



**Remarks by John Thompson
Chairman of the Board
TD Bank Financial Group
TDBFG AGM
Ottawa
March 23, 2005**

(Check Against Delivery)

It's great to be back in Ottawa again. I grew up in a little Quebec town about 60 miles away and it was always a big adventure to take a trip here. Then, over the course of my business career I visited Ottawa every week or two, and it's wonderful to see how the region has grown over the years. Indeed, it has become a very important centre for TD and is home to many of our most important customers and approximately 1,900 valued employees.

The theme of this year's annual meeting is "keeping commitments." It's a fitting theme as TD Bank embarks on its 150th year of serving and keeping its commitments to Canadians. And it gives us a chance to look back on the commitments we've made and kept, and the commitments we are laying out for the future.

2004 was a great year for the bank and its shareholders and shows how far we've come over the last few years. Your board has every confidence in the bank's strategic direction and I just want to say congratulations to TD's employees and to Ed and his team for the strides TD continues to make as it keeps its commitments to customers, shareholders, employees and communities. Thank you for your hard work, your unwavering dedication, and for continuing to drive long-term shareholder value.

Keeping commitments is also a priority for your board. So I'd like to start by making a commitment to you on behalf of the board. A number of high profile corporate scandals have been back in the news lately. If you've been following the media coverage then you know that a popular defense is something called the "I never knew" defense. In some cases not only did they never know about any wrongdoing, they never knew what was going on in their businesses either! So here's our commitment – we will always make it our greatest priority to know what is going on at TD. That is your board's first and most important commitment to you.

Last time we met we said we were determined to be a leader in corporate governance, and I'd like to tell you about some of the initiatives we've taken since then.



First, in 2004 we introduced term limits for directors – the first such development at a bank in Canada. Starting now, TD requires its directors to leave upon completion of a term of 10 years, with an option of renewal for a further five years, at the board's discretion and subject, of course, to our annual performance review and shareholder election. Though some may say that after ten years certain directors are just reaching

their peak, we see term limits as a chance to ensure the board is refreshed on a prescribed basis, which allows for continual renewal and greater diversity over time. Hand in hand with term limits is the further new requirement that when management directors are no longer with the bank, they must resign from the board.

On the question of term limits, we took a leadership position in consulting beforehand with shareholders. We've been publicly acknowledged for this practice and we will continue to engage in dialogue with shareholders, in advance of major changes, about issues that affect them.

That brings me to a second new initiative.

A moment ago I made a commitment to you that recognized the importance of directors knowing the business and keeping abreast of issues that affect it. To that end, we've significantly strengthened our director education program for both new and existing directors. We have also increased the exposure of directors to all of the bank's senior executives on an informal basis to develop a deeper knowledge of the business and its people.

Board evaluation is a third area that we improved on this past year. With the help of an independent expert, our board underwent an extensive self-evaluation. This process now includes both peer and self-evaluation by individual directors, as well as general feedback on how well the board is performing. The new approach has helped improve the effectiveness of individual board members in addition to the board and committee processes themselves. For instance, we've revamped our board and committee agendas to leave much more time for open discussion on strategy, executive resources, and major business issues.

And, finally, in the area of risk management, TD's board continues to be guided by innovation. Our Risk Committee uses a state of the art "dashboard" – a red/green/amber early warning system that visually displays and identifies key risk elements throughout the company. The dashboard allows us to focus our attention on any red flags while still being aware of the big picture, which means we can ensure management puts resources where they are most needed.



So what's ahead? We will continue to strive for leadership in governance. We will continue to provide strong oversight of TD on behalf of all shareholders. And we will continue to provide strategic advice and counsel to TD's senior management as our direction is set for the future.

The U.S. marketplace represents a huge opportunity for growth for TD and its shareholders, but we are also aware that it can be challenging to create success in another country. Therefore, your board is working closely with management as the firm expands in the U.S., to ensure the process continues smoothly and successfully.

The board is also working with Ed and his senior team to continue to build leadership capability across the organization. Our focus on leadership reflects the importance the board places on ensuring that TD has a strong development program so that the executive talent the bank needs in the future is firmly in place.

Another key priority of the board going forward is to focus the work being done by our board committees.

The Management Resources Committee continues to align compensation principles with the long term performance of the bank. The Committee is always aware of the need to balance salaries that are competitive, with fairness and the wise use of shareholder resources. This will persist as a priority.

Our Corporate Governance Committee will continue to identify and adopt the best corporate governance practices appropriate for the bank, while at the same time making sure that new rules can be applied in a practical way. It will continue to assess the board, and, as board members retire, recruit and nominate new directors who are top in their fields and represent a diverse mix of skills, experience, gender, and geographic representation.

The Risk Committee continues to provide oversight on reducing the overall risk profile of the bank. The committee is committed to seeing that procedures are in place to meet the coming Basel II standards which represent the new internationally agreed framework for measuring capital adequacy, and other risk issues.

And the Audit Committee will focus on ensuring that all of our accounting and business controls meet the changing regulatory requirements. We also believe that moving from two auditors to a single one is in the bank's best interests, and I am leading process as Chairman of the Board, in conjunction with the Audit Committee.



In closing, I'd just like to say that TD has a demanding board that expects a large commitment of time and knowledge for its directors. In addition, board members are required to own a significant number of shares over time while observing strict insider rules and trading windows that dictate when they can acquire those shares. So I'd like to thank my fellow board members for their dedication and for the great work they've done and continue to do. And I especially want to thank two directors who are retiring today. Together, Donald Sobey and Michael Sopko have given a total of 40 years of service to TD's board and we have benefited greatly from their wisdom and experience.

I'd also like to welcome four new directors who have recently joined us: Bill Bennett, John Bragg, Harold MacKay, and Bill Ryan, all of whom will be introduced to you in a brief video, along with the other directors who are standing for election. Each of these directors has demonstrated great personal achievement and brings a wealth of experience to our board. I look forward to working closely with them on the many commitments we've discussed here today.

Thank you.