

## 2014 Public Policy and Political Contributions

In all jurisdictions where TD operates, we take an interest in major public policy issues that may have an impact on our business, communities and society. These include issues identified in our annual materiality analysis, such as tax reform, access to banking and affordable housing.

Operating in a highly regulated industry, TD is especially affected by changes in financial services regulations and policies, and we are naturally concerned about building a healthy, sustainable financial marketplace. We value having numerous opportunities to participate in consultations and other advocacy engagements that contribute to better policymaking. We are committed to being transparent about our public policy interactions and political contributions, with all of these activities guided by various internal policies and procedures.

### **TD engages in public policy matters in a variety of ways:**

- We monitor government activity, upcoming legislation and regulatory developments to keep abreast of relevant issues.
- We dialogue with elected officials, public servants, regulators and advocacy organizations to educate them on TD's viewpoints.
- We participate in relevant policy development processes (e.g., public/industry consultations) by offering constructive ideas and expertise, with the aim of shaping sound policy solutions.

### **Relevant TD policies:**

- [Code of Conduct and Ethics](#)
- [Anti-Bribery and Anti-Corruption Policy](#)
- [Gifts & Entertainment Policy \(U.S.\)](#)

### **Government Relations in Canada**

In Canada, TD's Government Relations group coordinates the bank's dialogue with politicians and public servants, as well as many of the bank's relationships with industry associations and other advocacy organizations. TD's Regulatory Relations group coordinates the bank's contact with both Canadian regulators and regulators in foreign jurisdictions other than the U.S.

The majority of TD's interactions take place with the federal government, which has jurisdiction over all banking activities and many other financial services. TD complies with all federal lobbyist-reporting requirements and reports all of its activities to the Office of the Commissioner of Lobbying, as required. Our activities at the provincial and municipal levels follow all of the rules and/or reporting requirements that exist for these jurisdictions.

### **Government Relations in the U.S.**

In the U.S., the Regulatory and Government Affairs team manages the bank's contact with regulators, elected officials and other government employees at the federal, state and local levels. In addition, the team coordinates the bank's relationships with trade associations, such as the American Bankers Association, the Financial Services Roundtable and The Clearing House.

TD Bank complies with all reporting requirements related to its interactions with government officials and with all other laws, rules and regulations that govern such interactions. We have a comprehensive Gifts and Entertainment Policy that prohibits gifts of any kind from bank employees and Directors to U.S. government officials, and we provide in-depth ethics training to employees who interact with government officials.

Key Public Policy Positions in 2014		
Issue	Audience	Key Developments and TD's Positions/Activities
<b>Regulatory Changes</b>		
Implementation of the Dodd-Frank Act	U.S. Congress and regulators	TD continued to participate in consultation processes related to implementation of the Dodd-Frank Act.
Foreign Account Tax Compliance Act (FATCA)	U.S. Congress and regulators	The U.S. Treasury has begun implementing new regulations under FATCA requiring foreign financial institutions to report to their home governments or directly to the IRS information about financial accounts held outside the U.S. by American citizens. FATCA provides for a phased implementation over several years, which began in 2014. Many countries, including Canada, negotiated intergovernmental agreements with the U.S. that set out alternative implementation requirements for their financial institutions. TD fully supports U.S. efforts to combat tax evasion everywhere and is committed to meeting all requirements in a timely manner.
Updating of the Financial Consumer Code	Government of Canada	TD continues to contribute to the consultations on revisions to the comprehensive Financial Consumer (protection) Code.
Cooperative Capital Markets Regulatory System (i.e., a common securities regulator)	Various provincial governments in Canada	TD continues to contribute to the consultations on a national common capital markets securities regulator.
<b>Consumer/Economic Issues</b>		
Credit card merchant fees	Government of Canada	On November 4th, 2014, Canada's Finance Minister commented on voluntary proposals received by Visa and MasterCard to "reduce their credit card fees to an average effective rate of 1.50% for the next five years". This concluded a discussion among key stakeholders aimed at resolving merchant complaints about the fees merchants pay to accept credit card payments.
Interchange fees	U.S. Congress and regulators	In recent years the fees that are paid by U.S. merchants when consumers pay for goods and services by credit or debit cards have emerged as a major public policy concern, as well as the subject of class action litigation and government investigations. TD continues to monitor the issue and believes that there should be an equitable exchange of value among all participants involved in credit or debit card transaction networks.
Housing finance	U.S. Congress and regulators	The condition of the housing finance system has been a growing crisis in the U.S. Longstanding federal government programs to support homeowners, such as through the government-supported enterprises Fannie Mae and Freddie Mac, are in financial difficulty. As a result, Congress is considering legislation to address these difficulties and foster more sustainable housing finance initiatives. TD supports the push for reforms to America's housing finance system to better serve families and to improve the long-term health of the market.
Cybersecurity	Government of Canada and U.S. Congress and regulators	TD has encouraged both federal governments to create more robust cyber security strategies. The Government of Canada has engaged with industry to ensure that Canada has a robust policy framework for ensuring cyber security, and TD has been an active participant in these discussions.
Financial literacy	Government of Canada	The federal government is working directly, and with industry partners, to strengthen financial literacy in Canada. This will empower individuals to have a greater level of comfort as they make life's key financial decisions. TD has engaged at a public policy level, as well as expanding employee programming and increasing our funding for community partners to help meet this goal.

## Political Contributions

### Canada & U.K.

In 2014, TD's political contributions were minimal in Canada and nil in the U.K. In Canada, TD donated to both governing and official opposition parties in the provinces that allow corporate donations. Currently, five provinces do not allow political donations – nor are they permitted at the federal level. Our contributions have no political bias, are all on public record and can be accessed at the websites of provincial election offices.

#### 2014 Political Contributions in Canada

	2014	2013	2012	2011
Federal	-	-	-	-
Provincial	<b>\$200,550</b>	\$197,335	\$173,620	\$204,150
Municipal	<b>\$1,100</b>	-	-	-
<b>Total</b>	<b>\$201,650</b>	\$197,335	\$173,620	\$204,150

### U.S.

Federal law in the U.S. prohibits corporations, including national banks, from making political contributions to candidates for federal, state or local office. Contributions are allowed, however, from separate segregated funds established by national banks and other corporations. Such funds are known as political action committees or PACs. There are more than 4,600 active PACs in the U.S.

TD Bank has a federal political action committee, established in August 2011 that allows eligible, interested employees to make voluntary personal donations to candidates for federal office who support a strong financial services sector and sound economic policies. TD PAC is non-partisan and funded solely by voluntary contributions from eligible TD employees, facilitated through a voluntary payroll deduction system established by TD Bank.

All contributions from the PAC to federal candidates are reported to the Federal Election Commission and are a matter of public record.

Employee contributions to TD PAC that aggregate to \$200 or more each year are reported as part of the public record. More information about TD PAC may be found on the [FEC database](#). A board of directors operating according to its articles of association governs TD PAC. This ensures accountability for proper administration and operation of the PAC and reflects the importance of and TD's commitment to strong governance.

During 2014, TD PAC contributed \$72,000 to 42 House and Senate candidates of both major political parties and one financial services industry federal PAC. TD PAC makes political contributions that are allowed by federal law and that are consistent with the bank's strict guidelines for public policy activities and advocacy. No contributions are made to gain an unfair or inappropriate advantage. TD Bank does not independently advocate the election or defeat of specific candidates for federal office.