

# Board Suitability Policy

Effective Date: 2 December 2021

## 1. Purpose

The TD Global Finance (“**TDGF**”) Board Suitability Policy (the “**Policy**”) sets out the high-level approach to the composition, nomination, selection, appointment, re-appointment, training, succession planning and assessment of the Board of Directors of the Company (the “**Board**”).

## 2. Scope

This Policy applies to the Board and should be read by all directors of TDGF. Internal control functions should also read and review the Policy. In particular, the Compliance Function is required to analyse how the Policy affects TDGF’s compliance with legislation, regulations, internal policies and procedures, and report all identified compliance risks and issues of non-compliance to the Board.

## 3. Policy Details/Requirements

### 3.1 Board Composition

The composition of the Board shall be considered in the context of the requirements of the business of TDGF at any given point in time, including prevailing legal and regulatory considerations.

To adequately fulfil its role and responsibilities, the Board as a whole is required to possess the necessary balance of skills, experience, diversity and independence and also consider educational and professional background, skills, industry background, race, gender, age and geographical provenance. The Board is responsible for defining the strategy and objectives of TDGF and for supervising management in the implementation of such, including scrutinising and monitoring the performance of management. The skills that should be represented on the Board are both generic and specific to the business of TDGF.

The Board shall include at least one non-executive director who is also a member of TD Bank Group management. This promotes coherence in strategy and policies between Group entities. Non-executive directors shall act critically and independently so as to exercise objective and independent judgement to ensure that the corporate interests of TDGF are preserved.

The majority of members of the Board will be non-executive Directors. Independence shall be defined in accordance with the criteria set out in the Central Bank of Ireland’s (“**CBOI**”) Corporate

Governance Requirements for Investment Firms and Market Operators 2018 and other applicable European legislation. Non-executive Directors shall act critically and independently so as to exercise objective and independent judgement to ensure that the corporate interests of TDGF and its stakeholders are preserved.

The composition of the Board should reflect the knowledge, skill and experience necessary to fulfil its responsibilities in relation to:

- TDGF’s business and main risks
- Material activities of TDGF
- Relevant areas of financial and sectoral competence
- Financial accounting and reporting
- Risk management, compliance, controls and internal audit

The Board’s defined target for female representation on the Board is set out in the TDGF Board Diversity Policy. The Board shall take opportunities to balance the number of male and female Board Directors where that is consistent with other skills and diversity requirements.

### 3.2 Board Appointment Nominations and Selection Criteria

The Corporate Governance Committee (“**CGC**”) of the Board, composed of non-executive directors (a majority of whom shall be independent), leads the process for Board nominations and makes recommendations to the Board in this respect.

All nominations to the Board shall be made:

- In accordance with a formal, rigorous and transparent procedure
- Against merit, based on a description of the roles and capabilities defined by the Board in respect of the particular appointment
- On the basis of a candidate’s personal qualities, fitness and propriety and their potential contribution as a Director to the balance of knowledge, experience and skills on the Board (to be assessed, as appropriate, against the suitability criteria set out in Appendix 1 to this Policy, which has been derived from the ESMA/EBA Guidelines on the Suitability of Members of the Management Body and Key Function Holders)

- With a view to ensuring a balanced Board and paying regard to the desired number of Independent Non-Executive Directors on the Board and actively taking all aspects of diversity into account, including the gender diversity targets defined above

In addition, before making nominations to the Board, the CGC shall consider the following expectations:

- Directors shall have the highest degree of personal integrity, honesty, ethics and good repute
- Directors shall have strong leadership qualities and a proven ability to exercise sound business judgement and provide constructive challenge
- Directors shall have sufficient seniority and experience so as to be able to take a strategic view
- Directors shall have independence of mind to effectively assess and challenge management decisions where necessary and to effectively oversee and monitor management decision-making
- Directors shall act cohesively and behave cooperatively
- Directors shall provide assurance that they are able to commit sufficient time to properly perform their duties
- Directors shall attend all Board, and where relevant Committee, meetings in person where these are scheduled as physical meetings, except under urgent and unavoidable circumstances
- Directors shall provide details of actual or potential conflicts of interests associated with the directorship
- Directors shall confirm that they are not aware of any reason they would not meet regulatory Fitness and Probity requirements

Regarding independence and the assessment of such, the number and type of directorships and outside interests held, and time commitments associated with such is reviewed and assessed in line with the CBOI F&P requirements and EBA/ESMA internal governance guidelines (including Suitability Guidelines). Previous experience with TD is also considered including past employment and any close relationships that may have existed or may exist from a personal and business perspective for each Director.

TDGF also considers the independence of mind of all directors (i.e. not solely independent non-executive directors). In doing so, TDGF considers directors' ability to provide robust, constructive challenge and their ability to support individual and collective decision-making at Board level. This is assessed as part of a rigorous selection process and review of each director's respective experience.

The principles set out above, shall also apply, where relevant, to the composition of the Committees of the Board. The balance

of skills and experience among Committee members should be adequate to fulfil the mandate of the given Committee and relevant legal and regulatory requirements on independence and expertise shall be applied.

### 3.3 Appointment & Reappointment

The terms of appointment of independent non-executive Board members shall be for an initial period of two years. Where an independent non-executive member has served on the Board for more than nine years, his or her membership will be subject to a formal review and, if applicable, rationale for continued service will be documented.

The CGC shall submit to the Board its proposals regarding appointment and reappointment of Board members, supported by a recommendation of the CGC which assesses the candidates against the selection criteria set forth in this Policy (and such requirements noted in the TDGF Corporate Governance Policy) and the candidate's availability to perform the role in order to ensure that the Board composition remains appropriate to promote the effective leadership of TDGF. The assessment shall also include whether candidates are considered to be independent within the criteria set out in Appendix 2.

When a Board member leaves the Board before the end of their term, the Board can appoint a new Board member to fill the vacancy.

Each proposition of appointment or reappointment of a Board member, any decision not to renew the directorship of a Board member, as well as the resignation of a Board member shall be notified to the CBOI in advance. In addition, where a new Board member is being appointed, the CBOI shall be provided with all the necessary information and documents to assess the experience and skills of the candidate and ensure they meet Fitness and Probity requirements and the appointment shall be made after having obtained pre-approval from the CBOI.

### 3.4 Succession Planning

The CGC shall annually assess the performance, composition and balance of the Board and its Committees and shall assess what competencies and skills the Board and its Committees should possess in light of the opportunities and risks facing the Company.

The CGC, together with the Head of HR, shall prepare a Succession Plan for the Executive Directors of the Board and PCF Holders within the TDGF Ireland Management Committee taking into consideration the above assessment (including for dealing with sudden or unexpected absences or departure of members, including any relevant interim arrangements). When establishing a Succession Plan, the Board ensures continuity of decision-making and prevents, where possible, too many members having to be replaced simultaneously. The Succession Plan shall also take into consideration the Board's diversity targets defined in the Board Diversity Policy in order to ensure that a broad set of

qualities and competencies are engaged at Board level and to achieve effective challenge and sound decision-making through a variety of views and experiences.

The CGC shall review the Succession Plan on an annual basis and each time there is a vacancy on the Board and agree any required changes to the Plan.

### 3.5 Induction and Training

On appointment, a Director receives an induction and training programme tailored to the specific role and needs of the Director to enable them to discharge their duties effectively.

A Board Training Plan is prepared annually by the CGC Chair in conjunction with the Head of Governance and Head of HR and reflecting feedback from management and the control functions and is reviewed by the CGC for recommendation to the Board for approval. The Plan incorporates any specific collective training needs identified by the Board and individual training needs of Directors identified as part of induction programmes or individual Director suitability assessments. Additionally, at each quarterly meeting under a standing agenda item, Directors may request training on any matter which is then built into the Plan.

The Board considers annually whether sufficient human and financial resources have been allocated for induction and training of Directors.

### 3.6 Suitability Assessment Criteria

The Board, supported by the Head of HR, shall assess and monitor on an annual basis the collective and individual suitability of the members of the Board and a reassessment will be performed as required. In particular, an assessment of suitability shall normally be undertaken:

- prior to the appointment of a Director to the Board
- when reappointing a Director (in the case of non-executive Directors), particularly where the requirements of the position to which they have appointed have changed
- where an existing Director is appointed to a new position or area of responsibility

A reassessment of suitability should also be considered:

- where a Director takes on additional directorships or starts to perform new relevant activities
- where there are concerns regarding individual or collective suitability
- in the event of a material impact on the individual or collective suitability of Directors or the Board (including as a result of a breach of the conflicts of interest policy)
- as part of a review of internal governance arrangements

- in the case of any event that can otherwise materially affect the suitability of a Director

When material changes occur in the composition of the Board, or in the event of a material change to TDGF's business model, risk appetite or strategy, a reassessment of its collective suitability should also be made.

The assessment will consider (a) the personal qualities, fitness and proprietary (b) the skills, knowledge, experience and capability of each Director and (c) for those Directors considered independent non-executive Directors, the independence requirement.

In addition to a review of individual Directors, the attributes and suitability of the Board as a whole shall be assessed at least annually to ensure that, collectively, they are adequate.

For the purposes of an assessment of the Board as a whole, the results of individual Director assessments shall be amalgamated by the Head of HR and discussed with the Board Chair, who shall ascertain any training and development needs of the individuals and the Board as a whole.

The overriding aim of the assessments, both on an individual and collective basis, and the consequent actions taken, is to ensure that at all times the Board collectively possesses adequate knowledge, skills and experience to be able to understand TDGF's activities, including its key risks, to enable it to take appropriate decisions concerning TDGF's business, and to monitor and challenge decisions made by its management.

### 3.7 Sufficient Time Capacity

In addition to assessing suitability in terms of their personal attributes, an assessment should be made as to the capacity of each Director to commit sufficient time to perform their functions and properly discharge duties within TDGF. This assessment should be made prior to initial appointment and monitored thereafter.

### 3.8 Directorships

In order to ensure a Director is able to commit sufficient time to discharge their duties within TDGF, the following limit is placed on the number of directorships that may be held by a Director at any one time:

- one executive director role and two non-executive director roles; or
- four non-executive roles

For this purpose, however, directorships in the same group of companies shall count as a single directorship only; and directorships of non-commercial organisations may be ignored. Where a directorship (or multiple directorships within the same group of companies) involves at the same time executive and non-executive responsibilities, it will count as an executive directorship.

Directors should notify the Company Secretary and/or Board Chair immediately of any proposed new directorship appointment to be taken up (whether executive or non-executive). Where a Director proposes to take on an additional directorship or starts to perform any new relevant activities (including political ones), the time commitment of the Director shall be reassessed along with any conflicts of interest assessment.

### 3.9 Conflicts of Interest

Directors are required to disclose all external relationships and engagements which may give rise to a potential or actual conflict of interest at onboarding as part of suitability and background assessments and on an ongoing basis thereafter to ensure that such can either be managed or mitigated against appropriately. Conflicts may include but are not limited to:

- Personal conflicts
- Business conflicts
- Directorships and Outside Business Interests
- Service Providers

Where the director's conflict of interest is manageable (for example, by not giving the director material pertaining to the conflicted issue and/or the director being absent for certain deliberations of the board), the director may remain on the board and the conflict will be monitored.

If a conflict cannot be effectively managed or mitigated then the Board will formally consider the appropriateness of a Director remaining on the Board.

Conflicts of interest checks at onboarding may include but are not limited to:

- Initial assessment undertaken by recruitment firm
- Review of director's external relationships and engagements by relevant Business Heads, TDGF CEO and Regional Head TDS Europe & Asia-Pacific
- Review of director's external relationships and engagements by TDGF Compliance
- Review of director's external relationships and engagements by TD Legal and Head of Governance, TDS Europe & Asia-Pacific
- Review and approval of director's external relationships and engagements by the Board

### 3.10 Documentation of Assessments

The suitability assessment process and its results (including any weaknesses identified) shall be formally documented and retained by management and made available to the Board upon request.

### 3.11 Key Function Holders

TDGF applies the same governance process and assessment criteria for the selection of key function holders (including PCF Holders as defined by the CBOI) in order to ensure that appropriate candidates are appointed to position in the first instance.

The CGC, together with the Head of HR, shall also prepare a Succession Plan for Key Function Holders based on the considerations noted above. The Succession Plan should set out the TDGF's plans, policies and processes for dealing with sudden or unexpected absences or departures of such individuals, including any relevant interim arrangements.

### 3.12 Competent Authority Communication

In the event TDGF identifies any material deficiencies concerning any of the members of the Board's suitability, the Board's composition with respect to collective suitability, or the suitability of a Key Function Holder, the CBOI will be informed without delay. This information will include the measures taken or those which will be taken to remediate the deficiencies and the timeline for their implementation.

Annual Board evaluations, encompassing individual and collective suitability assessments and assessments conducted upon a change to the Board (or Key Function Holders) are documented and available for CBOI at their request. Communication with the CBOI is the responsibility of Compliance in the first instance or their chosen delegate.

## 4. Monitoring & Review

The CGC shall, on an annual basis, review the design and implementation of the Policy to ensure that it remains appropriate and shall advise the Board of the outcome of such review and of any recommended changes.

## 5. Policy Ownership and Review Cycle

### 5.1 Policy Owner & Contact

The Director, Head of Governance, TDS Europe & Asia-Pacific owns this Policy and is responsible for the annual review of the Policy to ensure that the content remains accurate and relevant, although in doing so will consult with relevant corporate and control functions, including Compliance and HR. The Director, Head of Governance, TDS Europe & Asia-Pacific is responsible for addressing any questions or feedback with respect to this Policy.

## 5.2 Policy Approval

The TDGF Board reviews and approves the Policy annually. The Policy is also subject to the endorsement of the TDGF Corporate Governance Committee.

|                         |   |
|-------------------------|---|
| <b>Policy Owner</b>     | Director, Head of Governance, TD Securities Europe & Asia-Pacific             |
| <b>Policy Approval</b>  | TDGF Board (on the recommendation of the TDGF Corporate Governance Committee) |
| <b>Approval Date</b>    | 2 December 2021   |
| <b>Effective Date</b>   | 2 December 2021   |
| <b>Review Frequency</b> | Annual  |
| <b>Next Review Date</b> | December 2022   |

## 6. Related Policies and Other Supporting Documents

The Policy should be read in conjunction with the TDGF Board Diversity Policy, TDGF Corporate Governance Policy and TD Code of Conduct and Ethics.

## 7. Publication of Policy

This Policy is published on the TD Securities website: [tdsecurities.com/ca/en/legal](https://tdsecurities.com/ca/en/legal).

## Appendix 1

### A. Governance, organisation and communication

1. Has knowledge of and experience with managing processes and tasks
2. Has knowledge of and experience with supervising the board
3. Has knowledge in the areas of social, ethical and professional standards, such as those laid down in corporate governance codes and codes of conduct
4. Has experience with complying with and upholding applicable laws and regulations, the above codes, and internal rules and regulations
5. Has knowledge of and experience with engaging external experts for the proper execution of his/her task
6. Knows when stakeholders (such as supervisory authorities, shareholders, clients and external auditors) have to be informed
7. Other relevant knowledge and areas of experience in this field: *To be completed, if and insofar as present*

### B. Products, services and markets within the enterprise's scope of activities

1. Has knowledge of and experience with relevant laws and regulations
2. Has knowledge of and experience with the market in which TDGF operates and the relevant developments in that market
3. Is capable of identifying the long-term interests of TDGF in assessing products, services and markets in which TDGF operates and to act accordingly
4. Has product knowledge, consisting of: *To be completed, if and insofar as present*

### C. Sound and controlled operational policies and processes

1. Is capable of assessing the setup and functioning of the administrative organisation and internal control (AO and IC)
2. Is capable of assessing the setup, working and results of the Compliance function
3. Is capable of assessing the setup, working and results of the Internal Audit function
4. Is capable of assessing and applying the remuneration policy to members of the Board
5. Is capable of understanding the policy on risk management and corresponding procedures and measures and of raising critical questions with the Board about this topic
6. Has insight into the most relevant risks facing TDGF
7. Is capable of understanding the policy on outsourcing and of raising critical questions with the Board on this topic
8. Is capable of assessing whether the careful treatment of clients has been safeguarded
9. Other relevant knowledge and areas of experience in this field: *To be completed, if and insofar as present*

### D. Balanced and consistent decision-making

1. Knows when to ask for missing information to fulfil his/her task adequately
2. Is capable of and has experience with ensuring that sufficient alternatives are being weighed in a decision-making process
3. Knows how in a decision-making process the interests of all stakeholders are weighed and has experience with this
4. Has knowledge of and experience with recognising and raising the issue of conflicts of interests in the decision-making process
5. Is capable of sufficiently assessing whether decisions have been taken in line with strategy
6. Knows how decision-making is laid down carefully and has experience with this
7. Other relevant knowledge and areas of experience in this field: *To be completed, if and insofar as present*

## A. Governance

This section is meant to map how the organisational structure of the institution is set up and how responsibilities are allocated and monitored.

|   | <b>Board Member Score</b>  | <b>Collective Score</b>  |
|---|--|--|
|   | For each board member:<br><b>L (Low)</b> = is at a minimum aware of the subject<br><b>M (Medium)</b> = has good understanding of the subject but is not expert<br><b>H (High)</b> = can make a balanced independent judgement on the subject | For the board in its management function / supervisory function as a whole in its <b>current</b> composition:<br><b>A</b> = Absent<br><b>L</b> = Low<br><b>ML</b> = Medium-Low<br><b>MH</b> = Medium-High<br><b>H</b> = High |
| Assessing the setup and functioning of the administrative organisation  |  |  |
| Assessing the setup and functioning of the internal control system  |  |  |
| Assessing the setup and functioning of group-wide governance arrangements (e.g. relationships between parent and subsidiaries and/or branches)  |  |  |
| Suitability assessment of members of the board or staff functioning below the level of the board  |  |  |
| Policies and procedures for the induction, training and professional development of the members of the board or institution-wide  |  |  |
| Remuneration policy and practices (either to members of the board in its management function or institution-wide) and using incentives to influence behaviours  |  |  |
| Succession planning at Board and Executive Level  |  |  |
| Policy on outsourcing and supervision of outsourced activities  |  |  |
| Understanding of the legal, organisational and operational structure of TDGF  |  |  |
| <b>Risk Committee of a Board and/or Executive Team</b>  |  |  |
| Knowledge, skills and expertise of risk management and control practices  |  |  |
| Overseeing the implementation of the strategies for capital and liquidity management  |  |  |
| Providing management with recommendations on necessary adjustments to the risk strategy   |  |  |
| Assessing scenarios, including stressed scenarios, to determine how the institution's risk profile would react to external and internal events  |  |  |
| Overseeing the alignment between all material financial products and services to be offered to clients and the business model and risk strategy of TDGF   |  |  |
| Experience of serving on other Risk Committees  |  |  |
| <b>Nomination Committee of a Board and/or Executive Team</b>  |  |  |
| Knowledge, skills and expertise for selection and assessing suitability of directors and senior management  |  |  |
| Understanding of diversity requirements for Board composition   |  |  |
| Experience of serving on other Nomination Committees  |  |  |
| Experience of assessing the structure, size, composition and performance of a board   |  |  |
| <b>Audit Committee of a Board and/or Executive Team</b>   |  |  |
| Overseeing the establishment of accounting policies   |  |  |
| Monitoring the financial reporting process and integrity of financial statements  |  |  |
| Reviewing and monitoring the independence of the statutory auditors   |  |  |
| Reviewing and assessing internal audit reports and action plans   |  |  |
| Experience of serving on other Audit Committees   |  |  |
| <b>Remuneration Committee of a Board and/or Executive Team</b>  |  |  |
| Knowledge of remuneration policies, practices and variable incentives   |  |  |
| Understanding of regulatory remuneration requirements   |  |  |
| Experience of serving on other Remuneration Committees  |  |  |
| Experience of assessing and determining variable remuneration awarded to staff  |  |  |
| <b>Please note that estimated ratings to be included for all staff not yet identified or in place. These estimated ratings are aspirational in terms of the skillset sought by TDGF in order to fill these roles.</b> |  |  |

## B. Risk Management, Compliance and Audit

This section is meant to map the experience of the members of the board for a variety of topics from the risk management framework (including first-line-defences and the independent risk management function as a second-line-defence). Furthermore, this section maps the experience of the members of the board with regard to compliance (a second-line-defence) and internal audit (the third-line-defence).

|  | <b>Board Member Score</b>  | <b>Collective Score</b>  |
|--|--|--|
|  | For each board member:<br><b>L (Low)</b> = is at a minimum aware of the subject<br><b>M (Medium)</b> = has good understanding of the subject but is not expert<br><b>H (High)</b> = can make a balanced independent judgement on the subject | For the board in its management function / supervisory function as a whole in its <b>current</b> composition:<br><b>A</b> = Absent<br><b>L</b> = Low<br><b>ML</b> = Medium-Low<br><b>MH</b> = Medium-High<br><b>H</b> = High |
| Setting and implementing an institution's risk strategy, risk culture and risk appetite                                      |  |  |
| Knowledge and experience of capital, funding and liquidity, treasury management  |  |  |
| Knowledge and experience of recovery and resolution  |  |  |
| Knowledge and experience of stress-testing   |  |  |
| Knowledge and experience of internal models  |  |  |
| Experience of setting up an independent risk management function and/or assessing its setup, functioning and effectiveness   |  |  |
| Knowledge of laws and regulations concerning risk management   |  |  |
| Knowledge and experience of accounting aspects of products and services  |  |  |
| Understanding of financial information and regulatory reporting  |  |  |
| Knowledge and experience of setting up the compliance function and/or assessing its setup, functioning and effectiveness     |  |  |
| Understanding of strong whistleblowing mechanisms  |  |  |
| Knowledge and experience of setting up the internal audit function and/or assessing its setup, functioning and effectiveness |  |  |
| Understanding and experience of Credit Risk Management   |  |  |
| Understanding and experience of Market Risk Management   |  |  |
| Understanding and experience of Non-Trading Market Risk Management   |  |  |
| Understanding and experience of Model Risk Management  |  |  |
| Experience of setting up or overseeing the (annual) audit plan   |  |  |
| <b>Strategy</b>  |  |  |
| Experience in dealing in the products and services offered by TDGF   |  |  |
| <b>Supervision</b>   |  |  |
| Experience in supervising adherence to limits and specific controls  |  |  |
| Knowledge and experience of working and trading in a regulatory environment similar to that of TDGF                          |  |  |
| Overall understanding of the regulatory requirements pertaining to TDGF's activities   |  |  |
| <b>Operations &amp; Outsourcing</b>  |  |  |
| Developing a resilient operational risk management control framework   |  |  |
| Monitoring complex and significant numbers of third party and outsourcing arrangements                                       |  |  |
| Monitoring and developing robust cybersecurity practices   |  |  |
| <b>Liquidity Risk</b>  |  |  |
| Knowledge of regulatory requirements pertaining to liquidity   |  |  |
| Developing and implementing ILAAP within the business  |  |  |
| <b>Capital Risk</b>  |  |  |
| Developing and implementing ICAAP within the business  |  |  |
| Knowledge of regulatory requirements pertaining to capital   |  |  |
| Assessing the impact of business activities on the capital base  |  |  |
| <b>Compliance</b>  |  |  |
| Implementing regulatory change initiatives   |  |  |



**Board Member Score**

For each board member:

- L (Low)** = is at a minimum aware of the subject
- M (Medium)** = has good understanding of the subject but is not expert
- H (High)** = can make a balanced independent judgement on the subject

**Collective Score**

For the board in its management function/ supervisory function as a whole in its **current** composition:

- A** = Absent
- L** = Low
- ML** = Medium-Low
- MH** = Medium-High
- H** = High

| <b>Conduct Risk</b>  |  |  |
|--|--|--|
| Developing and implementing an enterprise wide conduct risk management framework |  |  |
| Developing robust codes of conduct   |  |  |
| Developing a strong culture of risk awareness and integrity                      |  |  |

**Please note that estimated ratings to be included for all staff not yet identified or in place. These estimated ratings are aspirational in terms of the skillset sought by TDGF in order to fill these roles.**

**C. Management, Strategy and Decision-Making**

This section is meant to map the managerial knowledge, expertise and skills of the members of the board. Furthermore, this section assesses the collective decision-making skills of the members of the board.

**Board Member Score**

For each board member:

- L (Low)** = is at a minimum aware of the subject
- M (Medium)** = has good understanding of the subject but is not expert
- H (High)** = can make a balanced independent judgement on the subject

**Collective Score**

For the board in its management function/ supervisory function as a whole in its **current** composition:

- A** = Absent
- L** = Low
- ML** = Medium-Low
- MH** = Medium-High
- H** = High

|   |  |  |
|---|--|--|
| Managing processes and tasks and providing direction and guidance to others   |  |  |
| Setting tone at the top: consistency in word and deed and acting in accordance with the own stated values and beliefs                                   |  |  |
| Development of the institution's culture  |  |  |
| Oversight, either over the members of the board in its management function or the day-to-day management   |  |  |
| Social, ethical and professional standards  |  |  |
| Engaging external experts for the proper execution of own tasks   |  |  |
| Developing and implementing strategy and business models  |  |  |
| Discovering and exploiting opportunities with regard to business sustainability   |  |  |
| Matching of products with specific target groups of clients   |  |  |
| Identifying the long-term interests of the company in assessing products, services and markets in which the company operates and to act accordingly     |  |  |
| Communication about strategy, policies and objectives within the institution or group in a clear and transparent way                                    |  |  |
| External communication and knowing when stakeholders (such as supervisory authorities, shareholders, clients and external auditors) have to be informed |  |  |
| Organisation of internal decision-making process in general   |  |  |
| Chairing of an internal decision-making body, committees or (management) group  |  |  |
| Oversight of executives (either supervisory function over management function, or management function over executives below the board)                  |  |  |
| Information-gathering (internally or externally) in order to take timely and well-informed decisions  |  |  |
| Reporting from specialised committees or (management) groups to the whole management and/or supervisory function  |  |  |
| Ensuring that sufficient alternatives are being weighed in a decision-making process  |  |  |
| Fostering open and inclusive decision-making with room for constructive and robust challenge of proposals   |  |  |
| Weighing the interests of all stakeholders in a decision-making process   |  |  |
| Recognizing and raising the issue of conflicts of interests in the decision-making process  |  |  |

**Board Member Score**

For each board member:

**L (Low)** = is at a minimum aware of the subject

**M (Medium)** = has good understanding of the subject but is not expert

**H (High)** = can make a balanced independent judgement on the subject

**Collective Score**

For the board in its management function/ supervisory function as a whole in its **current** composition:

**A** = Absent

**L** = Low

**ML** = Medium-Low

**MH** = Medium-High

**H** = High

|  |  |  |
|--|--|--|
| Assessing sufficiently whether decisions have been taken in line with the company strategy |  |  |
| Laying down and formalising decisions that have been agreed upon                           |  |  |

**Experience Overview**

This section is meant to collect an overview of past banking or financial professional experience present in the board, in the own institution or elsewhere. It also provides a quick overview of other types of experience. The overview is meant to help the assessment of the collective suitability also in light of the need to have a diversity of experiences and the need to set up appropriate succession planning.

Please fill in the appropriate (number of) year(s) of professional experience:

|  | <b>Board Member</b> |
|--|---------------------|
| Numbers of years serving in a non-executive position in the own institution/group                          |                     |
| Number of years serving in an executive position in the own institution/group                              |                     |
| Number of years of banking or financial experience in large institutions other than the own institution    |                     |
| Number of years in management positions  |                     |
| Number of years of experience other than management or financial sector (e.g. academic, legal practice...) |                     |

## Appendix 2

### Independence Assessment Considerations

1. Any financial or other obligation the individual may have to TDGF, TD Bank Group or any of their respective directors
2. Whether the individual is or has been employed by TDGF or a TD Bank Group entity in the past five years
3. Whether the individual has or had within the last three years a material business relationship with TDGF either directly or as a partner, shareholder, director or senior employee of a body that has had a relationship with TDGF or any member of TD Bank Group
4. Whether the individual is or has been a provider of professional services (including audit) to TDGF or any other member of TD Bank Group or affiliates or any ongoing contractual relationship with such provider
5. Whether the individual represents a significant shareholder (including another member of TD Bank Group)
6. Whether the individual has acted as an independent non-executive director of TDGF or another member of TD Bank Group for extended periods
7. Any additional remuneration received from any member of TD Bank Group in addition to the director's fee from TDGF
8. Holding significant links with other directors through involvement in other companies and bodies
9. Any close business or personal relationship with any of TDGF or any other member of TD Bank Group's directors or senior employees
10. Any direct or indirect relationships with TDGF or any other member of TD Bank Group that would make the individual personally beholden to that entity and consequently interfere with the exercise of the individual's independent judgment
11. Any close family ties with any of TDGF or any other member of TD Bank Group's advisers, directors or senior employees
12. Service on the Board for more than nine years since the date of first appointment