

Remuneration Disclosure

For the Fiscal Year Ended October 31, 2021

Introduction

The following document outlines the remuneration practices for the TD Securities entities in London, United Kingdom, which include The Toronto-Dominion Bank London Branch; TD Bank Europe Limited (“**TDBEL**”); and, TD Securities Limited (“**TDSSL**”), 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 regional oversight of remuneration for employees of TD Securities in Europe and Asia-Pacific is provided by the International Remuneration Committee (“**IRC**”). Beginning in November 2021, the TDBEL Remuneration Committee of the TDBEL Board of Directors provides additional local oversight over remuneration for employees and Material Risk Takers of TDBEL.

The following provides an overview of the TD HRC, the IRC and the TDBEL Remuneration Committee.

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), retirement (including defined benefit pension plans and defined contribution plans) and benefits programs on a global basis. In addition, the TD HRC oversees the bank’s talent management and succession planning process for the senior-most executives of the bank, as well as reviewing and recommending objectives and evaluating the performance of the Chief Executive Officer (CEO) of the bank.

Committee Composition

In keeping with governance 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

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 reviewing and approving: the Remuneration Policy; the listing of Material Risk Takers; individual remuneration for all Material Risk Takers; and, the aggregate incentive awards for TD Securities Europe and Asia-Pacific employees.

The IRC met three times in 2021.

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 2021, the Committee did not engage any external advisors.

TDBEL Remuneration Committee

The TDBEL Remuneration Committee is the Committee of the

TDBEL Board of Directors that has been authorized to fulfill its governance and oversight responsibilities in relation to remuneration policy, practices and awards.

The Committee has responsibility for the adoption, operation and effective oversight of formal and transparent remuneration policy and practices within TDBEL, in particular, ensuring that remuneration and compensation practices are:

- Aligned with the business and compensation strategy;
- Consistent with risk strategy;
- Compliant with applicable law, regulation, and prudential rules; and,
- Enable TDBEL to attract, retain and motivate high performing personnel, to create sustainable value for the shareholder over the long-term and take into account the interests of other long-term stakeholders

As part of the oversight responsibilities, the Committee is responsible for reviewing and approving: the Remuneration Policy; the listing of TDBEL Material Risk Takers; individual remuneration for all TDBEL Material Risk Takers; and, the aggregate incentive awards for TDBEL employees.

The Committee was constituted in November 2021.

Committee Composition

Membership of the Committee is composed of non-executive directors with the majority being independent.

The Committee may seek independent advice on any matter within its mandate. As the Committee was constituted in November 2021, it did not engage any external advisors in fiscal 2021.

Remuneration Policy

The IRC and the TDBEL Remuneration Committee annually review and approve 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 (which includes TDBEL employees). In the past year, key changes to the remuneration policies included updates to the TD Deferral Policy and Share Ownership Requirement Policy, which are applicable to TD Securities London employees. The Remuneration Policy was last approved by the IRC and the TDBEL Remuneration Committee in November 2021.

In fiscal 2022, remuneration policies and practices will be reviewed and updated to implement the changes required for the implementation of the Capital Requirements Directive V (“CRD V”).

Material Risk Takers

Employees that can have a material impact on TD Securities London’s risk profile are identified as Material Risk Takers. As part

of that process, employees are assessed against the European Banking Authority’s qualitative and quantitative criteria for identifying material risk takers, which came into legislative effect in June 2014.

The process and criteria for identifying TD Securities London Material Risk Takers is outlined in a document which is presented annually to the IRC and TDBEL Remuneration Committee for their review and approval.

To ensure Material Risk Takers are appropriately identified, the IRC and TDBEL Remuneration Committee review and approve the listing of TD Securities London Material Risk Takers and TDBEL Material Risk Takers, respectively, on at least an annual basis or as necessary to approve changes.

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 pension and benefits.

All Material Risk Takers are subject to a 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 requirements 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 Remuneration Part of the Prudential Regulation Authority (“PRA”) Rulebook.

For the 2021 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

For the 2021 performance year, the following deferral requirements applied to Material Risk Takers.

MRT Category	Minimum Deferral & Vesting Criteria	Post-Vest Retention Period
MRT – Senior Management <small>Senior Management Functions, as defined by the PRA and Financial Conduct Authority (FCA) Senior Managers Regime</small>	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	12-months
MRT – Risk Manager <small>Individuals with responsibility for managing or supervising risk-taking or significant risk functions</small>	Five year deferral, with vesting no faster than on a pro-rata basis	6-months
MRT – Other <small>Other MRTs not identified in the categories above</small>	Three year deferral, with vesting no faster than on a pro-rata basis	12-months

Beginning in fiscal 2022, the minimum deferral applicable to Material Risk Takers will be four years, in compliance with the requirements outlined in CRD V and the Remuneration Part of the PRA Rulebook.

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: td.com/document/PDF/investor/2021/E-2021-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 2021, 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, TD Securities London or TDBEL.

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 PCP plan is a fully discretionary incentive plan, under which aggregate funding is allocated to individual participants after considering performance during the year, including any risk, control or other applicable conduct issues.

The aggregate pool is determined based on adjusted contribution to profit with modifiers based on TD's enterprise performance (based on the Executive Compensation Plan Corporate multiplier) and TD Securities Scorecard performance. The pool is also subject to a risk adjustment that is approved by the TD HRC after considering performance against the bank's risk appetite, as well as other discretionary adjustments (as approved by the TD HRC).

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.

Senior business leaders are responsible for allocating their portion of the approved pool to the individual employees within their business. Individual award decisions are determined as a total remuneration award. They 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, governance, control and risk management behaviours are considered in 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, TD Securities London or TDBEL.

Individual awards are based on an evaluation of a number of factors including individual performance against objectives and consideration of 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. In addition, the TDBEL Remuneration Committee annually reviews and approves aggregate ECP, PCP and EIP awards for TDBEL employees, ensuring they are aligned with and support the current and future financial status of TDBEL.

Link Between Remuneration and Performance

Risk Adjustments

Risk Adjustments to Variable Incentive Pools

Under all incentive plans, the IRC, the TDBEL Remuneration Committee 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 and the TDBEL Remuneration Committee are advised of the Scorecard results and also consider financial and risk outcomes specific to TD Securities London and TDBEL when determining annual awards for TD Securities London and TDBEL employees, respectively.

Individual Risk Adjustments

Performance for all TD Securities employees considers a scorecard of governance, control, and risk management behaviours as part of the performance assessment process. In addition, TD Bank titled executives are evaluated against a standard set of accountabilities regarding risk and control behaviours. Individual risk assessments are considered when year-end performance and remuneration decisions are made.

Local risk events are reviewed and discussed at the UK Conduct Risk Committee (CRC). In addition, there is an enterprise-wide risk and control process, whereby material risk and control events are identified and documented (with input from TD risk and control function heads) and then individual performance and remuneration impacts are considered. The IRC and TDBEL Remuneration Committee review the results from the risk and control process and approve any adjustments to individual remuneration for TD Securities London employees and TDBEL employees, respectively.

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 and TDBEL Remuneration Committee review and approve all malus adjustments for TD Securities London employees and TDBEL employees, respectively.

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 or FCA-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.

The IRC and TDBEL Remuneration Committee review and approve all clawback adjustments for TD Securities London employees and TDBEL employees, respectively.

Remuneration Awarded to Material Risk Takers

The following tables summarise the total remuneration awarded to TD Securities London Material Risk Taker employees and TDBEL Material Risk Taker employees in respect of the performance year ending October 31, 2021.

Table 1 – Aggregate Remuneration

	TD Securities London	TDBEL
Number of Material Risk Takers ¹	78	27
2021 Remuneration (in £MM) ²	40.1	13.1

Table 2 – Fixed and Variable Remuneration

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 / FCA Senior Managers Regime.
- **Other MRTs:** other employees whose activities have a material impact on the risk profile of the firm.

(in £MM)	TD Securities London		TDBEL	
	Senior Management	Other MRTs	Senior Management	Other MRTs
Number of Material Risk Takers¹	12	66	11	16
Fixed Remuneration²	4.6	18.8	3.9	3.5
Variable Remuneration²	3.7	13.0	3.1	2.6
Non-deferred Cash	1.0	4.0	0.9	0.9
Non-deferred Share-based	0.9	3.6	0.8	0.8
Deferred Cash	0.9	2.7	0.7	0.5
Deferred Share-based	1.0	2.8	0.8	0.5
Total Remuneration²	8.3	31.8	7.0	6.1

¹ Reflects Material Risk Takers as at October 31, 2021.

² Remuneration converted into GBP based on October 2021 FX rates published on the European Banking Authority website.

Table 3 – Deferred Remuneration¹

The following table summarises deferred remuneration outstanding, awarded and paid to those employees identified as Material Risk Takers (effective October 31, 2021) during fiscal 2021.

(in £MM)	TD Securities London		TDBEL	
	Senior Management	Other MRTs	Senior Management	Other MRTs
Unvested As at October 31, 2021				
Deferred Cash	2.3	4.2	1.9	0.7
Deferred Share-based	4.6	9.5	4.1	1.9
Vested As at October 31, 2021				
Deferred Cash	-	-	-	-
Deferred Share-based	-	0.6	-	0.1
Awarded in 2021 Nov 1, 2020 to Oct 31, 2021				
Deferred Cash	0.8	2.3	0.6	0.3
Deferred Share-based	1.1	3.1	0.9	0.5
Paid in 2021 Nov 1, 2020 to Oct 31, 2021				
Deferred Cash	0.1	1.0	0.1	0.2
Deferred Share-based	0.5	2.6	0.1	0.2

Table 4 – Total Remuneration Exceeding EUR 1.0MM

In fiscal 2021, seven TD Securities London Material Risk Takers (including two who are also TDBEL Material Risk Takers) earned between EUR 1.0MM to 5.0MM.

Table 5 – Guaranteed, Sign-on and Severance Payments in 2021

In fiscal 2021, three guaranteed awards (including sign-on awards) were made to TD Securities London Material Risk Takers. One of these individuals is also a TDBEL Material Risk Taker.

One Material Risk Taker received a severance award in fiscal 2021. To preserve confidentiality of this individual, the value of severance will be disclosed confidentially to the regulatory authority, upon request.

¹ Outstanding deferred remuneration is valued as at October 29, 2021 using the closing share price of TD on the Toronto Stock Exchange of C\$89.84.