

**TD Waterhouse**

# **Important Changes to Account Holder Information**

Effective January 1, 2011



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# NOTIFICATION OF CHANGES TO YOUR TD WATERHOUSE ACCOUNT AND SERVICES AGREEMENTS AND DISCLOSURE DOCUMENTS

## CASH ACCOUNT AGREEMENT (applies to all accounts)

### Clause 1 – Legal Capacity: Second Paragraph – Amended

You are not an insider, significant shareholder or reporting insider of a publicly traded company. If, however, you are or become an insider, significant shareholder or reporting insider of a publicly traded company, you will notify us immediately. 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 in, an account.

### Clause 7 – Communications: First Paragraph – Amended

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, email address, 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.

### Clause 18 – Referral Fee Disclosure – Amended

You may have been referred to TD Waterhouse by an employee within TDBFG who may or may not be registered to provide investment advice. The purpose of this referral is to better align your investment needs with the TDBFG entity or division that can provide the specific services or products you request. A brief description of a number of TDBFG entities, and the nature of the services which each provides, is set out below. This referral is pursuant to arrangements among TD Bank, The Canada Trust Company, TD Waterhouse Canada Inc. ("TD Waterhouse"), TD Waterhouse Private Investment Counsel Inc. and TD Asset Management Inc. A referral fee may be paid, directly or indirectly, by TD Waterhouse to the referring employee or his/her employer. This payment may be a one-time flat fee, a one-time fee based upon a percentage of the assets received by TD Waterhouse, a fee paid over a period of time based on a percentage of the assets received by TD Waterhouse or a fee based on such other factors as TD Waterhouse may determine from time to time. The amount of any referral fee will not affect the fees paid or payable by you.

A referral fee may also be paid if a referral arrangement involves TD Waterhouse and a person or entity outside of TDBFG. The referral arrangement will be the subject of, and governed by, a written agreement, which the parties will enter into prior to implementation of the referral agreement. Details of the referral arrangement will be provided to you in a separate document before we provide services to you. All services resulting from a referral arrangement relating to

your account which require registration under securities laws will be provided by the registrant receiving the referral. It is illegal for the party receiving the fee to trade or advise in securities if it is not duly licensed or registered under applicable securities legislation to do so.

TD Waterhouse is registered as an investment dealer across Canada and with the Investment Industry Regulatory Organization of Canada. TD Waterhouse provides services through its divisions: TD Waterhouse Private Investment Advice, TD Waterhouse Discount Brokerage, TD Waterhouse Institutional Services and TD Waterhouse Financial Planning.

TD Waterhouse Private Investment Advice is a full service brokerage firm providing investment advice and related services.

TD Waterhouse Discount Brokerage provides clients with access to a self-service trading platform, and provides investment tools and research to support clients to make self investment decisions.

TD Waterhouse Institutional Services provides custodial services and solutions to Introducing Brokers and Investment Counsellors.

TD Waterhouse Financial Planning provides financial planning services and investment advice. Clients of TD Waterhouse have access to a variety of registered and non-registered accounts.

TD Waterhouse Private Investment Counsel Inc. is registered as an adviser with securities commissions across Canada, and as an exempt market dealer in Ontario and Newfoundland and Labrador. It provides managed account services for both individual and institutional clients.

TD Asset Management Inc. is registered as an adviser with securities commissions across Canada, as an exempt market dealer in Ontario and Newfoundland and Labrador and as a commodity trading manager with the Ontario Securities Commission. It provides investment management advice to mutual funds, pooled funds and segregated accounts.

The Toronto-Dominion Bank provides personal, private and commercial banking services.

The Canada Trust Company is registered as a trust company across Canada, and provides trusteeship and estate administration services.

Policies and procedures have been adopted to assist in identifying and addressing any conflicts of interest. Before accepting a referral, you should ensure that the service or product fulfills your requirements. Further information regarding the possible conflicts of interest which may arise as a result of these relationships can be found under Statement of Policies in this document.

### **Clause 19 – Beneficial Owner Communication – Your Rights as a Securityholder – Last Paragraph – Amended**

At TD Waterhouse, 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.

## **Clause 21 – Corporate Revenue and Representative Income Sources – Amended**

We and parties related to us may earn revenue from other sources, some of which may be seen as involving a conflict or potential of. These sources of revenue include:

- fees paid directly or indirectly by issuers in connection with new issues of shares or other securities;
- fees paid by issuers, offerors or others in connection with takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions;
- fees paid by parties related to us and others for business referrals to them (also see section 18 of this Agreement);
- mutual fund “trailer fees” paid by mutual fund companies, including those related to us, which also earn revenue on the sale of the funds;
- commissions and “trailer fees” on segregated funds and insurance policies paid by insurance companies, including those related to us, which also earn revenue on the sale of such products;
- remuneration paid by trading destinations, including electronic communication networks, market makers and exchanges in connection with trades on markets we direct to such destinations, through our affiliates or directly;
- fees and spreads in connection with any services provided by us or our affiliates to your account, or transactions between us or our affiliates and your account, including in connection with banking, custody, brokerage, derivatives and foreign exchange transactions (also see section 16 of this Agreement) and registered plan administration and trusteeship; and
- fees and spreads in connection with various services provided to, or transactions with, TD Mutual Funds, including in connection with banking, custody, fund accounting and reporting, portfolio valuation, securityholder account maintenance and reporting, brokerage and derivatives transactions.

Our representatives may be compensated by a base salary, a percentage of sales commissions, spreads, and trailer fees received by us, a percentage of referral fees received by us or through a combination of these payments. In addition, representatives may receive compensation based on the dollar value and/or types of assets under administration, a bonus based upon a number of performance criteria and compensation based on your purchase of products or services from parties related to us and others (also see section 17 and 18 of this Agreement).

## **MARGIN ACCOUNT AGREEMENT**

### **Clause 4 – Payments – Amended**

Except as provided above, required margin for the transactions shall 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.

## RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS

### Clause 3 – Variable Degree of Risk – Second Paragraph – Amended

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in cash settlement or in the purchaser acquiring or delivering the underlying interest with associated liabilities for margin. If the option contract is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs.

## DISCLOSURE DOCUMENT FOR RECOGNIZED MARKET OPTIONS

### Cost of Options Trading – Margin Requirements – First Paragraph – Amended

A purchaser must deposit with his dealer cash or securities as collateral for the total cost of the transaction (the premium and all transaction costs). In addition, if the option should be auto-exercised, the margin requirement must be available at the time of the exercise. A seller must deposit with his dealer cash or securities as collateral (called "margin") for the obligation to buy (in the case of a put) or sell (in the case of a call) the underlying interest if the option should be exercised. Minimum margin rates are set by the recognized market on which the option trades. Higher rates of margin may be required by the seller's dealer.

## CLIENT PROBLEM RESOLUTION PROCESS

### For Clients of TD Waterhouse Financial Planning Only – Amended

**Step 1: Talk to the Senior Regional Manager.** Ask your Financial Planner for the name and contact information of their Senior Regional Manager. The Senior Regional Manager has the decision-making authority to resolve most problems.

**Step 2: Contact the TD Wealth Management Client Support Group:** If the Senior Regional Manager is unable to resolve your concern, you may contact the TD Wealth Management Client Support Group to review the issue. You may contact them in writing, by mail to the TD Wealth Management Client Support Group, 77 Bloor Street West, 10th Floor, P.O. Box 5999, Stn. F, Toronto, Ontario, M4Y 2T1, by fax toll-free at 1-877-725-9525 or by email at [td.waterhouse@td.com](mailto:td.waterhouse@td.com)

### For Clients of TD Waterhouse Private Investment Advice Only – Amended

**Step 1: Talk to your Investment Advisor's Branch Manager.** Ask your Investment Advisor for the name of their Branch Manager and speak to him or her. Branch Managers have the decision-making authority to resolve most problems. If your complaint cannot be easily resolved, the Branch Manager will ask you to put them in writing so they can be thoroughly investigated.

## **TD WATERHOUSE SELF-DIRECTED RETIREMENT SAVINGS PLAN DECLARATION OF TRUST**

### **Clause 3 – Your Account – Amended**

The Trustee will maintain an account 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, the investment income credited to your PLAN, the debits for the purchase of qualified investments and those investments and credits for the sale of investments. You are liable for the payment of any debit balance owing within the PLAN and will be liable for any debit balance remaining after liquidation of assets in the PLAN and the application of such liquidation against the debit balance. The Trustee may, at its discretion and without notice to you, sell assets in the PLAN as it determines to be appropriate to pay in full the said debit balance and its costs. You acknowledge that the Trustee will not be liable to you regarding any aspect of such sale. In addition, you acknowledge that the liquidation of assets in the PLAN may have significant financial consequences for you, including tax consequences, for which you are solely liable.

### **Clause 4 – Contribution – Section e) – Amended**

Without restricting the generality of the foregoing, it will be your sole responsibility to choose the investments of the PLAN, to determine whether any such investment is or remains a qualified investment or constitutes foreign property within the meaning of Applicable Tax Legislation and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the PLAN. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) such investments result in additional taxes or penalties imposed by Applicable Tax Legislation, or (ii) such investments produce 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. Should the PLAN become liable for any taxes, interest or other penalties under Applicable Tax Legislation, you authorize the Trustee to redeem sufficient securities and/or deposits, as required, in the PLAN to pay for such liability.

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 investment for purposes of the Applicable Tax Legislation, the Trustee may, at its sole discretion, withdraw such investment from the PLAN in-kind, by way of realization of the investment in cash or, in the case of a mortgage, by way of transfer of such mortgage from the PLAN to you. You acknowledge that the valuation of the 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 requests. 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 those actions.

## **TD WATERHOUSE SELF-DIRECTED RETIREMENT INCOME FUND DECLARATION OF TRUST**

### **Clause 5 – Investments: Section d) – Amended**

Without restricting the generality of the foregoing, it will be your sole responsibility to choose the investments of the FUND, to determine whether any such investment is or remains a qualified investment or constitutes foreign property within the meaning of Applicable Tax Legislation and to determine whether any investment should be purchased, sold or retained by the Trustee as part of the FUND. Neither the Trustee nor the Agent, as defined herein, will be liable to you if: (i) such investments result in additional taxes or penalties imposed by Applicable Tax Legislation, or (ii) such investments produce 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. Should the FUND become liable for any taxes, interest or other penalties under Applicable Tax Legislation, you authorize the Trustee to redeem sufficient securities and/or deposits, as required, in the FUND to pay for such liability.

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 investment for purposes of Applicable Tax Legislation, the Trustee may, at its sole discretion, withdraw such investment from the FUND in-kind, by way of realization of the investment in cash or, in the case of a mortgage, by way of transfer of such mortgage from the FUND to you. You acknowledge that the valuation of the 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 requests. 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 those actions.

### **Clause 6 – Your Account(s) – Amended**

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.

The Trustee will not extend to you, or to a person with whom you are not dealing at arm's length, a benefit or loan, other than those benefits referred to in paragraph 146.3(2) (g) of the Act that is conditional in any way on the existence of the FUND.

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 any fee which may be applicable in accordance with section 11 hereof.

You are liable for the payment of any debit balance owing with the FUND and will be liable for any debit balance remaining after liquidation of assets in the FUND and the application of such liquidation against the debit balance. The Trustee may, at its discretion, and without notice to you, sell assets in the FUND as it determines to be appropriate to pay in full said debit balance. You



acknowledge that the Trustee will not be liable to you regarding any aspect of such sale. In addition, you acknowledge that the liquidation of assets in the FUND may have significant financial consequences for you, including tax consequences, for which you are solely liable.

## **TD WATERHOUSE TAX-FREE SAVINGS ACCOUNT DECLARATION OF TRUST**

### **Clause 5 – Account – Amended**

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.

The Holder is liable for the payment of any debit balance owing within the Account and will be liable for any debit remaining after the liquidation of assets in the Account and the application of such liquidation against the debit balance. The Trustee may, at its discretion and without notice to the Holder, sell assets in the Account as it determines to be appropriate to pay in full the said debit balance and its costs. The Holder acknowledges that the Trustee will not be liable to the Holder regarding any aspect of such sale. In addition, the Holder acknowledges that the liquidation of assets in the Account may have significant financial consequences for the Holder, including tax consequences, for which the Holder is solely liable.

### **Clause 7 – Investment: Fourth Paragraph – Amended**

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 Act, the Trustee may, at its sole discretion, withdraw such investment from the Account in-kind or by way of realization of the investment in cash. The Holder acknowledges that the valuation of the 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 requests. 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 such withdrawal.

## **NOTIFICATION OF CHANGES TO YOUR TD WATERHOUSE STATEMENT OF DISCLOSURE OF RATES AND FEES**

### **OTHER REGISTERED ACCOUNT FEES**

TFSA withdrawal fee (Partial and Full) . . . . . \$25.00  
(one free TFSA withdrawal per contribution year)

## APPLICABLE TO TD WATERHOUSE PRIVATE INVESTMENT ADVICE

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### ADMINISTRATION AND TRANSFER FEES

#### Minimum Account Fee

Fee will be charged to all non-registered accounts based on the value of household<sup>D</sup> assets as of February 28 in each year. Where the total value of household assets is less than \$50,000, the fee will be charged in March of each year for each account holder within the household.

<sup>D</sup> Household accounts are defined as those TD Waterhouse Private Investment Advice accounts for clients living in the same household, with the same address. You must advise TD Waterhouse Private Investment Advice where these household relationships exist.

### IMPORTANT INFORMATION REGARDING LEVERAGE RISK

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.

### IMPORTANT NOTICE FOR INSIDERS AND SIGNIFICANT SHAREHOLDERS

#### TD WATERHOUSE DISCOUNT BROKERAGE

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In an effort to maintain a level playing field for all investors, Canadian securities industry regulations require insiders and significant shareholders of publicly traded companies to disclose their status when opening a brokerage account and advise of any changes of status as they occur.

Please note there have been some changes to Canadian securities legislation regarding insider and significant shareholder reporting requirements. As of April 30, 2010 only individuals who are considered a reporting insider are required to disclose their status when placing trades on securities issued by the company with which they are connected, when placing trades on equities and options issued by, or related to, the company with which they are associated, when the trades are entered on any Canadian exchange or market.

The same requirement applies if you or the account holder has trading authority for, control over, a financial interest in, and/or a beneficial ownership in, an account.

Clients of TD Waterhouse Discount Brokerage who are reporting insiders of publicly traded companies are able to declare their status when placing orders on WebBroker® or TD Waterhouse Active Trader® platform. These orders cannot be placed via TeleMax® or TalkBroker™, but you can place orders through an Investment Representative and indicate your reporting insider status. There are restrictions that apply to the sale of securities on the TSX when one is an insider and significant shareholder or reporting insider.

At TD Waterhouse, we value and appreciate your business. For further information, or to update your information with regard to your insider or significant shareholder status, including whether you are a reporting insider, please call an Investment Representative at 1-800-465-5463. We would be happy to assist you, anytime, 24 hours a day, seven days a week. Thank you for choosing TD Waterhouse.

## **TD WATERHOUSE FINANCIAL PLANNING**

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In an effort to maintain a level playing field for all investors, Canadian securities industry regulations require insiders and significant shareholders of publicly traded companies to disclose their status when opening a brokerage account and advise of any changes of status as they occur.

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The same requirement applies if you or the account holder has trading authority for, control over, a financial interest in, and/or a beneficial ownership in, an account.

Insiders and significant shareholders must contact their Financial Planner and disclose their connection to the company and identify if they are a reporting insider before placing any such orders.

At TD Waterhouse, we value and appreciate your business. For further information, or to update your information with regard to your insider or significant shareholder status, including whether you are a reporting insider, please call your Financial Planner.

## **TD WATERHOUSE PRIVATE INVESTMENT ADVICE**

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The same requirement applies if you or the account holder has trading authority for, control over, a financial interest in, and/or a beneficial ownership in, an account.

Insiders and significant shareholders must contact their Investment Advisor and disclose their connection to the company and identify whether they are a reporting insider before placing any such orders.

At TD Waterhouse, we value and appreciate your business. For further information, or to update your information with regard to your insider or significant shareholder status, including whether you are a reporting insider, please call your Investment Advisor.

**For a complete copy of the amended  
Account and Services Agreements and  
Disclosure Documents, please contact  
us at the number on your  
TD Waterhouse account statement.**

TD Waterhouse Discount Brokerage, TD Waterhouse Financial Planning, TD Waterhouse Institutional Services and TD Waterhouse Private Investment Advice are divisions of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. TD Waterhouse Canada Inc.— Member of the Canadian Investor Protection Fund.

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