

# SCHEDULE A

## CORPORATE GOVERNANCE

### POLICIES AND PRACTICES

Our board and management are committed to sound corporate governance practices that contribute to the effective management of the bank and to achieving the bank's strategic and operational plans, goals and objectives.

The board's corporate governance policies, principles and practices, which are reviewed by the Corporate Governance Committee at least annually, focus on the board's responsibilities to the bank's shareholders and other relevant stakeholders and on creating long-term shareholder value. The board's governance framework includes the charters and key practices of the board and its committees and the Corporate Governance Guideline (available at [www.td.com/governance](http://www.td.com/governance)). The bank's corporate governance policies and practices comply with the Canadian Securities Administrators' National Policy 58-201 *Corporate Governance Guidelines* (CSA Guidelines), the rules of the TSX, and OSFI's Corporate Governance Guideline.

Although they do not all directly apply to the bank, these policies, principles and practices also take into account rules of the New York Stock Exchange (NYSE) and the U.S. Securities and Exchange Commission.

Visit the bank's website for additional governance information, including:

- Code of Conduct and Ethics (the Code)
- Corporate Governance Guideline
- Board Diversity Policy
- Disclosure Policy
- Director Independence Policy
- Proxy Access Policy
- Majority Voting Policy
- Position Description for Directors
- Position Description for the Group President and CEO
- Charters of the Board and its Committees, the Board Chair and the Chairs of Committees

### BOARD OF DIRECTORS

Our board is independent. Of the 13 nominees proposed for election, 12 (92%) are "independent" under the bank's Director Independence Policy ([www.td.com/governance/other\\_policies.jsp](http://www.td.com/governance/other_policies.jsp)) and the CSA Guidelines and are not "affiliated" under the Bank Act.

#### Director Independence

To be effective, the board must operate independently of management. All but one of the bank's directors and all committee members are independent. Bharat B. Masrani, Group President and CEO, TD Bank Group, is the only director not considered to be "independent" under the Director Independence Policy or the CSA Guidelines and is "affiliated" under the Bank Act because of his position. Each audit committee member meets additional independence criteria under the Director Independence Policy and applicable law.

The board has adopted a Director Independence Policy and delegated responsibility to the corporate governance committee for recommending director independence criteria and evaluating director independence at least annually and as needed for director appointments during the year.

Detailed information on all director nominees proposed for election this year is provided in the "Director Nominees" section of this circular.

#### How the Board Determines Independence

The board has a robust annual process to evaluate director independence. Directors must complete detailed annual questionnaires about, and provide information relevant to, their individual circumstances. To determine if a director has a "material relationship" with the bank that would compromise their independence, the corporate governance committee considers all relevant facts and circumstances, including any relationship a director may have with the bank, and any relationships that their spouses, children, principal business affiliations and any other relevant individuals may have, and considers whether the director could reasonably be expected to be objective about management's recommendations and performance. The corporate governance committee particularly scrutinizes any outsourcing, consulting, legal, accounting or financial services relationships.

The corporate governance committee considers the director independence standards that incorporate the definition of affiliated persons under the *Bank Act* (Canada) and definitions of independence from the Canadian Securities Administrators. While not required to do so, the corporate governance committee also considers the director independence standards that apply to NYSE-listed U.S. domestic issuers. Except for Mr. Masrani, all director nominees would be considered independent under these NYSE standards if they applied to the bank.

In addition to the Director Independence Policy, the board has implemented the following policies and practices:

- the board and each committee can meet independently of management at any time. Time to do so is provided on each board and committee meeting agenda. During fiscal 2021, 53 in-camera sessions were held;
- the board and each committee can engage their own independent advisors to provide expert advice at the expense of the bank;
- the non-management directors must annually appoint a strong, independent board chair with a clear mandate to provide leadership for the independent directors; and
- the non-management directors must acquire, within five years of first being elected or appointed to the board, equity ownership in the bank with a value equivalent to at least six times their respective annual cash retainers.

### **Other Directorships and Board Interlocks Policy**

In addition to maintaining their independence, directors must be able to devote sufficient time to their responsibilities to TD. Board members are restricted from serving on other boards without prior advance notice to and approval from the chair of the corporate governance committee of their intention to accept an invitation to serve on the board of directors of any public company or any company in the financial services sector. Other than as members of the board of the bank, no more than two board members may sit on the same public company board without the consent of the corporate governance committee. In addition, no member of the audit committee may serve on more than three public company audit committees without the consent of the corporate governance committee and the board. There are currently no board interlocks.

Two of the nominees proposed for election, Messrs. Brian Levitt and Bharat Masrani, are members of the board of directors of The Charles Schwab Corporation (“Schwab”). In connection with Schwab’s acquisition of TD Ameritrade Holding Corporation on October 6, 2020, the bank and Schwab entered into a stockholders’ agreement under which the bank has the right to two seats on Schwab’s board of directors depending on its ownership interest in Schwab and subject to the bank meeting certain conditions, which seats are currently held by Messrs. Levitt and Masrani.

### **Board Chair**

The Board Chair is Brian Levitt. Mr. Levitt has been the Board Chair since January 1, 2011. Shareholders may communicate directly with the Board Chair by email c/o TD Shareholder Relations at [tdshinfo@td.com](mailto:tdshinfo@td.com).

The Board Chair is responsible for facilitating the functioning of the board independently of management and for maintaining and enhancing the quality of the bank’s corporate governance. The Board Chair’s key responsibilities are set out in the bank’s Charter of the Board Chair ([www.td.com/governance/charters.jsp](http://www.td.com/governance/charters.jsp)). The chair:

- must be independent and appointed annually by the non-management directors;
- chairs meetings of the board (including in-camera sessions) and all annual and special meetings of shareholders;
- consistent with the Bank’s shareholder engagement policies, meets with shareholders, regulators and other interested parties on matters core to the board’s mandate, and attends public events on behalf of the bank;
- is also the chair of the corporate governance committee and a member of the human resources committee;
- meets regularly with other directors and senior management to monitor the health of relationships among directors and between the board and senior management; and
- maintains a channel of open communication with the bank’s regulators, independent of management, to engender trust and confidence in the quality of the board’s governance and oversight of the bank. In 2021, the Board Chair met, both alone and with one or more of the committee chairs, eight times with representatives of the bank’s regulators. The Board Chair’s and committee chairs’ involvement in these

meetings includes preparation as well as attendance and spans all of the bank's various businesses and the jurisdictions in which they are carried out.

For more information about the bank's Board Chair, Mr. Levitt, see the "Director Nominees" section of this circular or the bank's website at [www.td.com/governance/chair.jsp](http://www.td.com/governance/chair.jsp).

## Shareholders' Meetings

The Board Chair is responsible for chairing and is available to answer questions at the bank's annual shareholders' meetings. Directors are expected to attend annual shareholders' meetings. Last year, excluding Messrs. Levitt and Masrani, all but one of the director nominees then standing for election, attended the bank's virtual annual shareholders' meeting. Messrs. Levitt and Masrani attended the annual shareholders' meeting in person in Toronto, with social distancing practices in place.

## BOARD MANDATE

Shareholders elect the board to oversee management and assure that the long-term interests of shareholders are advanced responsibly, including addressing, where appropriate, the concerns of the bank's other key stakeholders and interested parties, including the bank's employees, customers, debt holders, regulators, communities and the public at large.

The board's responsibilities are set out in its charter and include the following:

- supervision of the management of the business and affairs of the bank;
- approval of the bank's strategy and major policy decisions — the board must understand and approve the bank's strategy, business objectives, be kept current on progress towards those objectives and be part of and approve any major strategy and policy decisions;
- approval of the bank's enterprise risk appetite statement — the board must be satisfied that there is a framework in place so that the bank only takes risks in accordance with its risk appetite and enterprise risk framework (and the board must approve the risk appetite statement and monitor the bank's risk profile and performance);
- evaluation, compensation, talent development and succession — the board must be satisfied that there are processes in place to identify, attract, evaluate, develop and retain the right people to enable the bank to meet its strategic ambitions and safeguard its unique and inclusive culture; and the board must also monitor and evaluate individuals in key management roles, and be satisfied that they are appropriately compensated for contribution to the bank's long-term success;
- oversight of the management of capital, liquidity, risks, and internal controls — the board must be satisfied that policies are in place to enable the bank to maintain sufficient capital and liquidity and to protect the bank's assets and reputation; and the board must also be satisfied that the bank's risk culture, compensation policies and practices and control functions enable the bank to operate within the confines of its board-approved risk appetite;
- disclosure of reliable and timely information to investors — the board must be satisfied that the bank is providing its investors with accurate and balanced information in a timely manner; and
- effective board governance — the directors must function effectively as a board in order to meet its stewardship responsibilities; the board needs to be comprised of strong members with the appropriate skills and experience, and the right information.

The board's charter is incorporated by reference into this circular and has been filed with securities regulators on [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov) and is available at [www.td.com/governance/charters.jsp](http://www.td.com/governance/charters.jsp). In addition, shareholders may promptly obtain a free copy of the board's charter by contacting TD Shareholder Relations (contact information is provided on page 118 of this circular).

Our employees and officers execute the bank's strategy under the direction of the CEO and the oversight of the board. The Bank Act requires certain important matters to be brought before the board. The board has also reserved certain other key decisions to itself. Under its charter, the board is responsible for the establishment and maintenance of policies and procedures which are effective in supporting its oversight of management and internal controls. The board has also put in place formal policies for approving material capital allocation decisions, including material business acquisitions, investments and divestitures and major outsourcing projects. In addition, the board has complete authority over the approval of certain other transactions out of the ordinary course of business and for approving the bank's financial statements prior to release to shareholders.

## Strategic Planning

The board approves the strategy and business objectives of the bank and oversees their execution. This oversight includes reviewing and approving all major strategy and policy recommendations, including the bank's annual strategic plan, annual financial plan (including the capital, liquidity and funding plans), and major capital expenditures, and monitoring adequate levels of capital and liquidity. At least annually, the board reviews the strategic plan of each business segment, considering factors including the competitive landscape, opportunities for growth and key performance metrics. The board assesses the bank's major opportunities and the risk impact of strategic decisions being contemplated, including considering whether they are within the board-approved enterprise risk appetite established for the bank and its individual business units. In addition to reviewing and discussing the bank's strategy at regular board meetings, the board annually participates in a two-day board strategy meeting.

The bank's strategy is to be the premier Canadian retail bank, a peer-leading U.S. retail bank, and a leading North American franchise-based wholesale business.

## Risk Management

The board oversees the bank's risk culture and approves and oversees frameworks and policies designed to protect the assets of the bank and its continuing viability. The board also oversees the identification and monitoring of the principal risks affecting the bank's businesses, and satisfies itself that appropriate policies, procedures and practices are in place for the effective and independent management of these risks in accordance with the bank's enterprise risk framework. The board is supported in its discharge of this responsibility by its risk committee which, among other responsibilities, reviews and recommends to the board for approval the bank's enterprise risk appetite statement and satisfies itself that the bank has appropriate strategies, frameworks and policies in place to manage its current and emerging risks. In addition, the risk committee has been delegated authority to oversee the bank's crisis management, recovery and resolution plans as required by applicable regulatory requirements. See the "Managing Risk" section of the bank's 2021 MD&A for a list of the major risk types identified and the structures and processes in place to manage them.

## Capital and Liquidity Oversight

The board oversees the bank's capital adequacy and management, including by annually reviewing and approving the bank's Global Capital Management Policy and the capital limits and thresholds therein. As part of this responsibility, the board is responsible for declaring dividends and approving the issuances, redemptions or repurchases of all capital, if appropriate and permitted by applicable law regulations. The board also oversees the implementation of the bank's liquidity and funding frameworks and policies and annually reviews the bank's liquidity and funding plans.

## Purpose and Environmental and Social Matters

TD's purpose is to enrich the lives of its customers, communities and colleagues. This statement of purpose animates and is reflected in the bank's strategy, Risk Appetite Framework, culture and operating policies and procedures. The board's oversight of the bank's strategy occurs continuously throughout the year and includes overseeing how management pursues the responsible advancement of the long-term interests of shareholders while addressing the concerns of other relevant stakeholders and interested parties including the bank's employees, customers, communities, debt holders, regulators and the public at large.

The corporate governance committee is responsible for overseeing the bank's alignment with its purpose and the bank's performance and reporting on corporate responsibility for environmental and social matters. Each year the committee reviews the bank's Environmental, Social and Governance Report (<https://www.td.com/ca/en/about-td/for-investors/economic-social-governance-reporting/>) and receives periodic updates on environmental and social trends, best practices and the bank's relative performance. In addition, management provides regular updates to the risk committee on the bank's approach to environmental and social risk management, including climate-related risks and potential social impacts across major risk categories. The board also is assisted by the human resources committee, which reviews the bank's inclusion and diversity strategy and initiatives, actions related to colleague health, safety and well-being, and compensation related activities, including the impact of ESG on SET compensation. The board receives regular updates on environmental and social matters affecting the bank.

## Succession Planning

The board and human resources committee are responsible for succession planning for the senior leadership of the bank and for overseeing the bank's people strategy. This includes identifying potential succession candidates for CEO, at least annually reviewing and approving the succession plans for senior executive

positions and the heads of key control functions, being satisfied that the senior leadership team is identifying potential succession candidates for other key executive roles, monitoring development plans for those identified, and fostering management depth by rigorously assessing candidates for other senior positions.

## **Communication**

The corporate governance committee must satisfy itself that the bank communicates effectively, both proactively and responsively, with shareholders, other key stakeholders (such as employees, customers, regulators, and communities), and the public at large. The bank's Disclosure Policy ([www.td.com/governance/other\\_policies.jsp](http://www.td.com/governance/other_policies.jsp)) describes the bank's commitment and obligations regarding the timely, accurate and balanced disclosure of all material information to a broad audience. The corporate governance committee periodically reviews the Disclosure Policy and annually receives a report from management, including members of the disclosure committee, on the policy, the design and operation of related disclosure controls and procedures, and any disclosure issues that may have arisen in the past year.

The board or appropriate committees also review and/or approve key disclosure documents, such as the bank's quarterly and annual MD&A and financial statements, annual report, annual information form, and management proxy circular.

## **Measures for Receiving Stakeholder Feedback**

Shareholders may provide feedback to the bank through a number of avenues, including via email, telephone, mail and at events (such as the annual shareholders' meeting, quarterly earnings conference calls and TD investor relations' investor events, organized by TD investor relations). The Chief Financial Officer, the Head of Investor Relations and other officers meet regularly with investment analysts and institutional investors, in Canada and internationally. The bank also receives feedback through meetings with shareholders, including with those shareholders that are interested in the bank's approach to executive compensation, corporate governance, long-term strategic positioning and corporate responsibility for environmental and social matters.

Shareholders may contact TD Shareholders Relations at [tdshinfo@td.com](mailto:tdshinfo@td.com) and may also communicate directly with the bank's independent directors through the Board Chair (contact information is provided on page 118 of this circular or visit [www.td.com/investor-relations/ir-homepage/contact.jsp](http://www.td.com/investor-relations/ir-homepage/contact.jsp)). In addition to any timely reporting, the corporate governance committee receives an annual report on shareholder feedback on an enterprise-wide basis from management, with a primary focus on retail shareholders.

The bank is committed to proactive, open and responsive communications with shareholders, other interested parties and the public at large. The bank recognizes the importance of engagement of directors with shareholders on areas core to the board's mandate and has developed an internal guideline to support such engagement. As part of that commitment to shareholder engagement and subject to the Board Chair's approval and guidance, the bank's directors periodically extend invitations to, and respond to invitations from, certain shareholders and governance stakeholders to meet to discuss the bank's approach to executive compensation, corporate governance, corporate responsibility for environmental and social matters, long-term strategic positioning and other areas of interest to shareholders core to the board's mandate. In addition, shareholders are annually provided with an opportunity to vote for or against an advisory resolution on the bank's approach to executive compensation disclosed in the "Report of the Human Resources Committee" and "Approach to Executive Compensation" sections of this circular. The board and its human resources committee will take the results of this advisory vote into account, when considering compensation policies, procedures and decisions. Management and the corporate governance committee also carefully consider shareholder proposals received by the bank, as well as feedback and communications from recognized governance groups in Canada, and provide regular opportunities for shareholders to communicate with management and the board. The corporate governance committee also receives reports on the results of the annual meeting of shareholders and considers commentary provided by shareholders about their voting decisions. All of these inputs guide governance considerations.

## **Internal Controls and Management Information Systems**

The board oversees, and monitors the integrity and effectiveness of, the bank's internal controls and management information systems. The board also oversees adherence to applicable legal, audit, compliance, regulatory, accounting and reporting requirements. Through this process, the board satisfies itself that the bank's financial reporting and financial control systems are operating appropriately. Management's report on internal control over financial reporting and related information is available under the heading "Accounting Standards and Policies — Controls and Procedures" in the bank's 2021 MD&A.

The bank maintains a program for raising conduct and ethics concerns, which provides employees and members of the public worldwide with an open and effective communication channel to report complaints or concerns regarding accounting, internal accounting controls or auditing matters and other ethical, legal or

regulatory matters. The audit committee monitors reports regarding accounting, internal accounting controls and auditing matters. A description of the program including the Conduct and Ethics Hotline is available at <https://www.td.com/about-tdbfg/corporate-governance/tdbfg-conduct-and-ethics-hotline/>.

## Developing the Bank's Approach to Corporate Governance

The board believes the bank's success is based on a culture of integrity which starts with the "tone at the top". As set out in its charter, the board is responsible for setting the tone for the risk, integrity and compliance culture throughout the bank. The board expects the highest level of personal and professional integrity from the CEO, other executive officers and all employees. The corporate governance committee keeps abreast of the latest regulatory requirements, global emerging trends and guidance in corporate governance and updates the board on corporate governance issues, as necessary.

## POSITION DESCRIPTIONS

The corporate governance committee annually reviews the board-approved written Position Description for Directors, Charter of the Board Chair, and Charter for Committee Chairs and recommends amendments if required. These documents are available at [www.td.com/governance/charters.jsp](http://www.td.com/governance/charters.jsp). The human resources committee also annually reviews and approves a written Position Description for the Group President and CEO. In addition, the human resources committee reviews the mandates applicable for all senior leadership roles (rank of or equivalent to group head or higher and other key positions as determined from time to time).

## ORIENTATION AND CONTINUING EDUCATION

### Orientation

The corporate governance committee oversees the implementation and monitors the effectiveness of an orientation program for new directors.

Our director orientation program is comprised of several components, including:

1. Each new director receives a set of orientation reference materials tailored to their unique background, experience and expected committee responsibilities. Reference materials include, among other things: the bank's key governance policies and guidelines; information about board and director evaluation processes; board and committee charters; board and relevant committee minutes for the previous year; and business and strategic materials;
2. Each new director participates in comprehensive education sessions at which the CEO or other members of the executive management team present and answer questions on how the bank is managed, its business and control functions, strategic direction, capital and liquidity management, finance, human capital management, information technology, marketing/digital, environmental and social matters, the regulatory environment, directors' responsibilities, and other significant issues and key risks the bank faces;
3. New directors meet with the CEO and the Board Chair and the chair of each committee the director is joining; and
4. New directors are assigned a "mentor" director for the director's first year to answer questions and provide contextual information to better understand materials, presentations and processes.

New directors are also offered an opportunity to visit various sites (e.g., the head office of TD Bank US Holding Company, retail branches, operations centres, contact centres, trading floors).

### Continuing Education

The corporate governance committee oversees continuing education for directors and is a resource for ongoing education about directors' duties and responsibilities.

All directors are expected to continuously deepen their knowledge of the business of the bank, relevant trends in business and industry, and the regulatory environment in which the bank and its subsidiaries operate. Presentations are regularly made to the board on different aspects of the bank's operations, and periodically on topical areas, to assist directors in fulfilling their responsibilities. In addition to training and education for the full board, there is specialized training for committees as required or desirable. These educational presentations are made by management and in some cases by external presenters.

Directors are canvassed on specific topics, emerging trends and best practices relevant to the board as a whole or to a specific committee that they would like to learn more about. All non-management board members are expected to participate in sufficient continuing education to be effective in their roles.

The continuing education program for directors provided by the bank includes:

- in-depth sessions (“deep dives”) as well as an annual two-day board strategy meeting on different business, economic, enterprise and regulatory topics. Each deep dive includes an element of general education as context for the discussions (e.g., the industry, competitors, trends, and risks/opportunities);
- optional director orientation sessions for directors in their second year of service;
- complete access to management to become and remain informed about the bank’s businesses and for any other purposes that may help them fulfill their responsibilities;
- informal board/executive interaction sessions for directors to meet additional members of senior management and the bank’s next generation talent;
- enrollment in events and access to publications to enhance their knowledge of directors’ responsibilities and current governance trends;
- regular presentations on different aspects of the bank’s operations;
- periodic presentations and reports summarizing significant regulatory and market developments;
- opportunities to visit various operational sites;
- access to regularly updated learning and development materials on the board portal, curated against five areas of focus: economic and competitive landscape; strategy and business model; technology and innovation; legal and regulatory; and risk; and
- reimbursement of expenses for external education sessions as applicable, which they are encouraged to attend.

| DIRECTOR EDUCATION SESSIONS — FISCAL 2021 |  |            |
|---|--|------------|
| Date                                      | Sessions   | Attendance |
| <b>Regularly</b>                          | Pandemic Lessons Learned, including Contact Center Transformation, Impact on the bank’s Workforce, Digitization and Automation, Credit and Market Risk, and Third Party Risk | Board      |
|   | Strategy and Corporate Development Updates   | Board      |
|   | Economic Updates   | Board      |
|   | Key Business Risks and Challenges  | Risk       |
|   | People Strategy Updates  | HRC        |
|   | IFRS 17 Updates  | Audit      |
|   | Report on Governance Events  | CGC        |
| <b>Q1</b>                                 | COVID-19 Impacts on Audit Strategy   | Audit      |
|   | Credit Risk Update   | Risk       |
|   | Environmental and Social Matters, Performance and Disclosure Strategy  | CGC        |
|   | Complaint-Handling Procedures  | CGC        |
|   | Adapting Board Meetings in a Virtual World   | CGC        |
|   | Pay Equity Update  | HRC        |
| <b>Q2</b>                                 | Trading Environment Update   | Board      |
|   | Financial Consumer Agency of Canada  | Audit      |
|   | ESG Disclosure and Reporting Standards   | Audit      |
|   | Climate-Related Risks  | Risk       |
|   | Insider Risk Management Update   | Risk       |
|   | Comprehensive Capital Assessment Review  | Risk       |
|   | Benchmark Rate Reform  | Risk/Audit |
|   | Technology and Cybersecurity Risk  | Risk/Audit |
|   | AML Technology Update  | Risk/Audit |
|   | ESG Reporting Frameworks and Standards   | CGC        |
| Diversity and Inclusion Update            | HRC  |            |
| <b>Q3</b>                                 | Credit Allowance Outlook   | Board      |
|   | Diversity & Inclusion Deep Dive with a Focus on Indigenous Peoples   | Board/HRC  |
|   | TD Securities’ ESG Strategy  | Board      |
|   | Next Evolution of Work   | Board/HRC  |
|   | ESG Interim Strategy Update  | CGC        |
|   | Basel III Reforms Update   | Risk       |

## DIRECTOR EDUCATION SESSIONS — FISCAL 2021

| Date      | Sessions   | Attendance |
|-----------|--|------------|
| <b>Q4</b> | Cloud Update   | Board      |
|           | Digital Currency   | Board      |
|           | ESG Education Sessions, including Financed Emissions, and Power & Utilities: Landscape and Strategy Discussion | Board      |
|           | Marketing Strategy   | Board      |
|           | Interest Rate Environment Update   | Board      |
|           | Data Strategy  | Board      |
|           | Future of Banking, including Non-Traditional Competitors, Payments, Data Aggregation / Open Banking            | Board      |
|           | Canadian Election Discussion   | Board      |
|           | TD Future Workplace Strategy   | Board      |
|           | ESG Strategy   | Board      |
|           | Digital Roadmap  | Board      |
|           | Annual Cybersecurity Program Update  | Board      |
|           | Emerging Audit Topics  | Audit      |
|           | Environmental and Social Risk Update   | Risk       |
|           | Operational Resilience   | Risk       |
|           | Data Governance Update   | Risk/Audit |

## ETHICAL BUSINESS CONDUCT

As a responsible business enterprise and corporate citizen, the bank is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness, and professionalism.

While reaching the bank’s business goals is critical to its success, equally important is the way these goals are achieved. There are a number of policies and procedures in place, including the Code, the Culture Framework, the Conduct Risk Management Policy, and the Anti-Bribery and Anti-Corruption Policy, which encourage and promote a culture of ethical business conduct at the bank.

The board and its committees oversee the culture of integrity or “tone at the top” established throughout the bank, including compliance with the bank’s policies and procedures for ethical personal, business and market conduct. The corporate governance committee receives regular reports from management discussing the various policies and governance structures that support this important oversight function.

The corporate governance committee also oversees the status and effectiveness of the bank’s conduct risk management program, including receiving reports on any potential conduct risk trends and provides regular updates to the board.

### Code of Conduct and Ethics

The Code applies at all levels of the organization, from major decisions made by the board, to day-to-day business transactions. The Code has been filed with securities regulators on [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov), and is also available to shareholders at [www.td.com/governance/other\\_policies.jsp](http://www.td.com/governance/other_policies.jsp) or by contacting TD Shareholder Relations via the contact information on page 118 of this circular.

The Code establishes the standards that govern the way directors and employees deal with each other, as well as with shareholders, customers, governments, regulators, suppliers, competitors, the media and the public at large. Within this framework, all directors, officers and employees are expected to exercise good judgment and be accountable for their actions. All directors and employees are required to review and complete training on the contents of the Code and attest to their ongoing compliance with the Code annually.

The corporate governance committee annually reviews the Code and oversees monitoring compliance with the Code, including approving, where appropriate, any waiver from the Code to be granted for the benefit of any director or executive officer of the bank. In fiscal 2021, there were no such waivers sought or granted. Compliance with the Code is monitored by management on an ongoing basis and material issues arising under the Code are reported to the corporate governance committee by the human resources department or the conduct risk team within compliance. An annual report is submitted by the chief human resources officer to the corporate governance committee on the attestation process confirming the completion of training and attestation activities. Employees are required to report any suspected violations of the Code immediately to TD and various internal reporting channels are outlined in the Code under “Reporting Violations”. The human resources committee receives a report annually on the impact of risk and control related events, including Code violations on individual compensation and continuing employment of executives. Employees who may be uncomfortable using these internal channels can report possible violations anonymously through the TD

Conduct and Ethics Hotline as described under “Internal Controls and Management Information Systems” above in this Schedule A. The audit committee oversees that concerns or complaints relating to questionable accounting, internal accounting controls or auditing matters are resolved in a satisfactory manner.

### **Insider Trading Policies**

Safeguards are in place to monitor personal trading of executive officers and other officers and employees in key positions for insider trading. This monitoring is conducted by trained and experienced compliance officers who have access to records of the bank trading accounts in which these individuals hold securities. All officers and employees covered by the bank’s insider trading policies are required to disclose trading accounts to the bank and ensure that such accounts are maintained in-house or at an approved financial institution. In addition, covered officers and employees (including the named executive officers listed in the Summary Compensation Table under the “2021 Performance and Compensation” section of this circular) are required to pre-clear any securities trade with the bank’s compliance department and are subject to periods when trading is restricted. Reporting insiders, as required by law, must file insider reports via the internet-based System for Electronic Disclosure by Insiders (SEDI).

### **Director Conflict of Interest**

Directors may not be eligible to stand for election if they have a potential or actual conflict of interest that is incompatible with service as a director. In addition to their annual questionnaires (discussed above), directors have an ongoing obligation to provide the bank with complete information on all entities in which they have a material interest, so that any potential conflicts can be identified. In general, each director is individually responsible for reporting any potential or actual conflict of interest between them and the bank to the corporate governance committee, and for providing the committee with any additional information it may request. The committee will determine an appropriate course of action with respect to any such director. Where a director’s potential or actual conflict of interest is manageable (for example, by the director being absent for certain deliberations of the board), the director may be eligible for election and the corporate governance committee will monitor the conflict. Should a conflict become incompatible with service as a director, the director must offer their resignation.

## **BOARD COMPOSITION, DIRECTOR NOMINATIONS AND BOARD RENEWAL**

### **Board Size**

In considering board size, the board balances the competing goals of keeping the board to a size which facilitates effective discussions, while at the same time offering adequate representation to meet the competency and diversity needs of board and committee work in the context of the bank’s business and operating environment.

The board is required to have a minimum of 12 directors. The exact size of the board is set by directors’ resolution prior to each annual shareholders’ meeting on the recommendation of the corporate governance committee. The board size may be changed by the board from time to time between annual shareholders’ meetings.

### **Approach and Process**

The board strives to be constituted of directors with the right mix of experience, expertise and diverse perspectives to enable the board to carry out its wide-ranging responsibilities. The board balances the need for a fresh perspective with the broad experience needed to oversee a complex, multi-national banking enterprise.

The corporate governance committee recommends to the board for approval criteria for the composition of the board, regularly assesses the board’s succession and renewal plans in light of such criteria, and satisfies itself that the directors of the bank, taken as a whole, have the competencies relevant to the opportunities, risks, culture and ethics, and long-term strategy of the bank. In identifying individuals qualified to become candidates, the committee invites suggestions from other directors and management, and it often engages independent consultants. The chair leads the process and the CEO is included with a number of directors in the interview process. The bank maintains an evergreen list of potential director candidates. The corporate governance committee regularly considers potential candidates even when the board does not have an immediate vacancy.

The corporate governance committee satisfies itself that prospective candidates fully understand the board and its committees and the contributions expected of individual directors. The corporate governance committee assesses the personal attributes, competencies and experience of each candidate to determine

that they will be able to make an effective contribution to the work of the board. Upon the recommendation of the corporate governance committee, the board annually recommends the director nominees to shareholders, who may vote separately on each nominee at the annual shareholders' meeting. The nominees identified in the "Director Nominees" section of this circular were recommended to the board by the corporate governance committee.

In addition to other avenues for sourcing potential board candidates, from time to time the bank receives and considers unsolicited nominations. Such nominations should be addressed to the Board Chair at the address provided in the "Shareholder Inquiries" section of this circular. The Chair will bring to the attention of the corporate governance committee any unsolicited nominations that, in the Chair's opinion, merit consideration by the committee.

## Competencies and Skills/Experience Matrix

The board is composed of members with a broad spectrum of competencies (e.g., skills, educational backgrounds, experience and expertise from a range of industry sectors and geographies) that reflect the nature and scope of the bank's business. All of the directors have significant expertise in executive leadership, and governance.

The corporate governance committee uses the following matrix to assess the collective skill and experience profile of the director nominees it recommends to the board taking into consideration the bank's strategy, opportunities, risk profile and overall operations:

- Executive Leadership
- Financial Services
- Insurance
- Risk Management
- Talent Management & Executive Compensation
- Audit/Accounting
- Capital Markets/Treasury
- Environmental, Social and Governance
- Government/Public Affairs
- Legal/Regulatory
- Marketing/Digital/Data
- Technology Management
- Operational Excellence

On an annual basis, the corporate governance committee reviews the matrix to confirm that it continues to reflect the most relevant skill and experience competencies that the board needs to address its many responsibilities and long-term strategy of the bank. Directors annually self-assess their skills and experiences against the above listed competencies required by the board to discharge its responsibilities.

Each director nominee's key competencies are listed in the charts under the "Director Nominees" section of this circular.

## Diversity

The board recognizes and embraces the benefits of diversity in its membership as a competitive advantage, which is in keeping with the bank's commitment to diversity and inclusion at all levels of the bank's workforce.

As set out in the bank's Board Diversity Policy, when identifying and considering qualified candidates for the Board, the CGC considers diversity criteria reflecting the communities TD serves and in which it operates, including diversity in skills, regional and industry experience, gender, age, race, cultural background and other attributes, while recognizing that the Board is comprised of a limited number of individuals. The Board has established a goal that women and men each comprise at least 30% to 40% of the board's directors. In addition to its own consideration of candidates to recommend for appointment to the Board, the CGC also may engage recruitment firms to identify candidates with particular competencies and personal attributes, including the diversity criteria set out in the bank's Board Diversity Policy. As well, the Board's annual self-evaluation process includes an assessment of the Board's mix of members, skills, experience, diversity and other characteristics. This year, women comprise 38% (5 of 13) of all director nominees. In addition, 38% (5 of 13) of all director nominees voluntarily self-identified as a visible minority<sup>(1)</sup>, an Indigenous person<sup>(2)</sup>, LGBTQ2+<sup>(3)</sup> or a person with a disability<sup>(4)</sup>.

(1) "Visible minority" is defined as non-Caucasian in race or non-white in colour, other than an Indigenous person.

(2) "Indigenous person" is defined as First Nations, Inuit, Métis, American Indian, Alaska Native, Native Hawaiian or other.

(3) "LGBTQ2+" is defined as a member of the Lesbian, Gay, Bisexual, Transgender, Queer, Two-Spirit, Plus community.

(4) "Person with a disability" is defined as a person having a long-term or recurring visible or invisible physical, mental, sensory, psychiatric or learning impairment, including impairment resulting from, or related to hearing, seeing, vocal, mobility, agility, pain, neurological, memory, developmental, psychological or addiction.

The bank also sets goals for representation of women and other groups at the bank's other senior management levels. Each business within the bank monitors its respective progress against these diversity objectives on a quarterly basis. In 2021, we made a broader and longer-term commitment to increase women in roles titled vice president and above in Canada to 45% by 2025. To achieve these results, the bank invests significant resources in diversity and talent initiatives to support the development and advancement of its employees. As at February 7, 2022, women comprise 23% (3 of 13) of SET members. Additionally, we have made a broad and long-term commitment to increase minority representation at executive levels across North America, achieving 25% Black, Indigenous Peoples and minority community, by 2025 and, in 2020, we committed to doubling the representation of Black executives at TD in North America by the end of 2022.

## Proxy Access Policy

Under the bank's proxy access policy qualifying shareholders may submit one or more director nominations to be included in the bank's proxy circular and form of proxy and ballot for the annual shareholders' meeting. The key elements of this policy are that: (a) nominating shareholder(s) must collectively meet an ownership threshold of 5% of the common shares of the bank; (b) common shares equal to the minimum ownership threshold must have been held by the nominating shareholder, or each member of the group, continuously for at least three years and the nominating shareholder(s) must have full voting and economic rights in the shares; (c) the nominating shareholder group may not be larger than 20 shareholders, with funds under common management generally counting as one shareholder; and (d) the number of proxy access nominees in the proxy circular for a shareholders' meeting may not exceed 20% of the board's size.

The bank will include the names of the person(s) nominated by shareholders in its proxy circular in a manner that clearly sets out the choices available to shareholders and the board's recommendations. The names of the proxy access nominees will also be included in the bank's form of proxy and ballot, on the same or next page as the nominees recommended by the board, separated and labeled with the board's recommendation. In addition, the bank will include a statement by the nominating shareholder(s) in the proxy circular in support of the election of the proxy access nominees of up to 500 words, plus biographical information about the proxy access nominees required to be included in the proxy circular.

The ownership threshold of 5% of common shares of the bank that is contained in the bank's proxy access policy is the minimum threshold currently permitted by the Bank Act. A lower ownership threshold of 3% of common shares is prevalent in the form of proxy access adopted by companies in the U.S. and is preferred by some of the bank's shareholders in Canada. The Department of Finance (Canada) has engaged in a consultation process with a view to updating the Bank Act. In that context, the bank made a submission (available at the following link: [www.td.com/governance/proxy-access.jsp](http://www.td.com/governance/proxy-access.jsp)) proposing that the proxy access framework which has been adopted by the bank be incorporated into the Bank Act, but with the 3% ownership threshold. Amendments to the corporate governance provisions of the Bank Act were not included in the *priority amendments to the Act* announced in March 2018. At that time, the government also announced that additional legislative amendments will be proposed that will include corporate governance, and the government extended the sunset provision in the Bank Act for an additional five years to 2023. If and when the proposed legislative changes outlined in the letter are made, TD's board of directors intends to lower the minimum ownership threshold in the bank's proxy access policy to 3% from 5%.

The bank is aware that some shareholders would prefer to see proxy access adopted by way of a by-law approved by shareholders. The bank currently expects that, following the enactment of corporate governance changes to the Bank Act flowing from the review mentioned above, the bank will update its by-law. When this happens, the bank will give effect to the terms of its proxy access policy in its by-law.

## Assessments

The board annually evaluates the effectiveness of the board and its chair, its committees and their chairs, individual directors, and the CEO.

The corporate governance committee is responsible for establishing an effective evaluation process and engages the expertise of an independent consultant to assist in the design of the feedback surveys and to facilitate the review and consultation process. The board's approach to the feedback process is meant to be constructive and to assist the corporate governance committee in determining whether the right programs are in place for continuously improving directors' functioning and effectiveness. To provide a 360° view, in the case of the assessment of the board, the Board Chair and the CEO, senior executive management members are asked to participate in the feedback process. The chart below outlines the feedback process.

| Annual Assessments                       | Participants                        | Process   |
|--|-------------------------------------|---|
| Board Feedback                           | All directors and select executives | <ul style="list-style-type: none"> <li>• Participants complete a comprehensive feedback survey on board effectiveness and performance.</li> <li>• Feedback is sought on a variety of matters, including what the board could do differently, what the board's priorities should be in the coming year, execution of the bank's strategy, oversight of the bank's risk appetite, and overall effectiveness of communications between the board and senior management.</li> <li>• Responses are submitted to an independent consultant on a confidential basis. The consultant consolidates and reviews the results with the Board Chair to identify key themes and possible actions.</li> <li>• The Board Chair leads a discussion with the corporate governance committee to review the feedback report prepared by the independent consultant and propose board priorities for the coming year to address any development opportunities highlighted by the survey results.</li> <li>• The Board Chair then leads a discussion with the board on the results and proposed priorities of the board for the coming year, including whether any changes to the structure or composition of the board or its committees may be appropriate. The board priorities for the coming year are then approved by the board.</li> </ul> |
| Individual Director Feedback             | All directors                       | <ul style="list-style-type: none"> <li>• The Board Chair has one-on-one discussions with each director.</li> <li>• The Board Chair first meets with each director to obtain self-assessment input and to receive feedback about the performance and any development needs of the board, its committees and other directors.</li> <li>• The Board Chair then meets with each director to provide individual feedback.</li> </ul>   |
| Committees and Committee Chairs Feedback | All committee members               | <ul style="list-style-type: none"> <li>• Participants complete an assessment survey on the effectiveness and performance of the committees on which they sit and the chairs of those committees.</li> <li>• Responses are submitted to the independent consultant on a confidential basis. The consultant consolidates and reviews the results with each committee chair.</li> <li>• Each committee holds an effectiveness self-assessment session to share views and sets objectives to respond to any development opportunities identified in the survey results, and then reviews the results and committee-approved objectives with the board. The senior executive supporting each committee is invited to participate in a portion of the session.</li> </ul>   |
| Board Chair Feedback                     | All directors and select executives | <ul style="list-style-type: none"> <li>• As part of a comprehensive board feedback survey, participants are asked to assess and comment on the Board Chair's performance.</li> <li>• Responses are submitted to the independent consultant on a confidential basis. The consultant consolidates and reviews the results with the chair of the human resources committee to identify key themes and possible objectives for the coming year.</li> <li>• The chair of the human resources committee leads an in-camera discussion with the board (with the Board Chair absent) and meets with the Board Chair to provide feedback and develop objectives for the coming year.</li> <li>• These objectives are reviewed and recommended by the corporate governance committee and approved by the board.</li> </ul>  |
| Chief Executive Officer Feedback         | All directors and select executives | <ul style="list-style-type: none"> <li>• As part of the annual board feedback survey, participants are asked to assess and comment on the CEO's performance. To aid in this assessment, all directors receive a copy of the CEO's self-assessment of performance against the corporate goals and objectives agreed to by the CEO and the board at the beginning of the year.</li> <li>• Responses are submitted to the independent consultant on a confidential basis. The consultant consolidates and reviews the results with the Board Chair and the chair of the human resources committee to identify key themes and possible objectives for the coming year.</li> <li>• The Board Chair, together with the chair of the human resources committee, leads an in-camera discussion of the results with the human resources committee and then with the board (with the CEO absent), and meets with the CEO to provide feedback.</li> <li>• The CEO's corporate goals and objectives, which include performance indicators and key milestones relevant to the CEO's compensation, are reviewed and recommended by the human resources committee and approved by the board.</li> </ul>  |

Throughout the year, the corporate governance committee monitors the implementation of the action plans addressing the board priorities and each committee monitors its own activities to address the development opportunities it has identified through the assessment. The corporate governance committee also monitors the implementation of action plans by the Board Chair and the board's committees in light of their respective objectives. Input from the board feedback process is also taken into account when considering the director nominees to be recommended for election at the annual shareholders' meeting.

The corporate governance committee identifies any recurring themes across committees and oversees the continued improvement in board and committee processes for agenda time management, advance materials, presentations and continuing education opportunities.

### **Retirement Age and Term Limits**

The bank's Corporate Governance Guideline provides that no director will serve beyond the annual meeting following their 75<sup>th</sup> birthday. Subject to this limit, as well as receiving solid annual performance assessments and being annually re-elected by shareholders, directors may serve on the board for up to 10 years. On the recommendation of the corporate governance committee, the board may extend that limit by up to a further five years. In exceptional circumstances, on the recommendation of the corporate governance committee, the board may extend the 15-year limit for a director by up to an additional five years. Pursuant to the Bank Act, the CEO of the bank is required to serve on the board for so long as they hold such office.

### **Other Considerations**

All directors are expected to meet the highest ethical and fiduciary standards, apply sound judgment, be knowledgeable, inquisitive and ready to engage in constructive challenge about the issues facing the bank, and be committed to the board and the bank.

The composition of the board must meet Bank Act residence and affiliation requirements and all directors must meet the qualifications for directors set out in the Position Description for Directors ([www.td.com/governance/charters.jsp](http://www.td.com/governance/charters.jsp)). Non-management directors are expected to meet the standards for independence from management established pursuant to the Director Independence Policy.

The corporate governance committee also considers whether each nominee's ability to make a contribution to the board, including whether they can devote sufficient time and resources to their duties as a board member. Directors must be committed to attendance at board and committee meetings, and to full preparation for and participation in such meetings. If a director attends fewer than 75% of board and committee meetings during the fiscal year, the corporate governance committee will inquire into the situation and take steps to work with the director to improve attendance. Attendance is taken into consideration in the nomination process.

### **Election of Directors and Majority Voting Policy**

The bank's Majority Voting Policy states that, if a director nominee in an uncontested election receives from the common shares voted at the meeting or by proxy a greater number of shares withheld than shares voted in favour of their election (i.e. the nominee is not elected by at least a majority of 50% + 1 vote), they must immediately tender their resignation to the Board Chair. The corporate governance committee and the board will expeditiously consider the director's offer to resign. The board will accept the resignation offer unless there are exceptional circumstances, and the resignation will take effect as soon as the board accepts it. The board must make its final determination within 90 days of the relevant shareholders' meeting and promptly announce that decision (including, if applicable, the reasons for rejecting the resignation) through a news release. Any director who tenders their resignation pursuant to this policy will not participate in any deliberations on the resignation offer by the corporate governance committee or board. In the event any director fails to tender their resignation in accordance with this policy, the board will not re-nominate the director. The board is not limited in any action it may take if a director's resignation is accepted, including appointing a new director to fill the vacancy. This policy does not apply to a contested election of directors; that is, where the number of nominees, including proxy access nominees, exceeds the number of directors to be elected.

## **COMPENSATION GOVERNANCE**

### **Director Compensation**

The corporate governance committee reviews director compensation to satisfy itself that it is appropriate within the market and aligns directors' and shareholders' interests. The board determines the amount and form of director compensation based on the corporate governance committee's recommendation. Further information on director compensation can be found in the "Director Compensation" section of this circular.

## Executive Compensation

The objective of the bank's executive compensation strategy is to attract, retain and motivate high performing executives to create sustainable value over the long-term. The bank's executive compensation program is overseen by the board and its human resources committee and is fully described in the "Approach to Executive Compensation" section of this circular.

The human resources committee, with the benefit of advice from its independent advisor, Hugessen Consulting Inc., reviews and approves, or recommends to the board for approval, the salary, annual cash incentive, and equity compensation awards for certain executive officers. These include the named executive officers listed in the Summary Compensation Table in the "2021 Performance and Compensation" section of this circular, other members of the senior executive team, heads of control functions, and the 50 highest paid employees across the bank. The human resources committee also approves aggregate compensation awards under all executive compensation and equity plans, and has oversight accountability for all material employee compensation plans. The human resources committee also reviewed the executive compensation disclosure in this circular before it was approved by the board. The bank has adopted certain policies and processes that align with best practices such that risk is appropriately considered in compensation plans, including:

- at year end, the CRO presents an enterprise risk appetite scorecard to the risk and human resources committees to allow for appropriate consideration of risk when determining the amount of compensation to be awarded and if any adjustments to maturing deferred compensation are appropriate;
- any changes to the plan design for material compensation plans must be reviewed and endorsed by a challenge committee and subsequently by the CRO to confirm that the design does not create an incentive for risk taking beyond the bank's risk appetite;
- all bank executives and all TD Securities employees are evaluated on governance, control, and risk management behaviours as part of the annual performance assessment process. Results from this assessment are considered when year-end performance and compensation decisions are made;
- the human resources committee has discretion to reduce annual incentive awards (including cash and equity based incentives) to zero under all executive plans;
- the human resources committee has discretion to reduce or cancel unvested deferred compensation;
- a comprehensive claw back feature that can be triggered by misconduct, a restatement of financial results, or a material error is included in all executive compensation plans, and in addition all equity awards granted after December 1, 2017 are subject to expanded clawback provisions that allow for clawback in the event of misconduct;
- a significant portion of compensation for all executives is awarded as equity which vests after a minimum of three years; and
- share ownership requirements including post-retirement holding requirements for the most senior executives, including two years post-retirement for the CEO and one year for the other named executive officers.

Information on the human resources committee's independent advisor can be found in the "Independent Advisors" section of the Report of the Human Resources Committee.

## CEO Compensation

The board annually assesses the CEO's performance against pre-defined corporate goals and objectives. With the benefit of advice from its independent advisor, the human resources committee recommends the CEO's salary, annual cash incentive and equity compensation to the board for approval. The CEO's evaluation includes the results of a comprehensive 360° assessment process that incorporates feedback from all board and SET members. The assessment includes consideration of performance against the goals and objectives agreed to by Mr. Masrani and the board at the beginning of the year, as well as performance on a range of key indicators including financial, operational, customer experience, colleague and environmental, social and governance measures. For a detailed analysis of the CEO's compensation in fiscal 2021, see the "CEO Compensation" section of this circular.

## BOARD COMMITTEES

The board has four committees: audit, corporate governance, human resources, and risk. More information on these committees can be found above in “Report of the Human Resources Committee” and below in the “Reports of the Board of Directors and Committees” sections of this Schedule A.

The board fulfills its role directly and through committees to which it delegates certain responsibilities. The composition requirements for each of the board’s committees are set out in their respective charters. The board approves the composition of each committee on the recommendation of the corporate governance committee, and can remove members. In recommending membership on committees, the corporate governance committee constitutes each committee with directors with the right mix of experience, expertise and diverse perspectives to enable the committee to carry out its responsibilities. Each independent director should serve on at least one committee each year. The corporate governance committee is composed of the Board Chair and the chairs of the audit committee, risk committee and human resources committee. Each committee may conduct all or part of any meeting in the absence of management. Each committee includes such in-camera sessions on its meeting agendas. For example, the audit committee meets on its own as well as separately with each of the CEO, chief financial officer, general counsel, chief auditor, chief compliance officer, chief anti-money laundering officer and shareholders’ auditor at each of its regularly scheduled quarterly meetings.

Each committee reviews its charters annually to satisfy itself that it is operating effectively. Each committee establishes annual objectives as a focus for its core responsibilities and activities and to help prioritize the committee’s time and effort throughout the year. The committees measure progress against their objectives throughout the year. The charter for each committee is available at [www.td.com/governance/charters.jsp](http://www.td.com/governance/charters.jsp).

## REPORTS OF THE BOARD OF DIRECTORS AND COMMITTEES

The board and its committees regularly review the bank’s governance policies and procedures to be sure they meet or exceed evolving regulatory and market expectations. The reports of the board and its committees below are all as at October 31, 2021.

## REPORT OF THE BOARD OF DIRECTORS

The board’s activities are conducted in accordance with the responsibilities set out in the board’s charter (see “Board Mandate” in this Schedule A for details). The board is satisfied that it has fulfilled its responsibilities in fiscal 2021.

### Succession Planning and Talent Development

- Reviewed the bank’s ongoing succession planning and talent management strategy overall and for key leadership roles.
- Received updates on the bank’s diversity and inclusion programs, including a comprehensive presentation on the bank’s focus on the inclusion of Indigenous Peoples.
- Reviewed reports on colleague engagement and development, including the bank’s future workplace strategy.

### Strategy

- Reviewed, provided input and approved the bank’s 2022 integrated plan, including the long-term strategic plan and the financial, capital and liquidity plans in keeping with the bank’s purpose.
- Evaluated the top and emerging risks, including competitive, economic and political dynamics, and the programs implemented to address them.
- Evaluated organic and acquisition growth opportunities, strategic opportunities, as well as investments in emerging capabilities, innovation platforms and technologies to deliver customer experience leadership across digital, branch/store and all other distribution channels, to support the bank’s long-term strategy.
- Reviewed the bank’s digital, technology and cyber security programs, including the use of Cloud.

**Strategy (continued)**

- Considered the implications of the ongoing pandemic for each segment strategy, as well as enterprise-wide recovery readiness, the workplace and operating environment, changes in consumer behaviour and expectations, and the evolving competitive landscape.
- Reviewed progress related to the bank's ESG strategies, priorities and programs, including approval of the Climate Action Plan, and the related enhancements to the bank's risk management system.
- Reviewed the bank's ongoing economic inclusion strategies for underserved communities, including enhancements of products and services to meet the needs of Indigenous Peoples.
- Monitored the bank's inorganic growth strategy and initiatives, including the successful acquisition of Headlands Tech Global Markets, LLC, to strengthen electronic bond trading infrastructure, and the purchase of Wells Fargo's Canadian Direct Equipment Finance business to expand the bank's presence in core markets.
- Received regular reporting, and provided input on, the bank's data and analytics strategy, including deployment of enterprise-wide analytics technologies and platforms, competitive advantages of the bank's artificial intelligence (AI) and automation programs, and associated talent acquisition and retention strategies.
- Regularly engaged management in constructive dialogue regarding the impact strategic decisions could have on the bank's growth and long-term value and provided appropriate challenge and guidance to management.

**Risk Management**

- Upon the recommendation of the risk committee, approved the bank's risk appetite statement and monitored adherence.
- Reviewed the bank's enterprise-wide stress testing program and its output, including predicted impact of the stress scenarios on the bank's capital and earnings.
- Reviewed the bank's cyber security program, including threat readiness and resilience, and sustainability to monitor and respond to potential cyber-attacks.
- Received updates on the bank's learnings from the pandemic, including potential impacts on credit, market and third party risk.
- Received regular reporting from the corporate governance committee on its oversight of the bank's conduct risk program.

**Financial Reporting**

- On the recommendation of the audit committee, approved the bank's interim and annual consolidated financial statements, management's discussion and analysis, and the earnings news releases on quarterly and annual results.

**Operations**

- Considered the risks facing the bank's various businesses and regularly evaluated plans and progress to improve resilience and address critical operational risks with management.
- Received regular reporting from the bank's chief risk officer and executive leaders on the bank's response to the ongoing pandemic, including updates on health and safety; economic indicators, customer relief programs; operational and financial resilience, credit risk and cyber and technology security.
- Focused on the continued progress of initiatives to reduce costs and manage expenses in a sustainable manner and to achieve greater operational and project delivery excellence.

**Board Succession**

- On the recommendation of the corporate governance committee, appointed Ms. Cherie Brant, Partner and National Leader, Indigenous Law at Borden Ladner Gervais (BLG) to the board of directors and to the risk committee in August 2021. Further details are included in the "Report of the Corporate Governance Committee" in this circular.

The reports of the board’s committees, outlining their key charter responsibilities and highlighting their key activities and accomplishments for fiscal 2021, are provided in this circular. Detailed disclosure of the bank’s corporate governance policies and practices are set out above in this Schedule A. Additional information relating to corporate governance at the bank is also available at [www.td.com/governance](http://www.td.com/governance).

## REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

### Committee Members (at fiscal year-end)

Brian M. Levitt (chair); Amy W. Brinkley; Karen E. Maidment; and Alan N. MacGibbon

|  |   |  |
|--|---|--|
| <p><b>Independence</b><br/>The committee is composed entirely of independent directors</p> | <p><b>Meetings</b><br/>7 during fiscal 2021</p> | <p><b>Performance</b><br/>The committee reviewed its charter and is satisfied that it has fulfilled its responsibilities for fiscal 2021</p> |
|--|---|--|

### Responsibilities

The corporate governance committee, chaired by the Board Chair, is responsible for fostering a healthy governance culture at the bank and for developing and enhancing the bank’s corporate governance practices and standards. The committee’s main responsibilities, as set out in its charter, include:

- identifying individuals qualified to become board members and recommending to the board the director nominees for the next annual shareholders’ meeting and recommending candidates to fill vacancies on the board that occur between meetings of the shareholders;
- developing and recommending to the board a set of corporate governance principles, including a code of conduct and ethics, aimed at fostering a healthy governance culture at the bank;
- satisfying itself that the bank communicates effectively, both proactively and responsively, with its shareholders, other interested parties and the public;
- overseeing the bank’s alignment with its purpose and its strategy, performance and reporting on corporate responsibility for environmental and social matters;
- providing oversight of enterprise-wide conduct risk and acting as the conduct review committee of the bank and certain of its Canadian subsidiaries that are federally-regulated financial institutions; and
- overseeing the evaluation of the board and committees.

The committee meets regularly without management present, and separately with the general counsel and with the chief compliance officer.

### 2021 Highlights

The committee reviewed a number of initiatives to carry out its mandate and further improve the bank’s governance practices and standards, including:

|  |   |
|--|---|
| <p><b>Oversight of Board Effectiveness</b></p> | <ul style="list-style-type: none"> <li>• Monitored the effective operation of the board and its committees, including the allocation of activities between committees.</li> <li>• Conducted the annual assessment of the board, its committees and their chairs, and of individual directors.</li> </ul>  |
| <p><b>Board and Committee Composition</b></p>  | <ul style="list-style-type: none"> <li>• Continued to develop Board succession and candidate pipeline, with a focus on director diversity.</li> <li>• Oversaw a comprehensive director orientation process for the bank’s new directors and received a report on the effectiveness of the director continuing education program.</li> <li>• Reviewed the director skills/experience matrix to satisfy itself that it continues to reflect the most relevant skills, experiences and competencies.</li> <li>• During the 2021 fiscal year, the committee recommended that the board appoint Ms. Cherie Brant, Partner and National Leader, Indigenous Law group at Borden Ladner Gervais LLP (BLG), as a new director and member of the risk committee. Ms. Brant was determined by the committee to be an excellent candidate due to her legal and governance skills, and experience and expertise in financing and economic development. For further information about the competencies and personal attributes of Ms. Brant, see the “Director Nominees” section of this circular.</li> </ul> |

|   |  |
|---|--|
| <b>Purpose and Environmental and Social Matters</b>                                 | <ul style="list-style-type: none"> <li>Reviewed the bank's annual Environmental, Social and Governance (ESG) Report with management.</li> <li>Oversaw the Bank's ESG strategy including the Climate Action Plan and target setting.</li> <li>Reviewed the responsibility of the board's various committees for oversight and reporting on certain ESG matters.</li> <li>Received an education session and updates on the bank's policies, procedures, and programs on the topic of human rights (as they relate to products, services and operations) to support further discussion at committee meetings.</li> </ul>  |
| <b>Shareholder Engagement</b>   | <ul style="list-style-type: none"> <li>Oversaw engagement by directors and management with shareholders, including diversity, ESG and other emerging governance topics.</li> </ul>   |
| <b>Governance Developments</b>  | <ul style="list-style-type: none"> <li>Received reports on evolving regulatory practices, legislative changes and industry developments that may impact the bank's own governance practices.</li> <li>Received management's report on the challenges and opportunities of virtual board meetings and implemented innovative ways to streamline meeting processes to support effective interactions.</li> </ul>   |
| <b>Oversight of Conduct Risk and Ethical Behaviour</b>                              | <ul style="list-style-type: none"> <li>Oversaw conduct risk and received regular reports on performance, emerging trends and the effectiveness of the Bank's risk program.</li> <li>Received regular reports from the bank's chief compliance officer (including on the implementations of the Consumer Protection Framework, Client Focused Reforms in Canada and the bank's complaint-handling procedures) and Internal Audit on their oversight and continued monitoring of the conduct risk program,</li> <li>Received an update on the evolution of culture and assigned board-level responsibility for the oversight of the Culture Framework to the human resources committee.</li> <li>Oversaw the rebranding of the TD Ombudsman's Office to Senior Customer Complaints Office (effective Q1 F2022) and received updates on trends in the nature, origin and resolution of complaints in Canada.</li> </ul> |
| <b>Regulatory Requirements and Supervisory Expectations for Boards of Directors</b> | <ul style="list-style-type: none"> <li>Monitored that the committees of the board meet the oversight expectations of the bank's regulators and supervisory authorities.</li> </ul>   |
| <b>Subsidiary Governance</b>  | <ul style="list-style-type: none"> <li>Reviewed the linkages between the bank's board and the boards of directors of the bank's U.S. bank holding companies and the bank's U.S. banking subsidiaries, including management's report on the effectiveness of the subsidiary governance control framework.</li> <li>Received management's report on global regulatory developments and legislative changes as well as internal corporate reorganizations impacting the Bank's subsidiaries.</li> </ul>   |

## REPORT OF THE AUDIT COMMITTEE

### Committee Members (at fiscal year-end)

Alan N. MacGibbon\* (chair); Brian C. Ferguson\*; Jean-René Halde; Irene R. Miller\*; Claude Mongeau\*; and S. Jane Rowe\* (\*audit committee financial experts)

|   |   |   |
|---|---|---|
| <p><b>Independence</b></p> <p>The committee is composed entirely of independent directors</p> | <p><b>Meetings</b></p> <p>10 during fiscal 2021, including 2 joint sessions with the risk committee (the shareholders' auditor attended all meetings)</p> | <p><b>Performance</b></p> <p>The committee reviewed its charter and is satisfied that it has fulfilled its responsibilities for fiscal 2021</p> |
|---|---|---|

## Responsibilities

The audit committee is responsible for supervising the quality and integrity of the bank's financial reporting, which includes overseeing the integrity of the bank's financial controls and the effectiveness of the internal and external audit functions, compliance and anti-money laundering. Members of the committee are expected to be financially literate or willing and able to acquire knowledge quickly, and at least one member must be an audit committee financial expert, as defined in applicable regulatory requirements. The committee's main responsibilities, as set out in its charter, include:

- overseeing reliable, accurate and clear financial reporting to shareholders;
- overseeing the effectiveness of internal controls, including internal control over financial reporting;
- being directly responsible for the selection, compensation, retention and oversight of the work of the shareholders' auditor — the shareholders' auditor reports directly to the committee;
- receiving reports from the shareholders' auditor, chief financial officer, chief auditor, chief compliance officer, and chief anti-money laundering officer, and evaluating the effectiveness and independence of each;
- overseeing the establishment and maintenance of policies and programs reasonably designed to achieve and maintain the bank's compliance with the laws and regulations that apply to it; and
- acting as the audit committee for certain subsidiaries of the bank that are federally-regulated financial institutions.

The committee meets regularly without members of management present, and separately with each of the shareholders' auditor, the chief executive officer, the chief financial officer, the general counsel, the chief auditor, the chief compliance officer, and the chief anti-money laundering officer.

## 2021 Highlights

In carrying out its responsibilities, the committee particularly focused on the following initiatives:

### Oversight of Internal Controls

- Reviewed information with respect to key controls over financial reporting, testing of internal controls over financial reporting and the results thereof, and monitored key internal control issues, the associated risks, and the status of corrective actions. Areas of particular focus included:
  - Allowance for credit losses
  - Fair value measurement of derivatives
  - Valuation of provision for unpaid claims
  - Measurement of provision for uncertain tax positions
- Received regular updates from the finance function on key controls and processes to satisfy itself that financial reporting is reliable and accurate.
- Reviewed the opinion of the chief compliance officer on the adequacy of, adherence to, and effectiveness of enterprise-wide regulatory controls.
- Received updates from the internal audit, finance, compliance and anti-money laundering functions to satisfy itself that there are adequate resources with experience and knowledge in each of the key oversight functions, as well as appropriate succession planning for all key resources.
- Reviewed and approved the annual internal audit plan, including the risk assessment methodology to satisfy itself that the plan is appropriate, risk-based and is aligned with the risk profile of the bank and stakeholder expectations.
- Received regular updates from the bank's chief auditor on the status of major audits, effectiveness, optimization and sustainability of key controls, including related to top and emerging risks, and enterprise-wide themes, including potential impacts of the ongoing pandemic.
- Received regular updates from the shareholders' auditor on the status of their review and reporting relating to the effectiveness of the bank's internal control over financial reporting.

## **Oversight of Shareholders' Auditor**

- Oversaw the work of the shareholders' auditor, including review of audit plans, associated fees and their work related to areas of significant audit risk in accounts or disclosures that are material to the consolidated financial statements and involve especially challenging, subjective or complex judgments, including those related to the particular areas of focus for internal controls oversight as noted above.
- Conducted an annual review of the shareholders' auditor, including in respect of: the auditor's independence, objectivity and professional skepticism; quality of the engagement team, and its communications and interactions with the auditor; and quality of service provided. The Committee concluded that the results of the annual review of Ernst & Young LLP (EY) were satisfactory.
- Received updates on the action plans resulting from the annual review, including updates on the audit quality indicators incorporated into the 2021 auditor assessment report.
- Reviewed and approved shareholder auditor and key team member rotation.
- Reviewed the annual independence report of the shareholders' auditor and recommended to the board for recommendation to the shareholders the appointment of the shareholders' auditor.
- Reviewed the annual Canadian Public Accountability Board (CPAB) Audit Quality Insights Report — 2021 Fall Inspections Results and Summary of the 2018 PCAOB inspection report of EY (Canada).
- Pre-approved all engagements with EY (including any audit and non-audit services).
- Reviewed updates from the shareholders' auditor on auditing and regulatory developments globally affecting auditors and their impact on the bank, including EY's governance standards in audit quality and enhanced processes to monitor and respond to potential fraud.

## **Finance and IFRS, Financial Reporting**

- Oversaw the bank's annual and quarterly financial reporting process, including the bank's reporting under IFRS.
- Received regular updates from the finance function on the bank's significant accounting policies, significant qualitative and quantitative judgments in accounting policies and estimates, and significant changes to financial statement disclosures, including those related to the particular areas of focus for internal controls oversight as noted above.
- Received updates on the accounting and financial reporting impact of the acquisition of TD Ameritrade Holding Corporation by The Charles Schwab Corporation ("Schwab").
- Received updates on various financial reporting matters and accounting changes, as well as an education session on financial reporting evolution, governance and control framework of the bank's subsidiaries.
- Received regular progress updates on the adoption of IFRS 17, Insurance Contracts and the impact of IBOR Reform on financial reporting, including the IASB's Interest Rate Benchmark Reform amendments .

## **Compliance**

- Received updates on consumer protection compliance, including applicable regulatory developments, including an education session on the regulatory environment.
- Reviewed information with respect to compliance testing and monitoring matters, regulatory examinations, and ongoing regulatory updates.
- Received regular updates from the bank's chief compliance officer and compliance unit executives on the effectiveness of key regulatory controls, top and emerging risks, and key regulatory issues.
- Provided effective challenge on the approach and methodology of assessing compliance department effectiveness and reviewed and approved the compliance department's annual plan.

### **Anti-Money Laundering/ Terrorist Financing**

- Oversaw the execution and ongoing effectiveness of the anti-money laundering/anti-terrorist financing/economic sanctions/anti-bribery and anti-corruption program (AML program), including the related risk assessment.
- Reviewed and approved the bank’s AML department annual plan, including the bank’s AML strategic priorities.
- Received regular updates on the effectiveness of key controls, status of key initiatives, operational performance, top and emerging risks and regulatory developments, including with respect to the impacts of the ongoing pandemic.
- Received regular updates from the bank’s chief anti-money laundering officer and key executives from the project team on the status of key technology-related projects to enhance operational effectiveness and efficiency, as well as an education session on AML technology.

For further information on the audit committee, see the discussion under the heading “Pre-Approval Policies and Shareholders’ Auditor Service Fees” in the bank’s 2021 annual information form ([www.sedar.com](http://www.sedar.com) or [www.td.com/investor/other.jsp](http://www.td.com/investor/other.jsp)).

## **REPORT OF THE RISK COMMITTEE**

### **Committee Members (at fiscal year-end)**

Amy W. Brinkley (chair); Cherie L. Brant; Colleen A. Goggins; David E. Kepler; Alan N. MacGibbon; and Karen E. Maidment

#### **Independence**

The committee is composed entirely of independent directors

#### **Meetings**

9 during fiscal 2021 (including 2 joint sessions with the audit committee and 1 joint session with the human resources committee)

#### **Performance**

The committee reviewed its charter and is satisfied that it has fulfilled its responsibilities for fiscal 2021

## **Responsibilities**

The risk committee is responsible for overseeing the management of the bank’s risk profile and approving enterprise-wide risk management frameworks and policies that support compliance with the bank’s risk appetite and reinforce the bank’s risk culture. The committee’s main responsibilities, as set out in its charter, include:

- Approving the Enterprise Risk Framework (ERF) and related risk category frameworks and policies that establish the appropriate approval levels for decisions and other measures to manage risk to which the bank is exposed
- Reviewing and recommending the bank’s Enterprise Risk Appetite Statement for approval by the Board
- Overseeing the bank’s major risks as set out in the ERF
- Reviewing the bank’s risk profile and performance against Risk Appetite
- Providing a forum for “big-picture” analysis of an enterprise view of risk including considering trends and current and emerging risks

The committee meets regularly without members of management present, and separately with each of the chief executive officer and the chief risk officer without other members of management present. The committee, together with the full board of directors, remains focused on providing strategic counsel and fostering substantive dialogue with management on risk matters.

## 2021 Highlights

In carrying out its responsibilities, the committee particularly focused on the following initiatives:

### Enterprise Risk Framework and Risk Appetite Process

- Reviewed and approved the bank's ERF, which continues to further enhance the bank's risk culture and to support a common understanding of how it manages risk in line with the bank's strategy and risk appetite.
- Reviewed and provided input throughout the year on the updates and proposed enhancements to the bank's risk appetite statement prior to recommending the revised risk appetite statement to the Board for approval.
- Reviewed Risk Management's assessment of the bank's risk performance in relation to the risk appetite statement as a key consideration in senior management compensation decisions.
- Oversaw the further enhancement of risk frameworks for several of the bank's major risk categories.

### Governance, Risk and Control

- Received comprehensive presentations and engaged in discussions on cybersecurity, including updates on the evolving threat landscape, including risks related to the ongoing pandemic, public cloud adoption, application security and resilience, with particular focus on TD's critical digital assets, enhancements to controls and global incident response.
- Reviewed and approved the bank's recovery and resolution plans and reviewed reporting related to testing activities.
- Received reports and engaged in discussions with executives from each of the bank's primary business segments regarding management's oversight of key risks, challenges and mitigating actions.
- Reviewed management updates on technology including access management, insider risk, market risk, model risk, environmental and social risks, (such as climate change), third party risk management, risks associated with business growth, transformation, and operational resilience.
- Reviewed and approved the delegation of risk and credit limits to management.

### Emerging Risks

- Reviewed and engaged in discussions relating to emerging risks as reported in the enterprise risk dashboard including environmental and social risks; negative interest rates; geopolitical risks; benchmark rate reform; and strategic risks of the evolving landscape.
- Participated in an education session led by an external speaker on issues related to digital currency and its potential implications for the bank.

### Risk Culture

- Continued focus on ensuring the bank supports a culture which promotes accountability, escalates and promptly resolves issues, learns from past experiences, and encourages open communication and transparency on all aspects of risk taking.

### Risk Management Activities

- Reviewed presentations and reports on compliance with risk management policies and limits, regulatory updates and the results of enterprise stress testing to identify and assess bank specific risks, inform risk tolerances and support strategic decisions, and an in-depth review of the bank's credit portfolio including a review of asset concentration and the impact of climate risk.
- Received management presentations on key risk issues, including environment and social risks, inter-bank offered rate (IBOR) transitions, Basel III reforms, and key controls in a remote work environment.
- Oversaw Treasury and Balance Sheet Management non-trading market and liquidity risks and related activities.
- Conducted an internal review to assess the adequacy of Risk Management's annual budget and resource plan.
- Assessed the effectiveness of the chief risk officer and approved their mandate.

### Risk Management Reports

- Reviewed the quarterly enterprise risk dashboards, which include reporting on the bank's top and emerging risks and performance against risk appetite.
- Received updates on the management of and significant exposures relating to the bank's major risk categories, and other topical updates.
- Reviewed regular COVID-19 dashboards, which consolidate and summarize pandemic impacts across the enterprise.