



SEC Notification of Right to Segregation of IM

Important: Action Required

Notification of Right to Segregation of Initial Margin Posted in Respect of Uncleared Security-Based Swaps Pursuant to SEC Rule 18a-4

To Whom it May Concern:

This notification (the “**SEC IM Segregation Right Notice**”) is being provided by The Toronto-Dominion Bank (the “**SBSD**”) pursuant to Rule 18a-4 under the Securities Exchange Act of 1934 (the “**Exchange Act**”) to notify you and the counterparties of the SBSB that you represent (each, a “**Counterparty**”) of certain rights with respect to transactions in security-based swaps (“**SBS**”).

Please note that failure to make the necessary election described below may inhibit our ability to execute SBS (as defined by SEC rules) that are not submitted for clearing (each, an “Uncleared SBS”) with Counterparty on or after the relevant SEC compliance date (the “Compliance Date”) due to SEC rules.

Your failure to respond to this notice within five (5) business days of receipt of this notice will be deemed to be a confirmation of your election “not to require” IM Segregation in accordance with the SEC Segregation Regime.

We¹ hereby notify you and each Counterparty that the SBSB (i) is not a registered broker-dealer that is subject to Exchange Act Rule 15c3-3 and (ii) is exempt from omnibus segregation requirements under Exchange Act Rule 18a-4 pursuant to Rule 18a-4(f).

Notice of Right to Individual Segregation

We hereby notify you and each Counterparty pursuant to Section 3E(f)(1)(A) of the Exchange Act that under Section 3E(f)(1)(B) of the Exchange Act, each Counterparty has the right to require segregation of the funds or other property supplied to margin, guarantee, or secure the Counterparty’s uncleared SBS with the SBSB in a segregated account at an independent third-party custodian separate from the assets and other interests of the SBSB and designated as a segregated account for and on behalf of the Counterparty. This right to require segregation applies only to SBS that are not submitted for clearing to a clearing agency and does not apply to variation margin payments. Such right is independent of other applicable laws, rules or regulations, if any, that may require segregation of SBS margin or collateral.

Certain Bankruptcy Matters

Any margin collateral received and held by the SBSB in respect of uncleared SBS with a Counterparty will **not** be subject to a segregation requirement under Exchange Act Rule 18a-4. Accordingly, in the event of an insolvency proceeding, receivership or similar process in respect of the SBSB, absent an effective segregation of such margin collateral from the property of the SBSB established by contract or other law, such a claim could be treated as a general creditor claim against the SBSB or its estate.

We need to obtain the following information as soon as possible in order to satisfy our obligations under SEC rules:

Counterparty’s election to either:

- **require** IM Segregation in accordance with the SEC Segregation Regime

Note: If Counterparty chooses this first election, certain documentation, including a tri-party custodial agreement that meets the requirements of the SEC Segregation Regime, must be put in place. After the Compliance Date, choosing this election may prevent us from entering into new Uncleared SBS with Counterparty until such documentation is in place²; or

¹ References in this notice to “our”, “us”, or “we” are references to The Toronto-Dominion Bank.

² Please note that any existing custodial arrangements, whether legally required or bargained for independently, may not contain certain terms required to be included under the SEC Segregation Regime and, therefore, may need to be revised, if IM Segregation in accordance with the SEC Segregation Regime is elected. Parties wishing to elect IM Segregation in accordance with SEC Segregation Regime may wish to consult with legal counsel as to the potential impact on trading in Uncleared SBS with us and whether an election to not require IM Segregation in accordance with SEC Segregation Regime is preferable until such time as a mutually acceptable tri-party custodial arrangement is executed. As further described in this notice, Counterparty may exercise its right to change its election at any time

- **not require** IM Segregation in accordance with the SEC Segregation Regime

Note: If Counterparty chooses this second election Counterparty is free to make or retain other arrangements for IM Segregation. This election will not impact Counterparty's existing segregation arrangements or negotiations, if any.

Please complete the SEC IM Segregation Election Letter attached to this notice as Exhibit A and deliver it to us as soon as possible.

For the avoidance of doubt, Counterparty's election to require or not to require IM Segregation in accordance with the SEC Segregation Regime will apply solely with respect to any Uncleared SBS that is entered into after delivery of such election letter to us at the address specified in Exhibit A (or via ISDA Amend) or, if such delivery is before the Compliance Date, on or after the Compliance Date. The election made by Counterparty may be changed at any time by delivery of written notice to us at the same address (or via ISDA Amend). Any such changed election will supersede any prior election with respect to any Uncleared SBS that is entered into after delivery of such changed election.

If you have any questions regarding this Notice, please contact eOnboarding@tdsecurities.com.

The Toronto-Dominion Bank

Exhibit A – SEC IM Segregation Election Letter

To: The Toronto-Dominion Bank (the “**Security-Based Swap Dealer**”)
Global Markets Documentation
TD Bank Tower, 6th Floor
66 Wellington Street West
Toronto, ON M5K 1A2
Canada

Capitalized terms used in this letter have the meanings specified in the SEC IM Segregation Right Notice referenced below unless otherwise defined.

Initial Margin Segregation Election

Counterparty³ makes the following election with respect to IM posted on behalf of Counterparty in connection with any Uncleared SBS between Security-Based Swap Dealer and Counterparty that is executed by the entity executing this election letter after delivery of this election letter to Security-Based Swap Dealer (or, if such delivery is before the Compliance Date, on or after the Compliance Date): (check one)

■ **Counterparty hereby elects to require IM Segregation in accordance with the SEC Segregation Regime.**

Note: If Counterparty chooses this first election, certain documentation, including a tri-party custodial agreement that meets the requirements of the SEC Segregation Regime, must be put in place. After the Compliance Date, choosing this election may prevent Security-Based Swap Dealer from entering into Uncleared SBS with Counterparty until such documentation is in place.

■ **Counterparty hereby elects not to require IM Segregation in accordance with the SEC Segregation Regime.**

Note: If Counterparty chooses this second election Counterparty is free to make or retain other arrangements for IM Segregation. This election will not impact Counterparty’s existing segregation arrangements or negotiations, if any.

By executing and delivering this election letter, the signatory represents that it has all necessary authority to provide the election above on behalf of Counterparty.

Legal Name of Entity Completing Letter⁴: _____

Counterparty CICI/LEI⁵: _____

By: _____

Name: _____

Title: _____

³ “Counterparty” means each account, client, fund, investor, and/or other principal on behalf of whom this SEC IM Segregation Election Letter is executed.

⁴ The relevant election in this letter will only apply to Uncleared SBS that are executed by the relevant party that executes this letter. For instance, if this letter is being executed by any agent, then the relevant election will only apply to Uncleared SBS that are executed by such agent on behalf of Counterparty.

Moreover, if this letter is being executed by an agent on behalf of one or more Counterparties, the agent should insert before the signature: “as agent for [insert name of account, client, fund, investor and/or other principal] OR [the accounts, clients, funds, investors and/or other principals named on the attached sheet]”. If the agent is acting on behalf of more than one Counterparty, it may list the names of such Counterparties on a separate sheet attached to this letter, in which case this letter will be treated as if it were a separate letter with respect to each Counterparty listed on such sheet.

⁵ If this letter is being executed by an agent on behalf of more than one Counterparty, the agent should include a CICI/LEI for each such Counterparty.

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