent or the Trustee at its Head Office in Toronto, Canada and will be considered to have been given on the day that it is received by the Agent or the Trustee. Any notice, statement or receipt given by the Agent or the Trustee to you will be sufficiently given if (i) sent to you electronically or (ii) mailed, postage prepaid, addressed to you at your last address known to the Agent or the Trustee in connection with this FUND and such notice will be deemed to have been given on the day of delivery if sent electronically or third business day following the day of mailing.

**18. Indemnity:** You, your successors, executors and administrators will at all times indemnify and save harmless the Agent and the Trustee in respect of any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the FUND.

The Trustee and the Agent shall be entitled to and shall be fully protected in acting upon any instrument, certificate, notice or other writing believed by the Trustee or the Agent to be genuine and to be signed or presented by the proper person(s). The Trustee and the Agent shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but shall be entitled to accept the same as conclusive evidence of the truth and accuracy of the statement therein contained. When the FUND is terminated and the proceeds thereon are withdrawn, the Trustee and the Agent shall be released and discharged from any further responsibility or obligation in connection herewith. Except as otherwise provided herein, the Trustee shall not be liable for any loss incurred by the FUND, by you or by any beneficiary under the FUND unless due to the negligence, willful misconduct or lack of good faith of the Trustee.

**19. Applicable Law:** This agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to "spouse" contained herein or in the application means "spouse or common-law partner" and any reference to "marriage" herein or in the application means "marriage or common-law partnership."

**20. Successor Trustee:**

- (a) Subject to paragraph (c) the Trustee or any successor trustee of the FUND may resign as trustee by appointing a replacement trustee as provided in paragraph (b) and by giving 30 days prior notice in writing to you advising you of its resignation and the name and address of the replacement trustee to be appointed. The Trustee shall resign at the request of the Agent subject to the appointment of a successor trustee as provided in paragraphs (b) and (c).
- (b) A resigning Trustee may, by writing: appoint another party to be trustee in its place, provided that such party is a corporation licensed or otherwise authorized under the laws of Canada or a province thereof to carry on in Canada the business of offering to the public its services as trustee and is acceptable to the Agent.
- (c) The Trustee or any successor trustee shall not resign as trustee of the FUND
  - (i) unless a replacement trustee described in paragraph (b) is appointed and accepts the appointment to replace the resigning Trustee, or
  - (ii) if the replacement trustee described in paragraph (b) will result in the FUND ceasing to be a registered retirement income fund plan under Applicable Tax Legislation.
- (d) A retiring Trustee shall transfer to the replacement trustee all property of the FUND and all records related to its duties as trustee and shall do all acts and execute all deeds necessary for the proper vesting of the FUND property in the replacement trustee.
- (e) Notwithstanding anything herein before contained, a Trustee shall continue as Trustee of the FUND until such time as a replacement Trustee shall become vested with all the rights and obligations of the retiring Trustee hereunder.
- (f) Any corporation into which the Trustee may be merged, consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee is a party, or any corporation succeeding to the trust business of the Trustee or to which substantially all of the trust assets of the Trustee may be transferred shall be the successor trustee of the FUND, provided such corporation is authorized by law to be the trustee of the FUND, without the execution of any further instrument.

**21. Heirs, Executors and Assigns:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the respective successors and assigns of the Trustee and the Agent.

**22. Transfer Upon Marriage Breakdown:** To the extent and in the manner permitted by Applicable Tax Legislation, the Trustee will make a transfer out of the FUND on behalf of an individual who is your spouse and who is entitled to the amount of the transfer under a decree, an order or a judgment of a competent tribunal, or under a written agreement, that relates to a division of property between you and the individual in settlement of rights that arise out of, or on a breakdown of, your marriage.

**23.** In the event that, at any time, there are no assets held in the FUND, the Trustee may in its sole discretion close the FUND.

## TD Waterhouse Tax-Free Savings Account Declaration of Trust

The Canada Trust Company, a trust company amalgamated under the laws of Canada (the "**Trustee**"), hereby declares that it agrees to act as administrative trustee for the individual named in the application (the "**Application**") on the face hereof (the "**Holder**") as defined in the Income Tax Act (Canada) (the "**Act**") for the TD Waterhouse Tax-Free Savings Account (the "**Account**"). The Trustee accepts this office on the following terms:

- 1. Registration:** Subject to the Holder having attained the age of majority, the Trustee will elect, in the form and manner prescribed by the Act and any applicable provincial income tax legislation relating to tax-free savings accounts as designated from time to time in writing by the Holder (the Act and such provincial income tax legislation being hereinafter collectively referred to as "Applicable Tax Legislation"), to register the qualifying arrangement governed by this Declaration of Trust as a tax-free savings account under the Social Insurance Number of the Holder. For greater certainty, unless the Holder has attained at least 18 years of age at the time that this arrangement is entered into, it shall not constitute a qualifying arrangement, as that term is defined in subsection 146.2(1) of the Act, susceptible of being registered as a tax-free savings account.
- 2. Spouse and Common-Law Partner:** Any reference to "Spouse" contained in this Declaration of Trust or in the Application means spouse or common-law partner.
- 3. Survivor:** Any reference to "successor holder" in this Declaration of Trust or in the Application means a Survivor, as that term is defined in subsection 146.2(1) of the Act, and who is the spouse of the Holder immediately before the Holder's death.
- 4. Holder:** Any reference to "Holder" or "applicant" in the Declaration of Trust or in the Application means the Holder or Successor Holder.
- 5. Account:** The Trustee will maintain the Account for the exclusive benefit and in the name of the Holder, showing all contributions made to the Account and all investment transactions made at the direction of the Holder less applicable liabilities of the Account including fees or other amounts described herein and any other applicable taxes applicable liabilities of the Account including fees and other amounts described herein and any applicable taxes including amounts in respect of tax assessments described in section 16.

The Trustee may, at its sole discretion and without notice to you, sell or liquidate assets in the Account or realize upon such assets as it determines to be appropriate to pay any such liability or debit balance of the Account and its costs. You acknowledge that the Trustee will not be liable to you regarding any aspect of such liquidation,

sale or realization. In addition, you acknowledge that the liquidation, sale or realization of assets in the Account may have significant financial consequences for you and the Account, including tax consequences, for which you are solely liable. You are jointly liable with the Account for the payment of any liability or debit balance owing within the Account and you are liable for any liability or debit balance remaining after liquidation of assets in the Account and the application of such liquidation against the liability or debit balance.

**6. Contributions:** Only the Holder may make contributions to the Account, and the Trustee shall accept only such payments of cash and other transfers of property acceptable to it, pursuant to any minimum contribution requirement identified in the Application or other notice given under the terms of this Declaration of Trust or otherwise, the same together with any income therefrom constituting a trust to be used, invested and held subject to the terms hereof. It is the responsibility of the Holder to ensure that no contribution exceeds the maximum permitted under the Applicable Tax Legislation.

**7. Investment:** The Trustee will, on the written or oral directions of the Holder, invest the property of the Account, provided that the Trustee may in its sole discretion decline to make any particular investment for any reason including, without limitation, if the proposed investment and related documentation do not comply with the Trustee's administrative requirements, which may be modified from time to time. The Holder will have the right to designate a person or persons in a satisfactory form as may be determined by the Trustee, as his or her attorney for the purpose of giving any such directions and the Trustee will be released from any claims or liability to the Holder in acting pursuant to such directions unless it has received written notice that such person or persons is not or has ceased to be the Holder's attorney and the Trustee has acknowledged receipt of such notice in writing.

The Trustee, or TD Waterhouse Canada Inc. or its affiliates (the "Agent"), may require the Holder from time to time, to provide such documentation in respect of any investment or proposed investment as the Trustee in its sole discretion deems necessary. Contributions and transfers to the Account may be invested and reinvested in any eligible securities and/or deposits, including securities issued or managed by, or deposits with the Trustee and any of its affiliates, as the Holder may direct from time to time. The Trustee may, at its sole discretion, hold uninvested balances in the Trustee or in any affiliate of the Trustee.

Pending the investment of any uninvested cash in the Account, the Trustee or the Agent will hold such cash in a segregated account and may pay interest thereon on such terms and at such rate or rates as it may from time to time established, provided that such cash has been deposited with the Trustee or its Agent.

Without restricting the generality of the foregoing, the Holder is solely responsible to choose investments of the Account, and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the Account. The Holder shall be responsible for ensuring that an investment is and continues to be a Qualified Investment, and determining whether any such investment is not and continues not to be a Prohibited Investment. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a non-Qualified Investment. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) any investment in the Account results in additional taxes or penalties imposed by Applicable Tax Legislation on the Holder or the Account, (ii) any such investment produces losses of any nature whatsoever for the Account whether or not the Trustee or Agent has communicated to the Holder any information the Trustee or Agent may have received, or any judgment the Trustee or Agent may have formed, with respect to the foregoing at any particular time, or (iii) the Trustee takes action because an investment in the Account is or has become a non-qualified or prohibited investment for purposes of the Applicable Tax Legislation or there is a material risk thereof including because the Holder has not provided information requested by the Trustee.

Should the Account become liable for any taxes, interest or other penalties under Applicable Tax Legislation or for any such taxes, interest and penalties for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the Account and is entitled to recover from the Account as tax, such Taxes shall be paid out of the assets of the Plan and the Holder authorizes the Trustee to redeem sufficient securities and/or deposits, as required, in the Account to pay for such liability. Notwithstanding the above, the Trustee is not entitled to charge against and deduct from the assets in the Account any charges, taxes or penalties imposed on the Trustee under Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the Account and is entitled to recover from the Account as tax.

Notwithstanding any of the above, if the Trustee determines, in its sole discretion, that any investment in the Account is or becomes a non-Qualified Investment for purposes of the Applicable Tax Legislation, or that there is a material risk thereof including because you have not provided information requested by the Trustee, the Trustee may, at its sole discretion, withdraw such investment from the Account in-kind subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. The Holder acknowledges that the valuation of an investment shall be determined by the Trustee in its sole discretion, provided that it is the Holder's obligation to provide the Trustee with such independent evidence of the value of the investment as the Trustee at any time requests. Should the Holder fail to provide evidence of the value of the investment upon the request of the Trustee, the Trustee, at its sole discretion, may obtain a valuation from a third party selected by the Trustee at its sole discretion. The Holder agrees that the Account shall reimburse the Trustee for the cost incurred by the Trustee for any such valuation by a third party immediately upon the request of the Trustee failing which you shall do so personally forthwith after demand. Notwithstanding the above, in the event that the Holder does not provide to the Trustee a valuation of an investment upon a request by the Trustee, the Trustee may, at its sole discretion, withdraw such investment from the Account in-kind, subject to all applicable withholdings being made, grant releases of any rights associated with the investment, provide consents to terminate or modify the investment, sell the investment for cash or realize on the investment for cash. The Holder authorizes the Trustee to take any such actions and the Holder irrevocably consents to them. The Holder further acknowledges that the Holder is responsible for all consequences (whether foreseeable or not), including tax consequences, of those actions, and, in such event, the Holder acknowledges that he or she is liable for the tax consequences of any of these.

"Prohibited Investment" means property (other than prescribed excluded property as that term is defined in the Act) that is:

- (a) a debt of the Holder;
- (b) a share of the capital stock of, an interest in or a debt of:
  - (i) a corporation, partnership or trust in which the Holder has a significant interest;
  - (ii) a person or partnership that does not deal at arm's length with the Holder or with a person or partnership described in subparagraph (i);
- (c) an interest in, or right to acquire, a share, interest or debt described in paragraph (a) or (b); or
- (d) prescribed property (as that term is defined in the Act).

"Qualified Investment" means any investment which is a qualified investment for a tax-free savings account according to the Act.

**8. Distributions:** Subject to the terms of any investment, the Holder may request that the Trustee pay to the Holder all or any part of the assets held in the Account in satisfaction of all or part of the Holder's interest therein (a "Distribution") except that no Distributions shall be made until all applicable liabilities of the Account, including for fees and other amounts described herein have been paid or a reasonable amount in the sole discretion of the Trustee has been retained in the Account to satisfy such amounts.) No withdrawal shall be made if the Trustee has requested information necessary for it to determine the amount of or potential liability for any applicable liabilities and the Holder has not provided information satisfactory to the Trustee to be able to make a determination that no applicable liability exists. Neither the Trustee nor the Agent shall be liable for any losses or damages arising from any delay to make a Distribution as a result of any of the above. Notwithstanding the terms of any investment, or any limit on the frequency of Distributions or any minimum Distribution requirement identified in the Application or other notice given under the terms of this Declaration of Trust, the Trustee may make Distributions in order to reduce the amount of tax otherwise payable by the Holder as a result of excess contributions made contrary to Applicable Tax Legislation. No one other than the Holder and the Trustee shall have rights under the Account relating to the amount and timing of Distributions and the investing of funds held in the Account.

**9. Transfers Out:** All or a part of the property in the Account may be transferred to another tax-free savings account of the Holder, and the Trustee may liquidate any investments held in the Account to the extent deemed necessary to transfer the amount requested, subject to the terms of such investments.

All or a part of the property in the Account may be transferred to a tax-free savings account of the Spouse or former Spouse where the Holder and the Spouse or former Spouse are living separate and apart and the transfer is made under a decree, order or judgment of a competent tribunal or under a written separation agreement that relates to a division of property in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership, and the Trustee may liquidate any investments held in the Account to the extent deemed necessary to transfer the amount requested all applicable liabilities of the Account including for fees and other amounts described herein have been paid together with all applicable taxes.

**10. Transfers In:** Property may be transferred to the Account from another tax-free savings account of the Holder or of the Spouse or former Spouse of the Holder where:

- (a) the Holder and Spouse or former Spouse are living separate and apart and the transfer is made under a decree, order or judgment of a competent tribunal or under

a written separation agreement that relates to a division of property in settlement of rights arising out of, or on the breakdown of their marriage or common-law partnership; or

(b) the Holder is the Spouse's survivor and the transfer occurs as a result of an exempt contribution as that term is defined in subsection 2070(1) of the Act.

**11. Assets Received Outside the Account:** The Holder agrees that if any amount is received in respect of an asset or right belonging to the Account, the Holder shall forthwith pay over such amount to the Account.

**12. Death of the Holder:** Subject to Applicable Tax Legislation, where there is a Survivor and the Holder has validly designated the Survivor as successor holder, the Survivor shall become the Holder. In the event of the death of the Holder where there is no Survivor or the Survivor has not been designated as a successor holder, the Trustee shall, upon receipt of satisfactory evidence thereof, realize the interest of the Holder in the Account. Subject to Applicable Tax Legislation and to the deduction of all proper charges, including taxes, if any, required to be withheld, the proceeds of such realization shall be paid by the Trustee, as the case may be, to the estate of the Holder or to the Holder's designated beneficiary upon furnishing the Trustee with such releases and other documents as may be required or as counsel may advise.

If more than one designation has been lodged, the Trustee shall rely on the instrument in its possession bearing the latest execution date.

**13. Ownership:** The Trustee must hold any investment in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. The Trustee may generally exercise the power of an owner with respect to all property held by it for the Account, including the right to vote or to give proxies to vote in respect thereof, and to pay any assessment, taxes or charges in connection therewith or the income or gains derived therefrom.

**14. Delegation:**

(a) The Holder authorizes the Trustee to perform, and the Trustee may delegate to the Agent the performance of, the following duties and responsibilities of the Trustee:

- (i) to receive the Holder's contributions and transfers to the Account;
- (ii) to make Distributions and transfers from the Account;
- (iii) to invest and reinvest in the Account in accordance with the directions of the Holder;
- (iv) to hold the assets forming the Account in safekeeping;
- (v) to maintain the Account;
- (vi) to provide statements to the Holder of the Account; and
- (vii) to perform such other duties and responsibilities of the Trustee as the Trustee may determine from time to time, in accordance with the Applicable Taxation Act.

(b) The Trustee shall, however, remain ultimately responsible for the administration of the Account pursuant to the provisions of this Declaration of Trust. The Holder also authorizes the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by the Holder to the Trustee hereunder and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee, as agreed upon between the Agent and the Trustee. To the extent applicable, the Holder acknowledges that the Agent may earn normal brokerage commissions on investment and reinvestment transactions processed by the Agent.

**15. Trustee Fees and Taxes:** The Trustee will be entitled to such reasonable fees and other charges as it may establish from time to time for the Account and to reimbursement for disbursements and expenses reasonably incurred by it in performing its duties hereunder. Notwithstanding anything herein contained, the Trustee is empowered to retain in cash such portion of the assets in the Account as the Trustee may, at its sole discretion, deem advisable for the payment of any fee introduced in accordance with section 15 hereof or any other reimbursement hereunder and any liability including for any applicable taxes. All such amounts will, unless paid directly to the Trustee, be charged against and deducted from the assets of the Account in such manner as the Trustee determines, and the Trustee may realize assets of the Account in its sole discretion for the purposes of paying such amounts. Any such realization shall be made at such price or prices as the Trustee or the Agent at its sole discretion may determine and neither the Trustee nor the Agent shall be responsible for any loss occasioned by any such realization.

Neither the Trustee nor the Agent shall be liable for any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the Account except for those taxes, assessments or other charges for which the Trustee or the Agent is liable on behalf of the Account in accordance with Applicable Tax Legislation other than any such taxes, assessments and other charges for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the Account and is entitled to recover from the Account as tax.

**16. Tax Matters and Assessments:**

(a) No withdrawal shall be made until all applicable liabilities of the Account, including for applicable taxes of the Account and for fees and other amounts described herein have been paid or a reasonable amount in the sole discretion of the Trustee has been retained in the Account to satisfy such amounts. No withdrawal shall be made if the Trustee has requested information necessary for it to determine the amount of or potential liability for any applicable liabilities and the Holder has not provided information satisfactory to the Trustee to be able to make a determination that no applicable liability exists. Neither the Trustee nor the Agent shall be liable for any losses or damages arising from any delay to make a withdrawal as a result of any of the above.

(b) If an assessment of taxes is made against the Account, or the Account files a return reporting taxes payable, the Trustee shall pay the amount of such taxes out of the assets of the Account to the applicable governmental authority unless arrangements satisfactory to the Trustee are made with you regarding any objection to such taxes, including arrangements for the payment of fees and expenses to make such objection and arrangements to ensure that the Account will have the ability to be able to pay such taxes.

(c) Neither the Trustee nor the Agent will be liable to the Holder or the Account in respect of any amount paid to any relevant tax authority in compliance with or intended compliance with Applicable Tax Legislation.

**17. Amendment:** The Trustee may, from time to time at its discretion, amend this Declaration of Trust, with the concurrence of the authorities administering the Applicable Tax Legislation if required, and:

- (a) without notice provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation or at its effective date the amendment will not in the Trustee's sole opinion adversely affect the Holder's rights under the Account;
- (b) in all other cases, by giving 30 days' notice to the Holder; provided, however, that any such amendments shall not have the effect of disqualifying the Account as a tax-free savings account within the meanings of the Applicable Tax Legislation.

**18. Notice:** Any notice given by the Trustee to the Holder shall be sufficiently given if (i) sent to the Holder electronically or (ii) mailed, postage prepaid, to the Holder at the address set out in the Application or at any subsequent address of which the Holder shall have notified the Trustee, and any such notice shall be deemed to have been given on the day of delivery if sent electronically or on the day of mailing.

**19. Liability:** Neither the Trustee nor the Agent shall be liable for the making, retention or sale of any investment or reinvestment as herein provided or for any loss or diminution of the assets comprising the Account.

The Holder and his or her successors, executors and administrators shall at all times indemnify and save harmless the Trustee and the Agent in respect of any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the Account except for those taxes, assessments or other charges for which the Trustee is liable in accordance with the Act.

Neither the Trustee nor the Agent shall be liable for any taxes, assessments or other charges levied or imposed by any governmental authority upon or in respect of the Account except for those taxes, assessments, or other charges for which the Trustee is liable on behalf of the Account in accordance with Applicable Tax Legislation other than any such charges, taxes and penalties for which the Trustee is jointly liable with the Account to pay or for which the Trustee has paid on behalf of the Account and is entitled to recover from the Account as tax. For greater clarity, neither the Trustee nor the Agent shall be liable for any loss incurred by the Account, by the Holder or by any beneficiary designated for the purposes of the Account resulting from the Holder ceasing to be a Canadian tax resident.

The Trustee and the Agent shall be entitled to and shall be fully protected in acting upon any instrument, certificate, notice or other writing believed by the Trustee or the Agent to be genuine and to be signed or presented by the proper person(s). The Trustee and the Agent shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but shall be entitled to accept the same as conclusive evidence of the truth and accuracy of the statement therein contained.

When the Account is terminated and the proceeds thereon are distributed, the Trustee and the Agent shall be released and discharged from any further responsibility or obligation in connection herewith.

Except as otherwise provided herein, neither the Trustee nor the Agent shall be liable for any loss incurred by the Account, by the Holder or by any beneficiary designated for the purposes of the Account unless due to the negligence, willful misconduct or lack of good faith of the Trustee or the Agent.

**20. Proof of Age:** The statement of the Holder's date of birth on the Application shall constitute a certification by the Holder and an undertaking to furnish such further evidence of proof of age as may be required.

**21. Security for a Loan:** Where the Holder uses his or her interest or right in the Account as security for a loan or other indebtedness, the Holder shall be responsible for ensuring that the terms and conditions of the loan or other indebtedness are terms and conditions that persons dealing at arm's length with each other would have entered into, and it can be reasonably concluded that none of the main purpose for that use is to enable a person, other than the Holder, or a partnership to benefit from the exemption for tax of any amount under the Account.

**22. Loans:** The trust is prohibited from borrowing money or other property for the purposes of the Account.

**23. Replacement of Trustee:** The Trustee, upon giving the Agent at least 30 days' written notice (or immediately if the Agent is for any reason incapable of acting in accordance with this Declaration of Trust), may resign, and the Agent, upon giving the Trustee at least 90 days' written notice (or immediately if the Trustee is for any reason incapable of acting as Trustee hereunder), may remove the Trustee as the trustee of the Account, provided that a successor trustee has been appointed by the Agent in writing. If the Agent fails to designate a successor trustee within 60 days after it has received notice of the Trustee's intended resignation, the Trustee may appoint its successor trustee. Such successor trustee shall, within 90 days of its appointment, give written notice of its appointment to the Holder. A successor trustee shall have the same power, rights and obligations as the Trustee. The Trustee shall execute and deliver to the successor trustee all conveyances, transfers and further assurances as may be necessary or desirable to give effect to the appointment of the successor trustee. Any successor trustee shall be a corporation resident in Canada and authorized under the laws of the province of residence of the Holder indicated in the Application to carry out its duties and responsibilities as trustee under the Account. Subject to the requirements of Canada Revenue Agency, any corporation resulting in the merger, consolidation or amalgamation to which the Trustee is a party or which purchases all or substantially all of the trust business of the Trustee shall be the successor trustee hereunder without the execution of any other instrument or document except notice to the Agent and to the Holder.

**24. Assignment by Agent:** The Agent may assign its rights and obligations hereunder to any other corporation resident in Canada, approved by the Canada Revenue Agency and any other applicable authority, and authorized to assume and discharge the obligations of the Agent under the Account, provided that such corporation shall execute any agreement which is necessary or advisable for the purpose of assuming such rights and obligations and further provided that no such assignment may be made without prior written consent of the Trustee, which consent may not be unreasonably withheld.

**25. Heirs, Executors and Assigns:** The terms of this Declaration of Trust shall be binding upon the heirs, executor, administrators and assigns of the Holder and upon the respective successors and assigns of the Trustee and Agent.

**26. Proper Law:** This Declaration of Trust will be governed by and construed in accordance with the laws of Ontario, the Applicable Tax Legislation and any other laws of Canada, which may be applicable.

**27. No Carrying on Business:** The Holder agrees not to provide any instructions or series of instructions that could be constituted as using the Account to carry on a business for the purposes of the Act. For greater certainty, the Holder acknowledges that this includes, but is not limited to, using the Account for "day-trading" or other high volume trading that may constitute carrying on a business under the Act. If the Account is found to have been used to carry on a business, the Trustee and the Holder will be jointly and severally liable for any tax, penalties and interest in respect thereof but such liability of the Trustee will be limited to the property held in the Account as of the date of the notice of the assessment of such liability and the amount of all distributions of property from the Account on or after the date that the notice of assessment is sent.

**28. English Language:** The parties hereto have requested that this Declaration of Trust and all related documents be written, and the Account be established, in English. Les parties ont demandé que la déclaration de fiducie et tous documents y afférents soit rédigés, et le compte soit établi, en anglais.

**29.** In the event that, at any time, there are no assets held in the Account, the Trustee may, in its sole discretion, close the Account.



TD Waterhouse  
Canada Inc.  
Conflicts of Interest  
Statement



**The words “we”, “us” and “our” refer to TD Waterhouse Canada Inc., including its divisions, TD Direct Investing (including TD Easy Trade™), TD Wealth Financial Planning (including TD Wealth Financial Planning Direct which is a service of TD Wealth Financial Planning) and TD Wealth Private Investment Advice. TD Waterhouse Canada Inc. is a subsidiary of The Toronto-Dominion Bank. The words “you”, “your” and “yours” means the client and any other individuals with authority over the client’s account.**

TD Waterhouse Canada Inc. (TDWCI) and its representatives may have interests that are inconsistent with your interests. This may give rise to an actual or perceived risk that we favour our interests over yours as our client.

**We act fairly, honestly and in good faith with you and our other clients. To this end, we avoid material conflicts of interest that we cannot effectively address and conflicts that are prohibited by law.**

We have adopted policies and procedures to identify and address all remaining material conflicts in your best interests, including:

- Conflicts from our being a subsidiary of The Toronto-Dominion Bank and a member of TD Bank Group (TD)
- Conflicts where we, or our affiliates, earn revenue related to your investments, in addition to the fees you pay us
- Conflicts arising out of competing interests among our clients
- Conflicts caused by compensation practices and incentive programs
- Conflicts due to our representatives’ personal interests
- Conflicts related to referral arrangements with TD

Further details on each of the conflicts summarized above are set out below. Certain conflicts that apply to only one of our divisions are identified. Individuals are also subject to TD Code of Conduct and Ethics and TDWCI policies and procedures.

### **Conflicts arising from our being a subsidiary of The Toronto-Dominion Bank and a member of TD**

TD, including TDWCI, offers a wide array of financial products and services to meet our clients’ financial needs. We may invite you to do more business with us and the other members of TD but will do so in a manner that is fair, honest and appropriate for you.

*Distribution activities of TD Securities Inc.:* We may offer, recommend or take investment actions for your account in securities that are underwritten, distributed or researched



by, or purchased from our securities dealer affiliate, TD Securities Inc. We address this conflict by separating our businesses from the corporate finance and research activities of TD Securities Inc.; our individual representatives are not incented to recommend or invest you in securities underwritten or distributed by TD Securities Inc. instead of other securities. Individual representatives who provide investment advice have access to tools, resources and training to support recommendations or investments for you. Policies and procedures are in place to restrict the transfer of material non-public and other confidential client information between TDWCI and TD Securities Inc.

*Investing in TD products, including TD Mutual Funds, TD ETFs, TD GICs, TD HISAs and TD Structured Notes:* We may offer, recommend or take investment actions for your account in securities of related or connected issuers, or in securities of an issuer that is managed by TD (collectively referred to as “TD products”).

We describe and explain our related and connected issuers, including how we address these conflicts, on our website at [td.com/to-our-customers/](https://td.com/to-our-customers/).

Within certain divisions of TDWCI, we may only offer TD products for certain types of investment. To address the material conflicts of interest where we offer TD products, we regularly assess available TD products to meet our clients’ financial needs and to align with each division’s offering:

#### ***TD Wealth Private Investment Advice***

TD Wealth Private Investment Advice offers a comprehensive range of products and services including TD and non-TD products. We recommend or invest you in TD products if we consider them to be suitable for your account. Individual representatives have access to tools, resources and training to support recommendations or investments for you, including in TD products. Neither our individual representatives nor TDWCI are incented to recommend or cause your account to be invested in TD products instead of other non-TD products that may be available.

#### ***TD Wealth Financial Planning and TD Wealth Financial Planning Direct***

TD Wealth Financial Planning (including TD Wealth Financial Planning Direct, a service of TD Wealth Financial Planning) solely recommends TD products. Individual representatives have access to tools, resources and training to support recommendations or investments for you in TD products. Because TD Wealth Financial Planning does not recommend

non-TD products, the suitability determination conducted by the firm and its representatives on new investments in your account will not consider non-TD products or whether those non-TD products would be better, worse, or equal in meeting your investment needs and objectives. We address the conflicts inherent in investing in TD products by assessing those products and their suitability for you.

### ***TD Direct Investing***

TD Direct Investing provides order execution accounts with access to a broad range of products including TD products and non-TD products. For certain types of products (such as principal protected notes, principal-at-risk notes, investment savings accounts and short term GICs), TD Direct Investing may offer only TD products. We address this conflict by assessing the products we make available to our clients.

### ***TD Easy Trade™ (a service of TD Direct Investing)***

TD Easy Trade™ offers access to TD ETFs and qualifying securities (other than ETFs) listed on select North American exchanges. We address the conflict of only offering TD ETFs through disclosure to you as part of our digital onboarding under the section called “Is this account right for you”. TD Easy Trade™ conducts periodic reviews of the TD ETFs and uses an independent product performance process to assess them.

*Service arrangements with TD:* We enter into arrangements with affiliates for banking, custody, brokerage, derivatives and foreign exchange, and registered plan administration and trusteeship services. TD may earn commissions, fees and/or revenue in connection with providing these services. To address potential conflicts of interest, we review these service arrangements to confirm that the services are provided at market rates or better.

For discretionary managed accounts only, we or our affiliate, TD Asset Management Inc. (TDAM), as part of our service arrangements with them, may conduct proxy-voting on behalf of our clients. There may be a material conflict of interest related to voting at shareholder meetings held by certain issuers of securities within your investment account. We and TDAM maintain proxy voting policies and procedures under which we or TDAM generally vote in accordance with automated voting recommendations provided by an independent proxy voting service provider. We or TDAM override those recommendations, in our discretion, where the automated voting recommendations would not be in the best interests of clients. We and TDAM abstain entirely from voting on matters relating to TD and affiliated issuers.

*Routing trading to affiliates:* We may route client orders to our affiliates for trade execution, including orders for fractional shares, also referred to as partial shares. In Canada, rebates may be provided to us, and in the U.S., payment for order flow may be paid to us or our affiliates by trading destinations (including electronic communication networks, market makers and exchanges) when we direct client orders to them. We monitor and oversee our executing dealers to ensure that you receive best execution and fair pricing of orders. More information about our trading is contained in the TDWCI Best Execution and Fair Pricing Client Disclosure at [td.com/ca/en/investing/documents/pdf/direct-investing/Client-Disclosure-for-TDWCI-Best-Execution-and-Fair-Pricing.pdf](https://td.com/ca/en/investing/documents/pdf/direct-investing/Client-Disclosure-for-TDWCI-Best-Execution-and-Fair-Pricing.pdf).

*Mind and management:* Directors and officers of TDWCI may also be directors and officers of another member of TD. Our directors and officers are typically not directors or officers of our affiliates that manufacture investment products distributed through TDWCI. Further, we do not compensate our directors or officers in a way that might cause them to prefer one TD entity over another.

**Conflicts where we, or our affiliates, earn revenue related to your investments, in addition to the fees you pay us.**

TDWCI and our affiliates earn revenue from the products and services we provide clients. In addition to the revenue referred to above:

- TDWCI earns commissions, including trailing commissions, on certain investment funds you purchase (paid by investment fund managers). TDAM earns revenue when you invest in TD investment funds.
- TDWCI earns fees on investment products such as GICs, principal protected notes and other structured notes that you purchase (paid directly or indirectly by issuers). TD earns revenue when you invest in certain TD products.
- TDWCI earns commissions on segregated funds and insurance policies that you purchase. Insurance affiliates of TD also earn revenue when you buy such products.
- TDWCI or TD earns fees in connection with new issues of securities, takeover bids, corporate reorganizations, proxy solicitation and other corporate actions (paid directly or indirectly by issuers, offerors or others).
- TDWCI or TD earns revenue in connection with trade execution, including fractional share trading.
- TDWCI or TD earns fees and spreads in connection with various other services and transactions with affiliates, including registered plan administration and trustee services, securityholder account maintenance and reporting, securities lending, as well as services described under *Services Arrangements* with TD (above).

- TDWCI or TD earns interest or revenue on the uninvested cash balances in your account and may retain excess amounts that we earn over the amount of interest we pay to you, if any.
- TD may earn interest or revenue on cash balances held in TD investment funds that are transferred into TD bank accounts for the funds' interest earning purposes.
- TDWCI or TD earns income and/or spreads on foreign exchange transactions.
- TDWCI or TD earns revenue and/or commissions on the sale of fixed income securities that TD owns (principal trading).

The commissions, fees and other compensation received by TDWCI are set out in the Commission Schedules and the Statements of Disclosure of Rates and Fees, trade confirmations and managed account agreements provided to clients and are, where required, included in our regular client reporting under the Fees and Charges section.

All fees and charges earned by TDWCI and TD on products and services we provide clients are calculated with reference to market terms and conditions. TDWCI follows a selection and oversight process to monitor that our product and service offerings continue to meet the needs of our clients.

#### **Conflicts arising out of competing interests among our clients:**

*Allocation of New Issues:* TDWCI may need to determine which clients will be offered certain securities if availability is limited. We allocate new issues to clients who express an interest. Generally, if our clients' expressions of interest cannot be satisfied in full, we will apportion the issue to clients using an automated allocation method that we determine to be fair and reasonable.

*Side by Side Management of Different Accounts:* TDWCI and its representatives service a number of different accounts, including accounts containing long-short positions and other investment strategies that may have differing or conflicting views of expected market performance. These conflicts are addressed by making recommendations and investment decisions for an account that are based solely on the investment objectives, strategy, guidelines and other relevant factors of that individual account, without reference to any other accounts.

*Recommending investment products connected to other clients:* Investment advisors in TD Wealth Private Investment Advice may recommend or invest you in investment products that are issued by other clients or significantly connected to

them. Investment advisors will only recommend or invest you in these investment products if they consider them suitable for your account.

### **Conflicts caused by compensation practices and incentive programs**

*Revenue Earned by Representatives:* We may compensate our representatives by a combination of one or more of the following:

- base salary
- compensation based on the value and/or types of assets under administration
- bonus based on various performance criteria
- compensation based on a client's purchase of products or services from parties related to TDWCI and others, and
- percentage of sales commissions, spreads, and trailer fees received by TDWCI (different products may have differing levels of compensation).

Representatives may also receive compensation or benefits based on referrals to other members of TD (see Conflicts related to referral arrangements with our affiliates, below). When assessing the overall performance of our representatives, we may consider referrals and/or include referrals when calculating a representative's overall sales/revenues.

We address the conflict inherent in the compensation and incentives received by our representatives through a comprehensive approach to compensation design that incentivizes our representatives to put your interests first ahead of their own.

Different products may have differing levels of compensation, and different account types (fee-based and transactional) may have differing fees. Our compensation plans do not incent our representatives to recommend specific products or services, including any particular type of account. Where both transactional and fee-based accounts are available, we regularly review whether a fee-based account is appropriate, given your circumstances and investment needs and objectives. Further, to avoid duplicate fees being charged in fee-based accounts, products with embedded commissions will be excluded from your assets for the purpose of calculating fees.

### **Conflicts due to our representatives' personal interests**

*Outside Activities:* At times, our executives and representatives may participate in outside activities such as participating in community events, pursuing personal outside interests or

serving on a board of directors of a charity. Before engaging in any outside activity, our policies require these individuals to disclose situations where a conflict of interest may arise and to determine how such conflicts may be addressed. Our employees may only engage in such outside activities if approved by their supervisor under our policies. The approval may be subject to terms and conditions that help address perceived or actual conflicts of interest. Our employees are also required to annually review their outside activity submission for accuracy and completeness.

*Gifts and Entertainment:* Our executives and representatives are not permitted to accept gifts or entertainment beyond what we consider consistent with reasonable business practice and applicable laws. We set maximum thresholds for permitted gifts and entertainment to avoid any perception that the gifts or entertainment will influence decision-making.

*Personal Trading:* Our policies and code of conduct require our representatives to act in accordance with applicable laws that prohibit insider trading, front running and similar conduct. Individuals may be required to obtain prior approval before making trades in their personal securities accounts. Our employees are prohibited from accessing non-public information for their direct or indirect personal benefit. We place securities on a “restricted list” to avoid trading when we have non-public information.

*Personal Dealings with Clients:* From time to time, our executives and representatives may have additional relationships or dealings with our clients. Conflicts of interest can arise where an employee has personal financial dealings with you, such as acquiring assets outside of your investing relationship, borrowing money from or lending money to you, or exercising control over your financial affairs. To address these conflicts, TDWCI has policies and procedures in place which prohibit personal financial dealings with clients who are not family members.

### **Conflicts related to referral arrangements with TD**

We and our affiliates may refer you to another TDWCI division or to another TD entity. The purpose of these internal TD referrals is to better align your financial goals with the TD entity or TDWCI division that is best placed to provide the specific services or products that may benefit you. All registerable activities will be provided by the registrant receiving the referral.

We may pay a referral fee to the TD entity that refers you (a “**Referring Entity**”) and/or to an employee of the Referring Entity (a “**Referring Employee**”). Likewise, we or our Referring

Employees may receive referral fees when we refer you within TD. We may also pay our own representatives for referring you to another TD entity or another of our divisions. A representative receiving a referral from another TD entity or TDWCI division may earn a reduced amount on the business that is referred. These payments are designed primarily to address any financial disincentive associated with referring you to another TDWCI division or TD entity so that we put your interests first.

**You do not pay any additional charges and fees in connection with these internal TD referrals and are not obligated to purchase any product or service in connection with a referral.**

Details of these referral arrangements are set out below:

### **Entity Receiving Referral**

TDWCI is registered as an Investment Dealer in all provinces and territories of Canada and a Derivatives Dealer in the province of Quebec, and provides trading and/or advising services through its divisions:

- TD Direct Investing (“**DI**”) – Self-directed brokerage services
- TD Wealth Financial Planning (“**FP**”) and TD Wealth Financial Planning Direct – Advisory services
- TD Wealth Private Investment Advice (“**PIA**”) – Advisory services and portfolio management services

### **Referral Fee Paid**

*Referrals from DI to PIA:* Referring Employee may receive from PIA \$250 per referred client.

*Referrals from FP to PIA:* Referring Employee may receive a one-time payment from TDWCI equal to 0.3% of referred client’s assets under administration (AUA) at the end of the third month after account opening.

*Referrals from PIA to FP:* Referring Employee may receive from TDWCI a one-time payment equal to 0.36% of referred client’s AUA at the end of the third month after account opening.

*Referrals from PIC to FP or PIA:* Referring Employee may receive from PIC a one-time payment equal to 0.185% of referred client’s AUA at the end of the third month after account opening.

*Referrals from The Toronto-Dominion Bank<sup>1</sup> to TDWCI:* Referring Entity will receive 0.55% of value of new relationship to a maximum fee of \$55,000. Referring Employee may receive non-monetary benefits such as team lunches and/or TD Appreciate Points.<sup>2</sup>

## **Entity Receiving Referral**

TD Waterhouse Private Investment Counsel Inc. (“**PIC**”) is registered as an Exempt Market Dealer and a Portfolio Manager in all provinces and territories of Canada and provides discretionary portfolio management services.

### **Referral Fee Paid**

*Referrals from FP to PIC:* Referring Employee may receive a one-time payment from TDWCI equal to 0.3% of referred client's AUA at the end of the third month after account opening.

*Referrals from PIA to PIC:* Referring Employee may receive from TDWCI a one-time payment equal to 0.36% of referred client's AUA at the end of the third month after account opening.

## **Entity Receiving Referral**

The Toronto-Dominion Bank provides the following financial products the following financial products and services:

- Banking and credit products and services
- Mortgage products
- Guaranteed investment certificates (GICs)
- Credit insurance enrollment

### **Referral Fee Paid**

*Referrals from TDWCI to The Toronto-Dominion Bank:* Referring Entity (i.e., division of TDWCI) may receive 0.55% of value of new relationship to a maximum fee of \$55,000.

## **Entity Receiving Referral**

TD Wealth Private Trust (“**PT**”), offering the products and services of The Canada Trust Company, provides trust and estate services.

### **Referral Fee Paid**

*Referrals from TDWCI to PT:* For estate services (executor and power of attorney services), Referring Employees from FP or PIA may receive a one-time payment equal to 10% (5% in the case of power of attorney services) of fees generated from the referral, up to a maximum of \$25,000. For wills, trust and tax preparation services, Referring Employees from FP or PIA may receive a one-time payment of \$250 (\$125 in certain cases for wills services) for each client referred. For investment management and financial care, powers of attorney and trustee services, Referring Employees from FP may receive a one-time payment equal to 0.3% of referred client's AUA at the end of the third month after account opening. Referring Employees from PIA may receive a one-time payment equal to 0.36% of referred client's AUA at the end of the third month after account opening.



## **Entity Receiving Referral**

TD Waterhouse Insurance Services Inc. (“**WISI**”) provides insurance advisory services.

### **Referral Fee Paid**

*Referrals from FP to WISI:* FP will receive 70% of the revenue generated on the policy. Referring Employees that are licensed life insurance advisors may receive a commission (based on payout grid) as a portion of the revenue paid to FP by WISI for each policy. Referring Employees that are not licensed life insurance advisors may receive a one-time award based on the amount of sales commission received by WISI.

*Referrals from PIA to WISI:* Referring Employees that are licensed life insurance advisors may receive 70% of sales commission received by WISI for each policy sold. Referring Employees that are not licensed life insurance advisors may receive 50% of sales commission received from WISI for each policy sold.

## **Entity Receiving Referral**

TD Life Insurance Company (“**TDI**”) provides life insurance services.

### **Referral Fee Paid**

*Referrals from FP to TDI:* For each successfully referred client, TDI will pay to FP an amount that is correlated with the annual premium TDI receives based on the product(s) purchased by the referred client. FP may then pay to the Referring Employee a one-time payment which is equal to the amount FP receives for the referral minus 5%.

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<sup>1</sup> Referrals by employees of The Toronto-Dominion Bank, including representatives of TD Investment Services Inc.

<sup>2</sup> TD Appreciate is an employee rewards and recognition program where employees can redeem points for merchandise or gift cards.

TD Direct Investing is a division of TD Waterhouse Canada Inc. TD Wealth represents the products and services offered by TD Waterhouse Canada Inc., TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company). TD Easy Trade™ is a service of TD Direct Investing, a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. TD Bank Group means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services.

®The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.

# TD Direct Investing Relationship Disclosure



Welcome to TD Direct Investing. We are committed to providing you with exceptional service, support and a comfortable investing experience to meet your unique needs. Whether you're just starting out or you've been investing for years, we offer educational resources, innovative tools, convenient access and knowledgeable people to help you invest with confidence. TD Direct Investing is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank.

Please review the information provided in this Relationship Disclosure document. It contains important details about the products and services we offer, the features of your account(s) and how it/they operate(s), and our responsibilities to you.

Should there be material changes impacting this Relationship Disclosure information, we will let you know. If you have any questions or if we can be of assistance in any way, please contact us at **1-800-465-5463**. We are ready to assist you.

## Products and Services Offered by TD Direct Investing

### Services

TD Direct Investing provides order execution only accounts as described below.

### Products

We offer access to the following investment products:

- Cash equivalents (e.g. T-Bills, high interest savings accounts and money market instruments)
- Fixed income or debt securities (e.g. bonds and debentures)
- Equities (e.g. stocks and warrants)
- Investment funds (e.g. mutual funds and exchange traded funds (ETFs))
- Derivatives (e.g. options)
- Principal protected notes, principal at risk notes, guaranteed investment certificates (GICs)
- Precious metal certificates

For certain types of products (such as principal protected notes, principal-at-risk notes, investment savings accounts and short term GICs) we may offer only TD products. In most circumstances, you will be able to transfer-in and hold products that are not offered by TD Direct Investing. However, you will not be able to make new investments in those products. TD Direct Investing may not allow the transfer-in of certain types of products or may place limits on the amount that can be held in your account. Generally, the investment products available on our trading platform will be able to be readily liquidated or sold. Any exceptions will be noted in your account statement.

For more information on investment products, you can read the investment explanations in the ***Investments at a Glance***, a booklet prepared by the Canadian Securities Administrators (CSA) for financial consumers. This booklet, along with other educational information, is available on the CSA website at [securities-administrators.ca](https://securities-administrators.ca) (see investor tools).

### Embedded Commission Ban

Regulations prohibit TD Direct Investing from accepting trailing commissions for prospectus-qualified mutual funds. TD Direct Investing will only make prospectus-qualified mutual funds without trailing commissions available for purchase in your TD Direct Investing account. You should also not hold prospectus-qualified mutual funds with trailing commissions in your TD Direct Investing account. If you do hold these funds, or transfer them into your account, one of the following actions will be taken:

1. TD Direct Investing or the investment fund manager will switch your fund to a non-trailer paying class or series of the same mutual fund, where the only difference is:
  - a. a lower management expense ratio, or
  - b. a lower management expense ratio and a difference in distribution policy and/or currency.

Where TD Direct Investing or the investment fund manager switches your fund, it will not result in a taxable disposition to you. You will receive a trade confirmation, which will

indicate the class or series into which you were switched. This will also be reflected in your history and on your account statement.

You can learn more about the class or series into which you were switched by referring to the Fund Facts document, which can be found on the mutual fund company's website or [SEDAR.com](https://www.sedar.com).

2. You will receive a management fee rebate from the investment fund manager equal to the amount of the trailer that would otherwise be paid.
3. You will receive a rebate from TD Direct Investing, at minimum, on a quarterly basis, in the amount of the trailer paid by the investment fund manager to us, if:
  - a. there is no switch available
  - b. you do not receive a management fee rebate, or
  - c. your mutual fund is subject to a deferred sales charge.

To learn more about rebates paid to you by TD Direct Investing, please see the Frequently Asked Questions section on our website.

## **Account Types and How They Operate**

### **Order Execution Only Account**

With our accounts, you can enter orders using our online trading platforms, through the TD app, or over the phone with one of our Investment Representatives. We provide you tools and resources to help you make informed investment decisions and be confident in your investment choices. We do not provide financial, legal, tax or investment advice or recommendations. You are solely responsible for making your own investment decisions and acknowledged that you are comfortable making your own investment decisions when you opened your TD Directing Investing account.

We will consider whether an account with TD Direct Investing will be appropriate for you, based on certain information you provide us in your account application. If you have any concerns about whether a TD Direct Investing account is right for you, please contact a TD Direct Investing representative.

### **Fractional Shares (also known as partial shares)**

TD Direct Investing allows you to buy and sell certain stock and exchange traded funds in fractional share quantities, also referred to as partial shares. A partial or fractional share is when you own less than one whole share of a security. Our fractional share offering allows you to invest based on a dollar value or based on share quantity (full share quantity or fractional share quantity), and to sell based on share quantity. When you invest based on a dollar value, the share quantity to be purchased will be rounded down to five decimal places and this may result in a difference between the requested dollar value and the actual amount of the executed dollar value trade. We record the quantity of fractional shares traded or held in your account to five decimal places.

For more information on fractional share trading please see our *Fractional Shares Disclosure - For TD Direct Investing and TD Easy Trade™ (a service of TD Direct Investing)* page at [td.com/DIFractionalShares](https://td.com/DIFractionalShares).

## **Fees and How They Are Calculated**

The fees you pay are set out in the *Commission Schedule* and *Statement of Disclosure of Rates and Fees* document provided to you at the time of account opening. This information can also be found on our website at [td.com/directinvesting](https://td.com/directinvesting).

The cost of trade commissions, account maintenance fees, fees and expenses charged within investment products like mutual funds, as well as other costs can impact the performance of your portfolio. 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 your account to compound and grow over time.

## **Investment Suitability**

### **Order-execution accounts**

TD Direct Investing does not advise you on the suitability of your investments or transactions, and will not be responsible for making a suitability determination. In particular, TD Direct Investing will not consider your current financial situation, investment knowledge, investment objectives and time horizon, risk tolerance, your account's investment portfolio composition and risk level, or other similar factors. TD Direct Investing does not advise you on whether any investment products and account types offered through TD Direct Investing are appropriate.

An account with TD Direct Investing is intended for investors who are comfortable making their own investment decisions and taking responsibility for their investments. If you are looking for investment advice, you should not open a TD Direct Investing account. Please contact us if you would like to open an account with another TD Waterhouse Canada Inc. division which offers investment advice.

### **Borrowing to Invest**

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only.

You should note that if you borrow money 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.

An investment strategy that uses borrowed money could result in far greater losses than an investment strategy that does not use borrowed money. There may also be tax consequences to you if assets in your account must be sold in order to meet any obligations to repay the borrowed money or any interest owing.

### **If you move**

If you move outside of Canada, it could affect our ability to serve you or your representatives. Our Investment Representatives must comply with the rules and regulations that are specific to where clients and their representatives reside. This limits our ability to provide services abroad. Similarly, some investments can only be

sold to investors in particular countries. Please contact one of our Investment Representatives about how our ability to offer products and services may be affected by your move.

## **Our Reporting To You**

### **Trade Confirmations**

When you buy or sell securities, a trade confirmation will be sent to you electronically or by mail, whichever you prefer, within two business days of the trade date.

It will contain the details of the transaction including but not limited to:

- Security name, marketplace and dates
- Amount paid by you for a purchase or paid to you on a sale
- Amount of any commission, spread, charge or fee applied

### **Account Statements**

You will receive an account statement:

- Monthly, if activity occurs in your account (excluding interest and dividend payments) in the preceding month or upon request
- Quarterly, whether or not there has been activity in your account

Each statement for the reporting period will include but is not limited to:

- Your name, address, account type and account number
- Telephone numbers for TD Direct Investing
- Book cost and market value of all holdings in the account
- Activity that occurred in the account for the reporting period
- Account performance and personal rates of return since the date you opened your account or January 1, 2012, whichever was later and for 1, 3, 5 and 10 -year periods, as applicable

### **Annual Report on Charges and Other Compensation**

Each year, you will receive a report, for the 12 months ended December 31st which will set out the following:

- The fees and charges related to the operation of your account
- The amount of any trailing commission received by us in relation to securities held in your account
- Any compensation, other than trailing commission, received by us from an issuer of securities or another dealer or adviser

### **Investment Benchmarks**

Investment benchmarks generally provide a broad measure of the return generated by specific asset classes over a given period. An Investment Benchmark can be used as a standard against which the performance of a security or investment portfolio can be measured. The most common form of investment benchmark is an index – such



as a stock or bond index. Some common broad-based market benchmarks include the S&P/TSX Composite Index, FTSE Canada Universe Bond Index, and the S&P 500 Index.

Measuring the return of your portfolio against appropriate benchmarks can be an effective way of assessing the relative performance of your investments.

We do not provide you with benchmarks in your performance report.

## **Conflicts of Interest**

TD Direct Investing and its representatives must act fairly, honestly and in good faith with you and our other clients. We may have conflicts of interest in providing you with services. These conflicts may be actual conflicts of interest or you may perceive that we have a conflict of interest. Either way, we disclose the material conflicts of interest we have identified and cannot avoid, how they could impact you and how we work to address those conflicts in your best interests.

For more information, please see our Conflicts of Interest Statement. The most current version is available at our website [td.com/tdwcoi](http://td.com/tdwcoi).

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

Canadian securities laws require us to ask you for the name and contact information for a person that you trust and who is familiar with your personal circumstances ("Trusted Contact Person" or "TCP"), so that we may contact your TCP to assist us in protecting your financial interests and assets in certain circumstances. You must immediately let us know of any change in your TCP's contact information and you can change your TCP at any time by contacting us and completing our TCP change process. You are not required to provide us with the name and contact information of a TCP but if you do, you confirm to us that your TCP is aware that you will give us this information and your TCP has agreed to act in this capacity.

We may contact your TCP if we notice signs of financial exploitation or if you exhibit signs of diminished mental capacity which we believe may affect your ability to make financial decisions relating to your account(s). We may also contact your TCP to confirm your contact information if we are unsuccessful in contacting you after repeated attempts, particularly if our failure to contact you is unusual. We may also ask the 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 your account. We will not accept instructions on your account from the Trusted Contact Person unless they are also your legal representative.

We may stop or refuse transactions on your account or even place a hold on your account, including in the circumstances noted below, until we have taken the steps necessary to ensure that we have complied with our legal and regulatory obligations in respect of your account. We may share our concerns with our affiliates, including any actions we may take.

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

## Other Helpful Information

We look forward to serving you. Our focus is on establishing open communication to build and maintain a strong relationship. Yet we know that misunderstandings and mistakes may occur. If you have a complaint, please let us know. A summary of our **Client Problem Resolution Process** is included for your reference in the *TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents* booklet provided to you at the time of account opening.

## Checklist of Documents

When you open an account, we provide you with copies of the following documents for your account:

1. TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents
2. TD Waterhouse Canada Inc. Conflicts of Interest Statement
3. This Relationship Disclosure Document
4. Commission Schedule and Statement of Disclosure of Rates and Fees
5. Strip Bond Disclosure Document
6. Canadian Investor Protection Fund (CIPF) Brochure
7. How to Make A Complaint
8. How CIRO Protects Investors

Thank you for choosing TD Direct Investing. Our Investment Representatives are pleased to assist by calling **1-800-465-5463**. We look forward to helping you achieve your financial goals, now and in the years to come.



## **TD Direct Investing**

# TD Direct Investing Commission Schedule and Statement of Disclosure of Rates and Fees



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## Commission Schedule

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# Commission Schedule<sup>A</sup>

Trades placed online or with a mobile app

Canadian and U.S. Equities and Options

Trades	Equities	Options
150+ Trades per Quarter <sup>B</sup>	\$7.00	\$7.00 +\$1.25 / contract
Less than 150 Trades per Quarter	\$9.99	\$9.99 +\$1.25 / contract
\$1.99 for trades less than 1 share		

Trades placed over the telephone with an Investment Representative

Canadian Equities

Stock Price	Commission
\$0 – \$.24	2.5%
\$.25 – \$1	\$35 + \$.005/sh
\$1.01 – \$2	\$35 + \$.02/sh
\$2.01 – \$5	\$35 + \$.03/sh
\$5.01 – \$10	\$35 + \$.04/sh
\$10.01 – \$20	\$35 + \$.05/sh
\$20.01 and over	\$35 + \$.06/sh

U.S. Equities (In U.S. Dollars)

Stock Price	Commission
\$0 – \$.24	3%
\$.25 – \$1	\$39 + \$.02/sh
\$1.01 – \$2	\$39 + \$.03/sh
\$2.01 – \$5	\$39 + \$.04/sh
\$5.01 – \$10	\$39 + \$.05/sh
\$10.01 – \$20	\$39 + \$.06/sh
\$20.01 – \$30	\$39 + \$.07/sh
\$30.01 and over	\$39 + \$.08/sh

A fee of \$43 (CDN or USD) will be charged on Canadian and U.S. Equity transactions with principal values less than \$2,000.

A minimum commission of \$43 is charged for each trade. Full commission and fee charges apply for each partial fill except when transacted within the same business day.

## Canadian and U.S. Options

### Option Value

\$0 – \$2

\$2.01 – \$3

\$3.01 – \$4

\$4.01 – \$5

\$5.01 and over

### Commission

\$35 + \$1.50 per contract

\$35 + \$2.00 per contract

\$35 + \$2.50 per contract

\$35 + \$3.00 per contract

\$35 + \$3.50 per contract

### Currency of Commission

For all trades, commissions for transactions denominated in USD dollars are priced in USD and charged in USD.

### Option Spreads and Combinations

Option Spread and Combination trades placed over the phone will be charged \$35 plus the per contract amounts listed above for all contracts traded (priced in the currency of the transaction).

### Option Assignments and Exercises

Automatic assignments and automatic exercises will be charged a commission of \$15 in the currency of the account for each transaction.

Client directed exercises of an option position will be charged \$43 in the currency of the account for each transaction.

### Gold and Silver (In U.S. Dollars)

#### **GOLD BULLION**

**\$30 + \$1/oz (In U.S. Dollars)**

#### **SILVER BULLION**

**\$30 + \$0.10/oz (In U.S. Dollars)**

# Fixed Income Investments

Canadian Over The Counter (O.T.C.) Bonds, U.S. Bonds, Exchange-Traded Bonds and Money Market Securities

Commissions for Bonds, Strip Coupons, GICs, T-Bills and other Fixed Income and Money Market securities are included in the quoted prices. Minimum purchase amounts vary by security.

Convertible Debentures

Bond Par Value	Commission
\$0 – \$49,999	\$40 + \$1.50/1,000
\$50,000 and over	\$40 + \$1.00/1,000

A minimum commission of \$110 is charged for trades with a par value of \$50,000 and over.

Commissions for transactions denominated in U.S. dollars (USD) are priced in USD and charged in USD.

## Mutual Funds<sup>c</sup>

**No commissions apply<sup>c</sup> to buy, sell or switch.** A short-term redemption fee may apply (see details below).

### Short-Term Redemption Fee Policy

This policy applies to all mutual funds offered through TD Direct Investing, except Money Market funds and those purchased on a Deferred Sales Charge (DSC) or rear load basis. Funds held for less than 30 days are subject to a short-term redemption fee of 1% of redemption value or \$45 (whichever is greater) in addition to any fee(s) the mutual fund company itself may charge.

**Special Note:** When an order is placed through one service (for example, an Investment Representative) and then changed through a different service (for example, an Electronic Brokerage Service), the commission charged will be based on the service with the higher commission structure.

# Fee Schedule<sup>A,D</sup>

All fee amounts indicated in CDN \$ unless otherwise specified.

## Banking Fees

### MoneyLink<sup>E</sup>

EasyLine<sup>TM</sup> and EasyWeb<sup>TM</sup> inquiries – refer to the TD Canada Trust “About Our Accounts and Related Services” brochure for current charges

**Interac** Direct Payment surcharge (where applicable) \$1.50  
(in addition to regular withdrawal charge)

President’s Account allows two free Interac withdrawals \$1.50  
monthly. Charge for each additional transaction

**Interac** ABM and PLUS System Foreign Currency Withdrawal  
Fees (in addition to regular withdrawal charge):

Foreign Exchange fee 2.5% of converted withdrawal amount

Handling fee in U.S. and Mexico \$3.00

Handling fee outside of Canada, U.S. and Mexico \$5.00

TD Canada Trust ATM Interim Statement \$1.00

Bill payment at a TD Canada Trust branch \$1.30

### Other Banking Fees

Stop Payment (cheque or pre-authorized payment) \$12.50

Non-sufficient funds (NSF) cheques returned per item

(Presentment charge – includes all items) \$48.00

### Wire Payments – Outgoing

Up to \$10,000 \$30.00

\$10,000 – \$50,000 \$50.00

More than \$50,000 \$80.00

U.S. dollar wire and fee in CDN equivalent.

Foreign bank charges may apply.

### Wire Payments – Incoming

Canadian/Foreign \$17.50

U.S. \$17.50 U.S.

Request for refund or replacement of lost or stolen

cheque/draft \$10.00

## Interest Rates

Please call TD Direct Investing for current interest rates on:

- Cash balances for Trading Accounts<sup>F</sup> and Registered Accounts
- Debit balances for Cash Accounts<sup>F</sup> and Registered Accounts
- Borrowing on Margin Accounts



# Trading Fees

## Streaming Market Data Fees<sup>D</sup>

A monthly fee for streaming market data services may be applicable to such services. Professional Users<sup>G</sup> are subject to additional fees levied by the exchanges. Please visit [td.com/ca/en/investing/direct-investing/pricing/](https://td.com/ca/en/investing/direct-investing/pricing/) for further information regarding our advanced streaming market data platforms and associated fees. Clients will be asked to accept the applicable fees when subscribing to the service.

## Maintenance Fees<sup>D</sup>

Household accounts<sup>^</sup> with total assets of \$15,000 or greater.

No Fee

Household accounts<sup>^</sup> with total assets of less than \$15,000.

\$25/quarter\*

**The fee will be waived if any one of the following conditions is met:**

- The first account in your household accounts<sup>^</sup> has been open for less than six months
- One or more of the accounts in your household accounts<sup>^</sup> are enrolled in a Systematic Investment Plan (SIP) or Preauthorized Deposit or Preauthorized Contribution that totals \$100/month or more
- Your household accounts<sup>^</sup> completed three or more trades<sup>H</sup> in the preceding quarter which incurred a commission\*\*
- Your household accounts<sup>^</sup> include a Registered Disability Savings Plan (RDSP)

\* The Maintenance Fee will be assessed at the end of each calendar quarter.

\*\* A commission paid trade is defined as a filled equity, exchange traded fund, or option order for which a commission has been charged.

<sup>^</sup> Household accounts are defined as those TD Direct Investing accounts (excluding TD Active Trader platform accounts) for clients living in the same household, with the same address. You must advise TD Direct Investing of these multiple account relationships.

## Transfer Fees (Partial and Full)<sup>i</sup>

Direct Trading and Registered Accounts	\$150.00
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## Other Registered Account Fees<sup>i</sup>

Full withdrawal fee (excluding RDSP, RESP, TFSA and RRIF)  
\$100.00

Partial withdrawal fee (RRSP, Basic RRSP, LIRA, LRSP only) \$25.00

Mortgages Held in a Registered Account – Per Mortgage,  
Per Plan (if applicable)

Set-up fee	\$250.00
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Mortgage increase	\$100.00
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Annual mortgage administration fee	\$225.00
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Split mortgage fee	\$100.00
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Mortgage payment received by cheque	\$5.00
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Partial discharge	\$50.00
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Discharge or arrears statement, additional advance	\$50.00
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NSF Cheques	\$48.00
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Additional Advance	\$50.00
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Arrears	\$50.00
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For details on additional mortgage set-up costs, contact your  
TD Canada Trust branch.

## Estate Accounts

Deposit of Physical Securities Certificates Registered in the  
Name of the Deceased

Processing fee (per security transaction) <sup>j</sup>	\$150.00
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## Account Statements and Trade Confirmations

Electronic Account Statements and Trade Confirmations	No Fee
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Mailed Trade Confirmations and Account Statements (per envelope)	\$2.00
(waived for Accounts not registered for WebBroker)	

Duplicate statement/confirmation/tax slip request Less than 7 years (per item)	\$5.00
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## Other Fees

Delivery and receipt against payment (per transaction)	\$50.00
Small Business Investment Trusts (SBITs) – on approval basis only	
Transaction fee – minimum per security transaction <sup>J</sup>	\$250.00
Annual administration fee per security	\$100.00
Private Placements – on approval basis only	
Transaction fee – minimum per security transaction <sup>J</sup>	\$250.00
Restricted Shares – on approval basis only	
Transaction fee – minimum per security transaction <sup>J</sup>	\$200.00
Annual administration fee per security	\$100.00
Delivery of registered certificates and/or Direct Registration Services (DRS) statement <sup>I</sup>	
Canadian Companies (certificate and DRS statement)	\$56.50
U.S. Companies (DRS statement)	\$80.00 U.S.
Rush (1-3 business days-applicable to Canadian securities only)	\$150.00
Note: Additional shipping charges may apply for delivery of certificates outside Canada. If a U.S. certificate is required in exceptional circumstances, the U.S. Depository charges \$500.00 U.S.	
Shareholder Communication materials for Objecting Beneficial Owners (OBOs) only.	
Material delivery costs incurred when the issuer or third party does not pay, depending on the size and weight of the item.	
Cheque pick-up fee (per cheque)	\$6.50
Asset Transfers to a related third party	
TD Direct Investing account (per request) <sup>K</sup>	\$15.00
Handling Fee for Under-Margined/Debit Balance Accounts (per event plus applicable commissions)	\$15.00

# Statement of Disclosure of Rates and Fees for TD Direct Investing

## Trading Accounts

(including Cash, Margin, Option and Short Selling Accounts)

- Direct Trading
- President's Account
- Quebec Stock Savings Plan

## Registered Accounts<sup>1</sup>

- Registered Retirement Savings Plan (RRSP)
- Registered Retirement Income Fund (RRIF)
- Basic (RRSP/RRIF/LIRA/LRIF/LIF)
- First Home Savings Account (FHSA)
- Locked-In Plans (LIRA, LIF, LRSP, LRIF, RLSP, RLIF, Prescribed RIF (PRIF))
- Registered Education Savings Plan (RESP)
- Tax-Free Savings Account (TFSA)
- Registered Disability Savings Plan (RDSP)

## Electronic Brokerage Services

### Moneylink

- 1. Trading Accounts and Registered Accounts:** TD Direct Investing trading accounts (Margin and Cash), and the following Registered accounts, RRSPs (except for Basic RRSPs), RIFs, RLSP, LRSP and TFSAs operate in both Canadian and US dollars. Other TD Direct Investing Registered accounts (RESPs and RDSPs) may only be established in Canadian dollars.
- 2. Interest on Cash Balances in Trading Accounts:** Interest on the Canadian and U.S. dollar accounts will be calculated at TD Direct Investing's prevailing rates, based on the daily closing cash balance and paid monthly. Interest shall not be payable on a closing credit balance in a short margin account. No interest is paid on closing cash balances where the monthly amount is less than the following for each currency: CDN \$5 and USD \$5.
- 3. Interest on Debit Balances for Cash Accounts:** Interest will be charged on Canadian Dollar Direct Trading account debit balances at TD's prevailing overdraft interest rate and on U.S. dollar debit balances at TD's U.S. Dollar Base Rate, specified by the prevailing interest rates and subject to a minimum charge as specified by TD Direct Investing from time to time.  
  
Interest will be charged on President's Account debit balances at TD's prevailing Canadian Prime and/or U.S. Dollar Base Rate plus an annual percentage at the rate specified by the prevailing interest rates. Interest will be calculated on the daily closing balance in the account and is payable monthly. The minimum overdraft charge will be the charge specified by the prevailing interest rates.
- 4. Interest on Borrowings for Margin Accounts:** Borrowing on this account will be subject to interest at TD's prevailing Canadian Prime and/or U.S. Dollar Base Rate plus a specified percentage per annum calculated on the daily closing balance of the account and payable monthly. Borrowings include all fees charged to these accounts.
- 5. Interest on Debit Balances for Registered Accounts<sup>1</sup>:** Interest will be charged on debit balances at TD's prevailing overdraft interest rate calculated on the daily closing balance of the account and payable monthly.
- 6. Interest on Cash Balances in Registered Accounts<sup>1</sup>:** Interest will be calculated at TD Direct Investing prevailing rates, based on the daily

closing cash balance and, if payable, will be paid monthly.

- 7. Deposits or Contributions:** Deposits or contributions to your account may be made without charge through EasyLine telephone banking and EasyWeb Internet banking, at any TD Canada Trust branch or TD Direct Investing location in Canada. MoneyLink clients may also deposit through any Automated Banking Machine (ABM), via Interac or PLUS worldwidenetwork (provided MoneyLink clients have completed the appropriate documentation).
- 8. Withdrawals:** Cash withdrawals from TD Direct Investing accounts may be completed using the Electronic Fund Transfer (EFT) service or by forwarding to your TD Canada Trust branch or a TD Direct Investing location for "pick-up", upon approval of a TD Direct Investing authorized officer. Refer to "Other Fees" for Cheque Pick-up fee details. Any other type of settlement or security withdrawal request will be subject to a handling charge.

If certificates are requested on full or partial redemption of a registered account, additional funds may be required to cover the applicable withholding tax.
- 9. Account Closure/Transfer Fee:** A fee will be charged for all trading and registered accounts that are withdrawn in full or transferred to another financial institution.
- 10. Commission and Fee Charges:** See Commission Schedule for trades executed by TD Direct Investing through Canadian and U.S. exchanges.

Trade orders entered will be charged the applicable commission rate on a per order basis. Partial fills executed on more than one day will be charged applicable TD Direct Investing commissions for each day.

In most fixed income product transactions, we may act as principal. We and parties related to us receive revenue based, where applicable, on rates established with the issuer (which may be a party related to us), or on the difference between the price paid by those related parties and by us, and the price you pay. We may also charge commissions on these transactions, including bond option exercises and assignments.
- 11. Notice of Account Conditions:** TD Direct Investing reserves the right to require a seven day notice period for intended withdrawals from accounts.
- 12. Presentment Charges:** All NSF items returned to TD Direct Investing are subject to a presentment charge against the account identified on the application.
- 13. Waiver of Protest:** Presentment, protest and notice of dishonour of all items including cheques lodged with TD Direct Investing are waived and the full amount of any such item may be charged back to any or all accounts if we do not receive prompt payment thereof and any such item will be forwarded to you by ordinary mail, not insured, at your risk.
- 14. Maintenance Fee:** A fee will be assessed on your total combined household account relationship<sup>^</sup> and charged for all households that do not meet the waiver criteria outlined in this document. The fee will be calculated based on the assets at the calendar quarter end and charged in following month.

<sup>^</sup>Household accounts for this purpose are defined as those TD Direct Investing accounts for clients living in the same household, with the same address. You must advise TD Direct Investing of these multiple account relationships.
- 15. Administration Fees:** An annual administration fee specified under Other Fees will be charged annually in March every year for each Small Business Investment Trust (SBIT) in your account(s). The fee for SBITs processed into your account(s) before the annual billing date will be prorated, excluding partial months.
- 16. Currency Conversion:** If you make a trade involving a security which is denominated in a currency other than the currency of the account in

which the trade is to settle, or receive a payment to your account in a currency other than the currency of the account, a conversion of currency may be required. In all such transactions and at any time a conversion of currency is made, we will act as principal with you in converting the currency at rates established or determined by us or parties related to us. We and the parties related to us may earn revenue, in addition to the commission applicable to such a trade, based on the difference between the applicable bid and ask rates for the currency and the rate at which the rate is offset either internally, with a related third party, or in the market. The charge to you and the revenue earned by us and parties related to us may be higher when a transaction requires more than one currency conversion or when the currency is not commonly traded. Conversion of currency, if required, will take place on the trade or deposit date, as applicable, unless we agree otherwise.

Where a transaction with a mutual fund company involves a currency conversion, the company may charge you for the conversion. Where the company is not a part of TD, neither we nor any party related to us earns any revenue in connection with such conversions. Where the company is a part of TD, it may earn revenue in connection with such conversions as described herein, but we do not.

When a security is held in an account denominated in a currency other than that specified for payment in a corporate action, we will convert that payment at our then-prevailing exchange rate and make payment to your account in the currency of that account.

- 17. Communications:** Communications include notices, margin calls, demands, reports and transaction confirmations. You agree that we: (a) may send Communications to you at any address (including a mailing address, email address, electronic, internet address) or fax number that you give us in your application or thereafter in writing; and (b) may contact you by phone for Communications not required to be in writing. All Communications sent to you, regardless of how they are sent, will be considered to be delivered to you personally, whether you actually receive them or not.

**Reports and transaction confirmations will be considered final if not objected to on the date of notification by telephone or within 10 days of when we send them to you. Statements of your account will be considered final if not objected to within 45 days of when we send them to you.**

- 18. Client Problem Resolution Process:** We process large volumes of client account transactions each day and we do everything to ensure that your business is handled in an efficient, courteous and accurate manner. However, we want to know if we have not met the high level of standards we set for ourselves. We have procedures for clients that wish to bring a complaint to our attention and have it addressed quickly and effectively.

If you should have a complaint, we encourage you to contact us at 1-800-465-5463. If it is not resolved to your satisfaction, please write to Wealth Cares team, P.O. Box 5999, Stn. F, Toronto, Ontario, M4Y 2T1, or by fax at 416-983-2578.

**Please Note:** In the case of conflict between the information contained in this statement and the conditions contained in any written agreement, the written agreement prevails.

For more information, please call  
TD Direct Investing  
at 1-800-465-5463.  
[td.com/directinvesting](http://td.com/directinvesting)

- A. Commissions for transactions denominated in U.S. dollars (USD) are priced in USD and charged in USD. Commissions and interest rates are subject to change without notice. All other rates and fees are subject to change upon 60 days prior notice. Fees are charged in the currency of the account to which they relate. All trade orders will be charged an applicable commission rate on a per order basis. For instance, if multiple trade orders are placed on the same day, for the same security, and on the same side of the market, each individual order will be subject to the applicable commission rate.
- B. Your household's quarterly trading activity will be reviewed on a monthly basis using your eligible trading activity from the previous three calendar months. An eligible trade is defined as a stock, exchange-traded fund, or option order for which a commission has been charged. Pricing will go in to effect on the 4th business day of every month. Household accounts are defined as those TD Direct Investing accounts for clients living in the same household, with the same address. You must advise TD Direct Investing of these multiple account relationships.
- C. Mutual Fund charges imposed by the Fund companies (i.e. set-up Fees, early redemption fees) are in addition to those charged by TD Direct Investing (if any). These charges vary with particular funds. Please contact us for further details. Minimum purchase amounts may vary with particular funds. Please refer to the simplified prospectus of each mutual fund before investing.
- D. Subject to GST or HST where applicable. GST and HST Registration #899181127 RT0001.
- E. This service is only available to President's Account clients.
- F. Interest of less than CDN \$5 or USD \$5 on cash balances in any month is not paid.
- G. A "Professional User" is any one of the following:
- An employee of (i) a member of any stock exchange or (ii) a Canadian Investment Regulatory Organization (CIRO) Dealer Member, or (iii) any business registered under any securities law or regulation;
  - An individual or entity trading in the account as a paid agent for a third party; or
  - An individual or entity whose account is in the name of a corporation, partnership or sole proprietorship.
- H. Trades which are considered to have incurred a commission or fee are: Buys and sells of Equities, Options, Mutual Funds with fees (excludes MERs), Fixed Income – Bonds, Treasury Bills, Bankers' Acceptances, Bearer Deposit Notes, Commercial Paper and Crown Corporation Money Market Instruments. Buys and sells of GICs, Term Deposits, Canada Savings Bonds, Money Market Mutual Funds and Provincial Savings Bonds are not eligible trades.

- <sup>i.</sup> Registered Accounts
- Registered Retirement Savings Plan (RRSP)  
- Refers to the TD Waterhouse Self-Directed Retirement Savings Plan
  - Registered Retirement Income Fund (RRIF)  
- Refers to the TD Waterhouse Self-Directed Retirement Income Fund
  - Basic (RRSP/RRIF/LIRA/LRIF/LIF) - Refers to the TD Waterhouse Self-Directed RSP, RIF and Locked-in Plans
  - First Home Savings Account (FHSA) – refers to the TD Waterhouse First Home Savings Account
  - Locked-In Plans (LIRA, LIF, LRSP, LRIF, RLSP, RLIF, Prescribed RIF (PRIF))  
- Refers to the TD Waterhouse Self-Directed Locked-in Plans
  - Registered Education Savings Plan (RESP)  
- Refers to the TD Securities Inc. Self-Directed Education Savings Plan
  - Tax-Free Savings Account (TFSA)  
- Refers to the TD Waterhouse Tax-Free Savings Account
  - Registered Disability Savings Plan (RDSP)  
- Refers to the TD Waterhouse Disability Savings Plan
- <sup>j.</sup> Other charges may apply, including but not limited to all applicable fees incurred from the transfer agent, lawyer, or issuing company for re-registration.
- <sup>k.</sup> Applicable to related third party transfers involving a TD Direct Investing account of an immediate family member (one degree removed and grandparents), or a family trust account (legal trust) where the client is a settler.



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TD Direct Investing is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. TD Bank Group means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services.

®The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.

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## **STRIP BONDS AND STRIP BOND PACKAGES INFORMATION STATEMENT**

**We are required by provincial securities regulations to provide you with this Information Statement before you can trade in strip bonds or strip bond packages based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Please review it carefully.**

### **Preliminary Note Regarding the Scope of this Information Statement**

This information statement relates to strip securities that are based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Provincial securities regulations create an exemption from dealer registration and prospectus requirements for these types of securities.

Strip securities may also be based on Canadian corporate bonds. While some of the information in this Information Statement may also be relevant to corporate bond-based strips, corporate bond-based strips are outside the scope of this Information Statement. If you are planning to purchase a strip or strip package based on a corporate Canadian bond, please note that such securities are not governed by the regulations referred to above, but rather, may be subject to certain decisions issued by Canada's securities regulatory authorities exempting certain Canadian corporate bond-based strip securities from various regulatory requirements, including Section 2.1 of National Instrument 44-102 – *Shelf Distributions* and Section 2.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*. See e.g. *RBC Dominion Securities Inc. et al.*, (2013) 36 OSCB 3867 (Apr. 8), online: [www.osc.gov.on.ca/en/SecuritiesLaw\\_ord\\_20130411\\_2110\\_rbc-dominion.htm](http://www.osc.gov.on.ca/en/SecuritiesLaw_ord_20130411_2110_rbc-dominion.htm). Pursuant to each such decision, Canadian securities dealers file with the applicable Canadian securities regulatory authorities a short form base shelf prospectus and certain supplements thereto, pursuant to which certain Canadian corporate-bond based strip securities may be distributed on an on-going basis without a full prospectus (the “CARs<sup>1</sup> and PARs<sup>2</sup> Programme”). For each decision, the applicable shelf prospectus and its supplements may be found on the System for Electronic Document Analysis and Retrieval or “SEDAR” at [www.sedar.com](http://www.sedar.com).

**Risk and other disclosures relating to securities issued as part of the CARs and PARs Programme are set forth in the shelf prospectus and supplements published on SEDAR, and investors considering purchasing such securities are advised to consult these documents, since considerations unique to securities issued as part of the CARs and PARs Programme are not addressed herein.**

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<sup>1</sup> CARs are corporate strip bonds comprised of coupon and residual securities.

<sup>2</sup> PARs are a form of strip bond package where the coupon rate is reduced to current yields, thus allowing the package to be sold at par.

### **Strip Bonds and Strip Bond Packages (“Strips”)**

A strip bond—commonly referred to as a “strip”—is a fixed-income product that is sold at a discount to face value and matures at par. This means the holder is entitled to receive the full face value at maturity. Strips do not pay interest, but rather, the yield at the time of purchase is compounded semi-annually and paid at maturity. Since the return on a strip is fixed at the time of purchase, strips may be a suitable investment where the holder requires a fixed amount of funds at a specific future date.

A strip is created when a conventional debt instrument, such as a government or corporate bond, discount note or asset-backed security (i.e., the “underlying bond”), is separated into its “interest” and “principal” component parts for resale. Components are fungible and may be pooled together where they share the same issuer, payment date and currency and have no other distinguishing features. The two types of components may be referred to as follows:

- The “coupon”: the interest-paying portion of the bond; and
- The “residual”: the principal portion.

A strip bond package is a security comprised of two or more strip components. Strip bond packages can be created to provide holders with a regular income stream, similar to an annuity, and with or without a lump sum payment at maturity.<sup>3</sup> By laddering strips with staggered maturities or other payment characteristics, holders can strategically manage their cash flow to meet their future obligations and specific needs.

### **Strips vs. Conventional Bonds**

Strips are offered on a variety of terms and in respect of a variety of underlying bonds, including government bonds issued by the Government of Canada or provincial, municipal and other government agencies, or a foreign government. CARs and PARs are examples of strips derived from high-quality corporate bonds. Some differences between strips and conventional bonds that you may wish to consider include the following:

- strips are sold at a discount to face value and mature at par, similar to T-bills. Unlike conventional interest-bearing debt securities, strips do not pay interest throughout the term to maturity; rather, the holder is entitled to receive a fixed amount at maturity. The yield or interest earned is the difference between the discounted purchase price and the maturity value; thus, for a given par value, the purchase price for a strip will typically be lower the longer the term to maturity;
- a strip with a longer term to maturity will generally be subject to greater price fluctuations than a strip of the same issuer and yield but with a shorter term to maturity;
- strips typically offer higher yields over T-Bills, GICs and term deposits, and over conventional bonds of the same issuer, term and credit rating;

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<sup>3</sup> A bond-like strip bond package has payment characteristics resembling a conventional bond, including regular fixed payments and a lump-sum payment at maturity. In contrast, an annuity-like strip bond package provides regular fixed payments but no lump-sum payment at maturity.

- the higher yield offered by strips reflects their greater price volatility. Like conventional bonds, the price of a strip is inversely related to its yield. Thus, when prevailing interest rates rise, strip prices fall, and vice versa. However, the rise or fall of strip prices is typically more extreme than with conventional bonds of the same issuer, term and credit rating. The primary reason for this greater volatility is that no interest is paid in respect of a strip bond prior to its maturity;
- unlike conventional bonds that trade in \$1,000 increments, strips may be purchased in \$1 multiples above the minimum investment amount, thereby enabling a holder to purchase a strip for any desired face value amount above the minimum investment amount; and
- strips are less liquid than conventional bonds of the same issuer, term and credit rating: there may not be a secondary market for certain strips and strip bond packages, and there is no requirement or obligation for investment dealers or financial institutions to maintain a secondary market for strips sold by or through them; as a result, purchasers should generally be prepared to hold a strip to maturity, since they may be unable to sell it—or only able to sell it at a significant loss—prior to maturity.

#### **Dealer Mark-ups and Commissions**

When purchasing or selling a strip bond or a strip bond package, the prospective purchaser or seller should inquire about applicable commissions (mark-ups or mark-downs) when executing the trade through an investment dealer or financial institution, since such commissions will reduce the effective yield (if buying) or the net proceeds (if selling). Investment dealers must make reasonable efforts to ensure the aggregate price, inclusive of any mark-up or mark-down, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between \$0.25 to \$1.50 per \$100 of maturity amount of the strip, with commissions typically at the higher end of this range for small transaction amounts, reflecting the higher relative costs associated with processing small trades.

The table below illustrates the after-commission yield to a strip holder with different terms to maturity and assuming a before-commission yield of 5.5%. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 5.229%. The before-commission cost of this particular strip bond will be \$94.72 per \$100 of maturity amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. In contrast, a strip bond with a term to maturity of 25 years and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 5.267%. The before-commission cost of this particular strip bond will be \$25.76 per \$100 of maturity amount while the after-commission cost will be \$27.26 per \$100 of maturity amount.<sup>4</sup>

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<sup>4</sup> The purchase price of a strip bond may be calculated as follows:

Purchase Price = Maturity (Par) Value /  $(1 + y/2)^{2n}$

where “y” is the applicable yield (before or after commission) and “n” is the number of years until maturity. For example, the purchase price (per \$100 of maturity value) for a strip bond that has a yield of 5.5% and 25 years until maturity is:

$100/(1+0.0275)^{50} = \$25.76$ .

Commission or dealer mark-up amount (per \$100 of maturity amount)	Term to maturity in years and yield after commission or dealer mark-up (assuming a yield before commission of 5.5%)					
	1	2	5	10	15	25
\$0.25	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
\$0.75	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
\$1.50	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%

Prospective purchasers or sellers of strips should ask their investment dealer or financial institution about the bid and ask prices for strips and may wish to compare the yield to maturity of the strip, calculated after giving effect to any applicable mark-up or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

#### Secondary Market and Liquidity

Strips may be purchased or sold through investment dealers and financial institutions on the “over-the-counter” market rather than on an exchange. Where there is an active secondary market, a strip may be sold by a holder prior to maturity at the prevailing market price in order to realize a capital gain or to access funds. However, liquidity may be limited for certain strip bonds and strip bond packages, and, as noted above, investment dealers and financial institutions are not obligated to maintain a secondary market for strips sold by or through them. **As a result, there can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time, and investors should generally be prepared to hold strips to maturity or run the risk of taking a loss.**

#### Other Risk Considerations

Potential purchasers of strips should conduct their own research into the term, yield, payment obligations and particular features of a strip prior to purchase. While not an exhaustive list, you may wish to consider some of the following potential risks:

*Credit risk of the issuer* – strips represent a direct payment obligation of the government or corporate issuer, thus any change to an issuer’s credit rating or perceived credit worthiness may affect the market price of a strip, and the impact may be more severe than the impact on conventional bonds of the same issuer.

*Interest rate risk* – if interest rates rise, the market value of a strip will go down, and this drop in market value will typically be more severe than the drop in market value for the corresponding conventional bond from the same issuer for the same term and yield. If interest rates rise above

the yield of the strip at the time of purchase, the market value of the strip may fall below the original price of the strip.

*Market and liquidity risk* – strips are not immune to market or liquidity risks and may have specific terms and conditions that apply in the event of a market disruption or liquidity event. If liquidity is low, it may be difficult to sell a strip prior to maturity and there may be large spreads between the bid and ask prices. **There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time.**

*Currency risk* – strips may pay out in a currency other than Canadian dollars. Currency fluctuations may enhance, nullify or exacerbate your investment gains or losses.

*Component risk* – you should ensure that you understand and are comfortable with the underlying components, terms, risks and features of a strip bond or strip bond package prior to purchase. For example, strips may be derived from asset-backed securities or callable or retractable bonds, and may have features such as inflation indexation or structured payments.

*Price volatility* – strips are generally subject to greater price volatility than conventional bonds of the same issuer, term and credit rating, and will typically be subject to greater price fluctuations in response to changes to interest rates, credit ratings and liquidity and market events. The table below shows the impact that prevailing interest rates can have on the price of a strip. For example, as indicated in the table below, an increase in interest rates from 6% to 7% will cause the price of a 5 year strip bond with a maturity value of \$100 to fall by 4.73%—a larger percentage drop than for a \$100 5 year traditional bond, whose price would fall only 4.16%, assuming the same increase in interest rates.

#### Market Price Volatility

Bond Type	Market Price	Market yield	Price with rate drop to 5%	Price change	Price with rate increase to 7%	Price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	\$74.41	6.00%	\$78.12	+ 4.99%	\$70.89	- 4.73%
6% 20 Year Bond	\$100.00	6.00%	\$112.55	+ 12.55%	\$89.32	- 10.68%
20 Year Strip Bond	\$30.66	6.00%	\$37.24	+ 21.49%	\$25.26	-17.61%

#### **Custodial Arrangements**

Due to the high risk of forgery, money laundering and similar illegal activities—and the costs associated with such risks—with physical strips and bearer instruments, most investment dealers and financial institutions will only trade or accept transfer of book-based strips. CDS Clearing and Depository Services Inc. (“CDS”) provides strip bond services, including book-based custodial services for strips and underlying bonds. Custodian banks or trust companies may also create and take custody of strips that are receipt securities, and may permit holders to obtain a registered certificate or take physical delivery of the underlying coupon(s) or residue(s). However, if the holder decides to take physical delivery, he or she should be aware of the risks,

including the risk of lost ownership, associated with holding a bearer security which cannot be replaced. In addition, the holder should be aware that the secondary market for physical strips may be more limited than for book-based strips due to the risks involved. Investors in strip components held by and at CDS are not entitled to a physical certificate if the strips are Book Entry Only.

### **Canadian Income Tax Summary**

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should refer questions to the Canada Revenue Agency (<http://www.cra-arc.gc.ca/>) or consult their own tax advisors for advice relating to their particular circumstances.

The following is only a general summary regarding the taxation of strip bonds and strip bond packages under the *Income Tax Act (Canada)* (the “Tax Act”) for purchasers who are residents of Canada and hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The following does not constitute legal advice.

### **Qualified Investments**

Strip bonds and strip bond packages that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are “qualified investments” under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (“Registered Plans”). Depending on the circumstances, strip bonds issued by corporations may also be “qualified investments” for Registered Plans.

### **Annual Taxation of Strip Bonds**

The Canada Revenue Agency takes the position that strip bonds are a “prescribed debt obligation” within the meaning of the Tax Act. Consequently, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year. Strips may therefore be more attractive when purchased and held in non-taxable accounts, such as self-directed Registered Plans, pension funds and charities.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using the interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the underlying bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the underlying bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of that year to June 30 of the subsequent year (provided that the strip bond is still held on June 30 of the subsequent year).

In some circumstances the anniversary date of the issuance of the underlying bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

***Disposition of Strip Bonds Prior To Maturity***

A purchaser who disposes of a strip bond prior to, or at, maturity, is required to include in the purchaser's income for the year of disposition notional interest accrued to the date of disposition that was not previously included in the purchaser's income as interest. If the amount received on a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss.

***Strip Bond Packages***

For tax purposes, a strip bond package is considered a series of separate strip bonds with the income tax consequences as described above applicable to each such component of the strip package. Thus a purchaser of a strip bond package will normally be required to make a calculation in respect of each component of the strip bond package and then aggregate such amounts to determine the notional interest accrued on the strip bond package. As an alternative, in cases where the strip bond package is issued at or near par and is kept intact, the Canada Revenue Agency will accept tax reporting that is consistent with reporting for ordinary bonds (i.e., reported on a T5 tax slip as accrued interest where it is matched by cash flow), including no obligation to report premium or discount amortization where the strip bond package is subsequently traded on the secondary market.

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# How CIRO protects investors



You are opening an account with a firm regulated by the Canadian Investment Regulatory Organization (CIRO). CIRO regulates the activities of Canadian investment dealers and mutual fund dealers and the advisors they employ.

CIRO works to protect investors. Here is how:



### Rules and Standards

CIRO sets rules for the firms and advisors we regulate, from conduct rules regarding the handling of your account to capital requirements to reduce the risk of a firm insolvency to how your firm trades on a marketplace. These rules protect investors like you.



### Oversight

We conduct regular reviews of all firms to make sure they comply with our rules. We also monitor the trading activity of all Canadian marketplaces. We can take disciplinary action if firms or their advisors break our rules.



### Registration and Education Requirements

Advisors registered with a CIRO regulated firm must pass background checks and specific education requirements before they become registered. They must also meet continuing education requirements to keep their knowledge up to date.



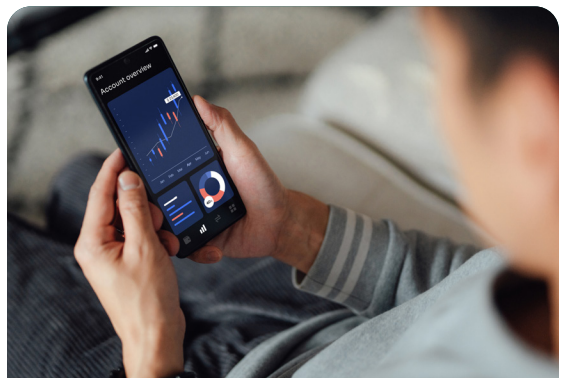
### Putting Your Interests First

If you are receiving investment advice, your advisor must first work with you to understand your personal and financial circumstances, investment needs and objectives, risk profile and investment time horizon. Any investment recommendation your advisor makes must be suitable for you and put your interests first.



### Keeping You Informed

Your firm must keep you informed about your investments with regular account statements and periodic reports on the fees and charges you pay and the performance of your investments.





## Addressing Your Complaints

You can complain directly to your firm and they must address your complaint fairly. You can also complain directly to CIRO if you feel there has been misconduct in the handling of your account and we can investigate and, if necessary, take disciplinary action.



## Ombudsman

If you are not satisfied with your firm's response to your complaint, you can also complain to the Ombudsman for Banking Services and Investments.

Learn more at **obsi.ca**



## CIPF Protection

Your account is eligible for CIPF protection if your CIRO regulated firm becomes insolvent.

Learn more at **cipf.ca**

## Questions?

Contact us:

1-877-442-4322



**ciro.ca**



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# How to Make A Complaint





Here is what you need to know if you have a complaint about your advisor or investment firm regulated by CIRO.

### **You Can Make a Complaint to Your Investment Firm**

Clients of a firm regulated by CIRO who are not satisfied with a financial product or service can make a complaint to the firm and seek resolution of the problem. The firm must follow our rules for handling client complaints and address your complaint promptly and fairly. You can find your firm's contact information on your account statement and your firm's complaint handling procedures on their website.

### **About CIRO**

CIRO regulates the activities of Canadian investment dealers and mutual fund dealers and the advisors they employ. CIRO sets rules for the firms and advisors we regulate and monitors the trading activity on all Canadian marketplaces. We can take disciplinary action if firms or their advisors break our rules. CIRO is overseen by the provincial and territorial securities regulators.



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## You Can Also Complain Directly to CIRO

If you feel there has been misconduct in the handling of your account we want to hear from you. You can complain to CIRO directly and we can investigate to determine if your advisor or firm has broken our rules and, if necessary, take disciplinary action. Disciplinary action can include fines or suspensions for firms or advisors that have broken our rules. You can make a complaint to CIRO, at any time, whether or not you have complained to your firm. However, CIRO does not order compensation to investors. If you are seeking compensation, the first step is to make a complaint to your investment firm. You can also consider the options described on the pages that follow.

We can be contacted by:

- 1 Completing the easy and convenient online complaint form at [ciro.ca](http://ciro.ca)
- 2 By email at [info@ciro.ca](mailto:info@ciro.ca)
- 3 By telephone at 1-877-442-4322
- 4 Fax at 1-888-497-6172
- 5 40 Temperance Street, Suite 2600  
Toronto, ON M5H 0B4

## Examples of Complaints We Investigate

Your firm or advisor:



Recommended investments that were too risky for you;



Made trades in your account without your permission or used your funds in ways that you were unaware of;



Charged you fees that were not explained to you;



Signed forms on your behalf without your knowledge.

## If You Are Seeking Compensation You Have Options

### The Ombudsman for Banking Services and Investments (OBSI)

If you do not receive a response from your investment firm within 90 days or you are not satisfied with the firm's response you can go directly to OBSI. OBSI is Canada's free, independent and impartial service for resolving investment and banking disputes with participating firms. CIRO requires all the investment firms it regulates to take part in the OBSI process. OBSI can recommend compensation up to \$350,000, but currently its decisions are not legally binding. **You have 180 days to bring your complaint to OBSI after receiving a response from your investment firm. If your firm has not responded within 90 days, then you can take your complaint to OBSI without your firm's response.**

You can contact OBSI at:

- 1 1-888-451-4519
- 2 ombudsman@obsi.ca
- 3 obsi.ca
- 4 20 Queen Street West, Suite 2400  
P.O. Box 8  
Toronto, ON M5H 3R3



### Other Options

#### Going to Court

You can hire a lawyer to take legal action or to assist you with your complaint, however this can be an expensive option. There are also time limits on legal action, which vary by province or territory. Once the time limit expires you may not be able to pursue your claim.

#### Arbitration

Arbitration is a process where a qualified arbitrator, chosen in consultation with both you and the investment firm, hears both sides and makes a final, legally binding decision about your complaint. This option is available if your CIRO firm is an investment dealer. There are costs to using arbitration, though often less than going to court. The arbitrator acts like a judge and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators in the CIRO arbitration program can award up to \$500,000.



## Provincial and Territorial Securities Regulators

### Quebec

If you live in Quebec, in addition to the options previously described, you can use the free services of the **Autorité des marchés financiers** (AMF). If you are dissatisfied with the firm's handling of the complaint or the outcome, you can request to have the complaint examined by the AMF. The AMF will assess the complaint and may offer conciliation and mediation services, though firms are not required to participate.

If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d'indemnisation des services financiers ("Financial Services Compensation Fund"). Up to \$200,000 can be payable for an eligible claim.

For more information on the AMF:

- 1 1-877-525-0337
- 2 [lautorite.qc.ca/en](http://lautorite.qc.ca/en)



### Other Provinces or Territories

Some provincial or territorial securities regulators can, *in certain cases*, seek an order that a person or company that has broken securities law pay compensation to harmed investors who make a claim. These orders are enforced similar to court judgments.

Access the link to your provincial or territorial securities regulator by visiting the following Canadian Securities Administrators page: [securities-administrators.ca/about/contact-us](https://securities-administrators.ca/about/contact-us)





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Your complaint matters. It helps to ensure you are treated fairly and can help CIRO better protect investors now and in the future.

Learn more about how to make a complaint, where you can get help and your options for seeking compensation.



[ciro.ca](https://ciro.ca)



Canadian Investor Protection Fund

# Canadian Investor Protection Fund



# What does CIPF do for investors?

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CIPF is a compensation fund that provides protection (within certain limits) if property being held by a member firm on a customer's behalf is missing (i.e., not returned to the customer) following the member firm's insolvency.

Member firms are (i) investment dealers and/or (ii) mutual fund dealers that are members of the Canadian Investment Regulatory Organization (CIRO) which oversees all investment dealers and mutual fund dealers in Canada. Lists of CIPF member firms are available at [www.cipf.ca](http://www.cipf.ca).

# What does CIPF cover?

## CIPF COVERS:

■ Missing property - This is property held by a member firm on your behalf that is not returned to you following the firm's insolvency. Missing property can include:

- cash and cash equivalents
- securities
- commodity and futures contracts
- segregated funds

A “security” is a type of financial instrument. Examples of securities include: bonds, GICs (guaranteed investment certificates), shares or stock of a company, units or shares of an investment fund such as mutual fund or an ETF (exchange-traded fund), and units of limited partnerships.

## CIPF DOES NOT COVER:

- • Losses resulting from any of the following:
  - a drop in the value of your investments for any reason
  - investments not suitable for you
  - fraudulent or other misrepresentations made to you
  - misleading information given to you
  - important information not disclosed to you
  - poor investment advice
  - the insolvency or default of the company or organization that issued your security
- Securities held directly by you, where you have received the share certificate or other ownership documentation for the investment. CIPF coverage does not apply since the member firm is not holding this property for you.
- Mutual funds registered in your name and held directly at the mutual fund company.
- Customer accounts held at a mutual fund dealer if the office serving you is located in Québec, unless the member firm is also registered as an investment dealer.
- Crypto assets held by a member firm on your behalf that are missing at the time of the member firm's insolvency.
- Other exclusions identified in the CIPF Coverage Policy, available at [www.cipf.ca](http://www.cipf.ca).

## AM I ELIGIBLE FOR CIPF PROTECTION?

■ If you meet the 3 points of eligibility below, you are eligible for CIPF protection:

1. **Eligible Customer:** Customers of an insolvent member firm are generally eligible, unless they are in the list of ineligible customers in the CIPF Coverage Policy. Ineligible customers include a director of the firm or an individual who contributed to the firm's insolvency.
2. An **Eligible Account** must be:
  - Used for transacting securities or commodity and futures contracts business, and
  - Fully disclosed in the records of the member firm, which would normally be shown by receipts, contracts and statements that have been issued to you by the member firm.

A mutual fund dealer account located in Québec is not an eligible account, unless the member firm is also registered as an investment dealer. Accounts are considered to be located in Québec if the office serving the customer is located in Québec. Mutual fund dealer customers with accounts in Québec are encouraged to contact their advisor for information about the coverage available for these accounts.

3. **Eligible Property:** may include cash and cash equivalents, securities, commodity and futures contracts, and segregated funds held by a member firm, but excludes crypto assets.

## HOW DOES COVERAGE WORK?

■ If a customer bought one hundred shares of Company X at \$50 per share through a member firm, and the share value on the day of the member firm's insolvency was \$30, CIPF's objective would be returning the one hundred shares to the customer because that's the property in the customer's account at the date of insolvency. If the one hundred shares are missing from the account, CIPF would provide compensation based on the value of the missing shares on the day of the firm's insolvency. In this example, that's \$30 per share.

## WHAT ARE THE COVERAGE LIMITS?

■ CIPF will provide compensation for the value of the missing property as at the date of insolvency, up to the limits prescribed in the CIPF Coverage Policy. For an individual holding an account or accounts with a member firm, the limits on CIPF protection are generally as follows:

1. \$1 million for all general accounts combined (such as cash accounts, margin accounts, FHSAs and TFSAs), plus
2. \$1 million for all registered retirement accounts combined (such as RRSPs, RRIFs, LIRAs and LIFs), plus
3. \$1 million for all registered education savings plans (RESPs) combined where the client is the subscriber of the plan.

The limits of coverage for other types of clients are outlined on CIPF's website. All coverage by CIPF is subject to the terms and conditions of the CIPF Coverage Policy and Claims Procedures, available at [www.cipf.ca](http://www.cipf.ca).

# **Your Partner in Investor Protection**





## **TD Waterhouse Canada Inc.**

Check the Member Directory on CIPF's website to confirm you are dealing with a CIPF member firm.



Canadian Investor Protection Fund

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For more information on CIPF, please visit [www.cipf.ca](http://www.cipf.ca) or call toll-free at 1.866.243.6981 or 416.866.8366 or e-mail [info@cipf.ca](mailto:info@cipf.ca).