

# Important Information and Reminders for your TD Waterhouse Canada Inc. account(s)

June 2021

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**TD Wealth**

At TD Waterhouse Canada Inc., we are committed to keeping you informed, including providing you with required regulatory disclosures and important updates relating to your Account and Services Agreements and Disclosure Documents.

## **TD Waterhouse Canada Inc. | Conflicts of Interest Statement**

### **Introduction date: June 30, 2021**

As we informed you in your March 2021 account statements, we have removed the 'Statement of Policies' section in our TD Waterhouse Account and Services Agreements and Disclosure Documents and are providing you with a new, separate Conflicts of Interest Statement. The Conflicts of Interest Statement provides updated and enhanced descriptions of our material conflicts, together with how we address them in your best interests. It can be found in this account statement package. It is also available on our website at [www.td.com/tdwcoi](http://www.td.com/tdwcoi). This URL will open a PDF version of the Conflicts of Interest Statement on your computer that you can save for reading at your convenience. Please review the conflicts disclosure and if you have any questions or would like more information, please contact your Financial Planner. No other action is required on your part.

## **TD Waterhouse Canada Inc. | Account and Services Agreement and Disclosure Documents (ASA)**

### **Summary of changes effective June 30, 2021**

Changes to the ASA described below will be effective June 30, 2021. Please review the below amendments carefully and retain this notification for future reference. Except for reviewing these amendments, no action is required on your part.

If you would like the full text of the TD Waterhouse Canada Inc. ASA, please visit [www.td.com/tdwasa](http://www.td.com/tdwasa) or contact your Financial Planner.

#### **Please note:**

These changes apply to all agreements you have with TD Waterhouse Canada Inc., which incorporate the TD Waterhouse Canada Inc. ASA.

In addition to housekeeping changes that we have made to the TD Waterhouse Canada Inc. ASA, the following is a list of the key updates:

#### **Cash Account Agreement**

- **Paragraph 2, Services:** Previously, we asked you to immediately inform us when your information changes, including, your telephone number(s), addresses, marital status, financial and employment information, and your investment objectives.

We have clarified that the foregoing also includes any changes to your tax status. In addition, we are now asking you to immediately inform us when your investment time horizon or your investment knowledge changes.

- **Paragraph 5, Payment:** We previously informed you of a fee that would be payable when you close your account within the first year of its operation. This fee may now be charged whenever you close your account or transfer it to another financial institution.
- **Paragraph 7, Communications:** Previously, we could send you communications at any address including a mailing address or email address, or fax number. Many of our clients are registered for and use our online platforms (e.g. WebBroker). We have therefore amended this section to allow us to send you communications through secure online platforms for which you are registered.

In addition, we have clarified the language around

- the timeframes within which you must notify us of any errors in your reports, trade confirmations and account statements or any objections to them
- the investigation fees we may charge you when you identify an error or raise an objection outside of the required timeframes.

Please note that these revisions do not reflect a change in policy; we made these changes to more clearly explain these policies and procedures to you.

- **Paragraph 10, Amendments:** We have updated this section to provide your agreement to amendments to the Cash Account Agreement when you continue to use your account, including maintaining the account and the assets in the account. This section previously provided your agreement to amendments following the first transaction in your account after we notify you of the change.

- **Paragraph 15, Adjustment of Open Orders to Reflect Dividend Payments:** We have revised the title of this section to “Adjustment and Cancellation of Open Orders”. In addition, we have made clear that with respect to “trailing stop orders”, no adjustments will be made to open orders to reflect dividends; rather “trailing stop orders” will be cancelled. Finally, we have also clarified that open orders may be cancelled when the security is subject to a “name change”, “reverse split” or other types of reorganization.

## Margin Account Agreement

- **Paragraph 3, Obligation to Maintain Margin:** We have clarified that we may, at our discretion, segregate any cash resulting from a short sale (as well as additional cash, as the value changes) from the cash balance in accounts for securities held long.
- **Paragraph 6, Limitation of Liability and Indemnification:** We have revised this section to provide that your agreement to indemnify and hold us and our respective employees, etc. harmless against all losses arising from your use of the margin under this agreement does not apply to any losses that are a direct result of our bad faith, breach of IIROC Dealer Member Rules or applicable securities laws, negligence, willful default or fraud.

## Client Problem Resolution Process

- **Step 3:** Previously, we indicated that Step 3 was available to you if you had already been through Steps 1 and 2. We have revised this section to clarify that the escalation procedures outlined in Step 3 may be accessed as outlined in each subparagraph.
- **Step 3, Paragraph (b):** We previously noted that when you have a complaint there are time limits for taking legal action. We have further clarified that applicable statutory limitation periods will continue to run while we and/or the TD Ombudsman review your complaint.
- **Step 3, Paragraph (d):** We have clarified that following the request for your file to be transferred to the AMF, the AMF will examine your complaint file, and if deemed appropriate, may offer dispute resolution services. We have also clarified that the filing of a complaint with the AMF is voluntary and does not interrupt the prescriptive period of civil remedies.
- **Concerns related to Insurance Matters:** We have added information about escalation options available to you if you are not satisfied with our response. Namely, that you may escalate your concern to the TD Ombudsman’s Office and if you are not satisfied with the response from the TD Ombudsman’s Office, you may escalate your complaint to the OmbudService for Life & Health Insurance.

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

- As mentioned previously, we have removed the Statement of Policies section in the ASA and have provided a new separate Conflicts of Interest Statement. As well, we have included in the ASA a description of the general principles which will govern the operation of your account with us. These principles include:
  - **Respect for the Law:** We and all of our employees strive to scrupulously observe, in letter and spirit, all laws governing our business.
  - **Focus on Clients:** We and all of our employees must act fairly, honestly and in good faith with you and must adhere to TD’s Code of Conduct & Ethics Policy.
  - **Addressing Conflicts of Interest:** As outlined in further detail in the Conflicts of Interest Statement, we address material conflicts of interest in your best interest and tell you about those conflicts and how we address them. We have adopted policies and procedures to assist us in identifying and addressing any material conflicts of interest.
  - **Account Opening:** Before we open an account for you, we determine, on a reasonable basis and putting your interest first that it would be appropriate for you to become our client and that the scope of products, services and account relationships which we provide to you are appropriate for you.
  - **Shared Premises:** We may have an office in a location that shares premises with TD or its subsidiaries. However, transactions governed by the ASA which you make at those locations are between you and us.
  - **Confidentiality of Client Information:** Confidentiality of your information is a fundamental principle of our firm. We may release your confidential information only in accordance with the Privacy Agreement and the Privacy Code – “Protecting Your Privacy” of TD Bank Group. In addition, if you hold securities in your account that are issued by an entity resident within the European Union, we may be required to share contact information and information related to your holdings with the European issuer of those securities when requested to do so.
  - **Misuse of Confidential and Insider Information:** Our 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.

## Electronic Brokerage Services Client Agreement

- **Definition, “Services”:** We have updated the definition of services to now include all of the following: WebBroker, TalkBroker, TeleMax, TD GoalAssist™, thinkorswim, TD app, Advanced Dashboard, electronic signature platforms or other online or mobile platform services.

## Leverage Risk Disclosure and Significant Shareholder Information

### Important Information about 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.

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.

### Important Notice for Insiders and Significant Shareholders

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 to disclose any changes of status as they occur.

Insiders and significant shareholders are also required to disclose their status when placing trades on securities 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 declaration requirement applies if you have trading authority or power of attorney on another person's account and are placing trades on their behalf, and either you or the other person is an insider or a significant shareholder of the issuer's securities. This requirement also applies to accounts where an insider/significant shareholder has a financial interest in, and/or a beneficial ownership interest in, an account.

Insiders and significant shareholders must contact their Financial Planner and disclose their connection to the company before placing any such orders.

We value your business. To learn more, or to update your information with regard to your insider or significant shareholder status, including whether you are a reporting insider, please contact your Financial Planner.

## Fund Facts for Systematic Investment Plans

When you purchase a new mutual fund, we will provide you with a copy of the Fund Facts to help inform your investment decisions. The Fund Facts includes details about that fund's holdings, risk factors, past performance and costs.

For any subsequent purchase of the same fund made through a systematic investment plan (SIP), no Fund Facts will be provided unless you request it or TD has opted to deliver additional copies. To order Fund Facts at no cost to you, the following options are available:

- Contact your Financial Planner by mail at the address noted on your TD Wealth Financial Planning account statement
- Contact 1-866-646-7888 and request the Fund Facts
- Email a Fund Facts request to [td.waterhouse@td.com](mailto:td.waterhouse@td.com)
- Submit an online request for Fund Facts to [sedar.com](https://sedar.com)

Please note: You will not have a right of withdrawal for subsequent purchases under your SIP but will continue to 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 for mutual fund purchases made through your SIP account. You may also terminate your SIP at any time.

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