

Remuneration Disclosure

For the Fiscal Year Ended October 31, 2018

Introduction

The following document outlines the remuneration practices for the TD Securities entities in London, United Kingdom, which include Toronto-Dominion Bank London Branch; TD Bank Europe Limited (TDBEL); and, TD Securities Limited (TDSL), collectively defined herein as “TD Securities London”.

Remuneration Governance and Policies

Oversight of remuneration at TD Bank Group (“TD”) globally is a key function of the Human Resources Committee (“TD HRC”) of the Board of Directors. Additional oversight of remuneration for TD Securities London is provided by the International Remuneration Committee (“IRC”) whose mandate includes ensuring alignment with regulatory requirements in Europe and Asia-Pacific.

TD Bank Group Human Resources Committee

The TD HRC is the committee of the TD Bank Group Board of Directors that is responsible for overseeing TD’s total rewards programs including remuneration (i.e., variable incentives, including deferred remuneration), pension, benefits, and perquisites on a global basis. In addition, the TD HRC is responsible for overseeing talent management strategy and succession planning for the senior-most executives of the bank, as well as for setting objectives and evaluating the performance of the Chief Executive Officer (CEO) of the bank.

Committee Composition

In keeping with best practices, the TD HRC is composed entirely of independent directors who are knowledgeable about issues related to human resources, leadership, talent management, remuneration, governance and risk management. To assist in executing its responsibilities, the TD HRC hires an independent remuneration advisor who reports solely to the TD HRC and does not provide any services to management.

International Remuneration Committee “IRC”

The IRC is the committee of the Europe and Asia-Pacific Supervisory Committee (“EAPSC”) that has been authorized to play a critical role

in the oversight of remuneration. The EAPSC acts as the governing body for the TD Securities entities in Europe and Asia-Pacific, and as the representative of the shareholder for the Europe and Asia-Pacific subsidiaries.

The IRC is responsible for providing effective oversight of remuneration policy and practices, and ensuring that remuneration processes and practices:

- Are aligned with the business and compensation strategy;
- Are compliant with regulatory expectations and best practices; and
- Enable TD Securities entities in the Europe and Asia-Pacific regions to attract, retain, and motivate high performing personnel, to create sustainable value for shareholders over the long term.

As part of the oversight responsibilities, the IRC is responsible for identifying Material Risk Takers, for reviewing and approving individual remuneration for all Material Risk Takers, and for reviewing and approving the aggregate incentive awards for all employees.

The IRC also approves the Remuneration Policy for TD Securities London, which includes a summary of the remuneration policies, procedures, and related governance processes that are applicable to TD Securities London employees. In the past year, the document was updated to reflect changes made to the remuneration programs applicable to Material Risk Takers to align with requirements outlined in the European Banking Authority (EBA) Guidelines on Sound Remuneration Policies. The Remuneration Policy was last approved by the IRC in November 2018.

The IRC met two times in 2018.

Committee Composition

The IRC is composed of at least three members, all of whom are independent of the day to day management. No individual is involved in decisions relating to his or her own remuneration.

The Committee may engage external advisors for independent advice and counsel. In fiscal 2018, the Committee did not engage any external advisors.

Material Risk Takers

In identifying Material Risk Takers, all employees that can have a material impact on TD Securities London's risk profile are considered. The final list is determined by the IRC after assessing a number of factors including role, accountabilities, ability to impact risk, remuneration, and size and composition of team.

The process for identifying Material Risk Takers also incorporates the EBA's qualitative and quantitative criteria for identifying material risk takers, which came into legislative effect in June 2014.

Each year, the IRC reviews and approves the individuals identified as Material Risk Takers.

Design and Structure of Remuneration for Material Risk Takers

Remuneration for Material Risk Takers consists of fixed pay, variable incentive pay (non-deferred and deferred incentives) and benefits.

All Material Risk Takers are subject to the Capital Requirements Directive IV bonus cap, whereby variable incentives cannot exceed 100% of fixed remuneration.

Elements of Remuneration

For the majority of employees, fixed remuneration includes base salary only. For certain expatriate employees, fixed remuneration also includes a role-based allowance which has been structured to align with guidance outlined in the EBA's Guidelines on Sound Remuneration Policies. TD ensures that fixed remuneration is sufficient to maintain an appropriate balance between fixed and variable remuneration.

All variable incentive pay is dependent on the achievement of financial and non-financial measures at the bank, segment, team and individual level (additional details on the metrics in the different incentive plans is provided further below). All variable incentive pay includes consideration of adherence to effective risk management at both the plan and individual level.

Variable incentive pay is delivered in two parts – non-deferred incentives and deferred incentives. Variable incentive pay awarded to Material Risk Takers is structured to align with the remuneration requirements outlined in the Prudential Regulation Authority (PRA) Remuneration Rulebook.

For the 2018 performance year, the following will generally apply to variable remuneration awarded to Material Risk Takers in accordance with the regulations:

- At least 40% of a Material Risk Taker's variable remuneration will be deferred over a minimum period of three years depending on the category of Material Risk Taker (see table below).
- Non-deferred variable remuneration will be delivered 50% in cash and 50% in share-based awards (e.g., Restricted Share Units), which are subject to a 12-month retention period.
- Deferred variable remuneration will be delivered 50% in deferred cash and 50% in share-based awards (e.g., Restricted Share Units), subject to a minimum 12-month retention period (with the exception of share-based awards made to Risk Managers, which are subject to a 6-month retention period) in line with the regulations.

Deferral Requirements by Material Risk Taker Category

MRT Category	Minimum Deferral & Vesting Criteria
MRT – Senior Manager Senior Management Functions, as defined by the Senior Managers Regime	Seven year deferral, with no vesting to take place until three years after the award, and vesting no faster than on a pro-rata basis thereafter
MRT – Risk Manager Individuals with responsibility for managing or supervising risk-taking or significant risk functions	Five year deferral, with vesting no faster than on a pro-rata basis
MRT – Other Other MRTs not identified in the categories above	Three year deferral, with vesting no faster than on a pro-rata basis

Deferred incentives are delivered through a number of different plans including a Restricted Share Unit Plan, a Deferred Cash Plan, and a Stock Option Plan. Due to regulations which prohibit the accrual or payment of dividend equivalents on unvested share-based awards, the number of deferred share units awarded under the Restricted Share Unit plan to Material Risk Takers is determined by applying a discount factor to the share price at grant (e.g., the closing price of TD Bank common shares on the TSX on the trading day immediately preceding the grant date) to reflect the absence of dividend equivalents throughout the deferral period.

To ensure that remuneration is aligned with risks, at maturity, all deferred remuneration awards (e.g., Restricted Share Units, Deferred Cash and Stock Options) are subject to a discretionary reduction to the value of outstanding awards in unusual circumstances prior to payout,

based on consideration of risk outcomes during the deferral period.

Details regarding performance measurement, risk adjustment, and deferred remuneration can be found in TD's annual Management Proxy Circular found at the following site: www.td.com/document/PDF/investor/2018/E-2018-Proxy-Circular.pdf.

Annual incentive awards for Material Risk Takers are delivered through the Executive Compensation Plan (ECP), the Performance Compensation Plan (PCP) or the Employee Incentive Plan (EIP)

Executive Compensation Plan

Under the ECP, each executive has an individual remuneration target. At year-end, the aggregate pool of funds available to award as incentive remuneration is equal to the sum of the individual targets multiplied by a business performance factor.

For fiscal 2018, the key metrics used to determine the business performance factor include Net Income After Tax (NIAT), Customer Experience and Return on Tangible Common Equity (RoTCE) for the bank and for business segments as applicable. In addition, relative performance is evaluated against a peer group of companies on a comprehensive scorecard of financial and shareholder measures. The final business performance factor is subject to a discretionary risk adjustment that is approved by the TD HRC after considering performance against the bank's risk appetite.

To protect against conflict of interest, NIAT, Customer Experience and RoTCE results for executives in control functions are based on TD's enterprise performance, not on the performance of TD Securities or TD Securities London.

Individual awards are based on an evaluation of a number of factors including individual performance against objectives, leadership, future potential, and an evaluation against a standard set of accountabilities regarding risk and control behaviours. Individual awards can be higher or lower than their variable remuneration target multiplied by their applicable business performance factor (funds available). The sum of individual awards should not exceed the aggregate funds available under the plan on a global basis.

Performance Compensation Plan

Annual incentive awards for front office employees and other employees who directly support revenue generating positions are delivered through the Performance Compensation Plan (PCP), for which there is one global pool.

The aggregate pool is determined based on contribution to profit, aggregate enterprise and TD Securities performance, and a discretionary

risk adjustment that is approved by the TD HRC after considering performance against the bank's risk appetite.

The approved global pool is allocated to senior business leaders by the Chairman, President and CEO of TD Securities at his discretion. Factors considered when allocating the pool include, but are not limited to, the following: business performance, strategic initiatives, risk management, and market levels of remuneration. The amounts allocated to a specific business are not directly linked to the funding rates used to derive the global pool.

Senior business leaders are responsible for allocating their portion of the approved pool to the individual employees within their business. Individual award decisions are discretionary and there are no formulae or explicit guidelines for making award decisions. Factors considered include, but are not limited to, the following: individual and business performance, teamwork, risk management, market environment, market levels of remuneration, and potential future contribution to the firm. To ensure appropriate consideration of non-financial performance measures, each employee is evaluated on a scorecard of governance, control and risk management measures in conjunction with the determination of the annual award.

Employee Incentive Plan

Annual incentive awards for TD employees in support and control functions are delivered through the Employee Incentive Plan. Under the Employee Incentive Plan, each individual has an incentive target which is multiplied by a business performance factor as well as an individual performance factor. Similar to those of the Executive Compensation Plan, the key metrics under the plan include NIAT, and Customer Experience results for the bank and for business segments, as applicable. The Employee Incentive Plan also includes a discretionary adjustment to account for risk or other factors.

To protect against conflict of interest, NIAT and Customer Experience results for employees in control functions are based on TD's enterprise performance, not on the performance of TD Securities or TD Securities London.

Individual awards are based on an evaluation of a number of factors including individual performance against objectives and consideration of a scorecard, which assesses governance, control and risk management behaviours. Awards to individual employees may be higher or lower than their funds available (i.e., their variable remuneration target x their applicable business performance factor x their applicable individual performance multiplier). However, the sum of individual awards should not exceed the aggregate funds available under the plan.

Annually, the IRC reviews and approves the aggregate ECP, PCP and EIP awards, ensuring they are aligned with and support the current and future financial status of TD Securities London.

Link Between Remuneration and Performance

Risk Adjustments

Risk Adjustments to Variable Incentive Pools

Under all incentive plans, the IRC and the TD HRC have the ability to reduce or cancel awards in the event of poor performance, significant risk related issues, or other unusual circumstances. To facilitate appropriate risk adjustments to incentive plans, the TD Chief Risk Officer presents an annual Enterprise Risk Appetite Scorecard to a joint session of the TD HRC and the TD Risk Committee of the TD Board of Directors. This process allows the TD HRC to appropriately consider risk when determining global incentive pools, and to ensure that remuneration is appropriately linked to the bank's risk-adjusted performance. The IRC is advised of the Scorecard results and also considers risk outcomes specific to TD Securities London when determining annual awards for TD Securities London employees.

Individual Risk Adjustments

All TD Securities employees are evaluated on a scorecard of governance, control, and risk management behaviours as part of the performance assessment process. In addition, TD titled executives are evaluated against a standard set of accountabilities regarding risk and control behaviours.

Results on the TD Securities scorecards and standard executive risk and control accountabilities are considered when year-end performance and remuneration decisions are made. In addition, there is an enterprise-wide risk and control process, whereby risk events are identified and documented (with input from risk and control function heads) and then individual performance and remuneration impacts are considered. Local risk events are also reviewed and discussed at the Europe and Asia-Pacific Conduct Risk Committee (CRC). Decisions made at the CRC will affect annual performance rating assessments and will be taken into consideration in determining remuneration. The IRC reviews the results from the risk and control process and approves any adjustments to individual remuneration for TD Securities London employees.

Misconduct and Compliance with Code of Conduct and Ethics

All employees are expected to act ethically and with integrity, and in a manner consistent with the bank's risk appetite. All variable incentive awards are subject to compliance with the Code of Conduct and Ethics and may be adjusted (including reduction, forfeiture or clawback as appropriate) in the event of misconduct, actions taken that are outside of the bank's risk appetite or other unusual circumstances as appropriate. Adjustments can be made to in-year remuneration, outstanding deferred compensation or awards paid.

Malus Adjustments

All deferred remuneration plans are subject to a discretionary reduction to the value of outstanding awards in unusual circumstances prior to payout.

For TD Securities London employees, the following criteria is used to identify situations that require further investigation to consider whether a reduction is warranted:

- The firm or the business unit suffers a material downturn in its financial performance;
- There is reasonable evidence of employee misbehaviour or material error; or,
- The firm or the relevant business unit suffers a material failure of risk management.

The IRC reviews and approves all malus adjustments for TD Securities London employees.

Clawback

For Material Risk Takers at TD Securities London, all variable incentive awards (both non-deferred and deferred incentives) made on or after January 1, 2015 are subject to clawback for a period of 7 years from the award date.

Beginning with variable incentive awards in respect of fiscal 2017, for TD Securities Material Risk Takers who perform a PRA-designated senior management function, TD can extend the clawback period from 7 years to at least 10 years from the award date where, (i) TD has commenced an investigation into facts or events which it considers could potentially lead to the application of clawback; or (ii) TD has been notified by a regulatory authority (including an overseas regulatory authority) that an investigation has been commenced into facts or events which TD considers could potentially lead to the application of clawback.

Remuneration Awarded to Material Risk Takers

The following tables summarise the total remuneration awarded to Material Risk Takers in respect of the performance year ending October 31, 2018.

The figures in the table below are split into “Senior Management” and “Other MRTs” according to the following definitions:

- Senior Management: employees who perform a senior management function under the PRA/Financial Conduct Authority (FCA) Senior Manager Regime.
- Other MRTs: other employees whose activities have a material impact on the risk profile of the firm.

Table 1 – Aggregate Remuneration

	Total
Number of Material Risk Takers ¹	65
2018 Remuneration (in £MM)	31.0

Table 2 – Aggregate Remuneration

	Senior Management	Other MRTs
Number of Material Risk Takers ¹	10	55
Fixed Remuneration (in £MM)	3.3	14.9
Variable Remuneration (in £MM)	2.5	10.3
Non-deferred Cash	0.6	3.7
Non-deferred Share-based	0.6	2.5
Deferred Cash	0.6	1.7
Deferred Share-based	0.6	2.5
Total Remuneration (in £MM)	5.8	25.2

Table 3 – Deferred Remuneration²

As at October 31, 2018 (in £MM)

	Senior Management	Other MRTs
Unvested		
Deferered Cash	1.0	2.6
Share Units (deferred)	2.6	8.8
Stock Options	-	-
Vested		
Deferred Cash	-	-
Share Units (deferred)	-	-
Stock Options	-	-
Awarded in 2018 (Nov 1, 2017-Oct 31, 2018)		
Deferred Cash	0.6	1.6
Share Units (deferred)	0.7	2.4
Stock Options	-	-
Paid in 2018 (Nov 1, 2017-Oct 31, 2018)		
Deferred Cash	0.4	1.0
Share Units (deferred)	1.8	4.3
Stock Options	-	-

Table 4 – Guaranteed, Sign-on and Severance Payments in 2018

In fiscal 2018, guaranteed awards (including sign-on awards) were made to 6 Material Risk Takers totalling £0.9MM. 3 MRTs received a severance award in fiscal 2018. To preserve confidentiality of the individuals, the value of this award will be disclosed confidentially to the regulatory authority, upon request.

¹ Reflects Material Risk Takers as at October 31, 2018. Remuneration converted into GBP based on October 2018 FX rates published on the European Banking Authority website. Remuneration reflects annualized amounts paid to Material Risk Takers, effective October 31, 2018.

² Outstanding deferred remuneration is valued as at October 31, 2018 using the closing share price of TD Bank Group on the Toronto Stock Exchange of C\$73.03.