

HAYWOOD

Haywood Securities (USA) Inc. CLIENT RELATIONSHIP SUMMARY

Haywood Securities (USA), Inc. (“HUSA” or “we”) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). HUSA is the wholly owned US registered broker-dealer subsidiary of Haywood Securities Inc. (“Haywood Canada”), a member of the Investment Industry Regulatory Organization of Canada (IIROC). HUSA is not a member of the IIROC and therefore not subject to the direct jurisdiction of the IIROC. However, as a resident dealer in British Columbia, HUSA is subject to the jurisdiction of the British Columbia Securities Commission. US retail and institutional clients conduct their securities transactions with HUSA; any non-US client accounts should be opened through Haywood Canada. Broker-dealer and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

We offer brokerage services through our financial professionals. We can recommend the purchase and sale of securities for you, but you make the ultimate decision regarding all transactions. We offer an array of investment options including, Canadian and U.S. listed securities, exchange traded funds (ETFs), bonds, and other securities, but we do not offer every product available in the marketplace. We do not limit our investment offerings to a specific menu of investments, and do not sell proprietary investments issued or sponsored by us or our affiliates. We do not impose account size minimums or investment amount minimums but some issuers of the products we offer do. Generally, our customers’ accounts are held in custody with our clearing broker-dealer and custodian of choice. While as a broker-dealer we do not provide ongoing account monitoring services on any set basis, our financial professionals can periodically review your account for purposes of determining whether additional recommendations may be in your best interest. Not all our financial professionals can offer all investments and services available through us. We do not offer investment advisory services.

For additional information about the services we offer, please visit the HUSA page on the HSI website at www.haywood.com/usa.

Conversation Starters

Ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What fees will I pay?

We typically charge you a fee (commission) for the execution of securities trades. Also, depending on the investment product you select, we may receive an upfront commission payment from the product provider based on the amount you invest, and in some cases we may also receive an on-going payment for as long as you hold the investment with or through us. Because we are compensated based on the frequency or dollar amount of your investments, we have a financial incentive to encourage you to trade more or make larger transactions. The more frequent your transactions, and typically the more you invest, the more we are compensated. You will also pay fees for management, administrative & operational services either as a direct charge or as part of internal costs built into certain investments. You will pay fees and costs whether you make

or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.

Conversation Starters

Ask your financial professional:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we are required to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means.

- **Third-Party Payments:** Some investments pay us commissions and other fees (e.g. new issue transactions). This incentivizes us to recommend these products over other products that make no such payments or less of them.
- **Order Routing:** HUSA routes its client order flow to Haywood Canada for execution. Your HUSA financial advisor is also a registered representative with Haywood Canada and may have clients of Haywood Canada who trade against your order in the marketplace for which they are paid commissions.
- **Principle Trading:** Although HUSA does not engage in principle trading, Haywood Canada does. If Haywood Canada trades as principle against your order in the marketplace, that will be disclosed to you.

Conversation Starter

Ask your financial professional:

- *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

Our financial professionals earn commissions from the sale of securities. The more a financial professional sells through us, the more we pay them as a percentage of those sales. Therefore, your financial professional has an incentive to encourage you to trade often and make larger purchases.

Do your financial professionals have legal or disciplinary history?

Yes. For information about our disciplinary history, please visit <https://brokercheck.finra.org/> or www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter

Ask your financial professional:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Where can I get additional information?

Conversation Starter

Ask your financial professional:

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

If you would like additional information about our services or a copy of this relationship summary, please call your Registered Representative or visit our website at www.haywood.com/usa.