

**TD BANK GROUP**  
**THE TORONTO-DOMINION BANK**  
**163<sup>rd</sup> ANNUAL MEETING OF COMMON SHAREHOLDERS**  
**APRIL 4, 2019**

**DISCLAIMER**

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**FORWARD-LOOKING INFORMATION**

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From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the *U.S. Private Securities Litigation Reform Act of 1995*. Forward-looking statements include, but are not limited to, statements made in this document, the Management's Discussion and Analysis ("2018 MD&A") in the Bank's 2018 Annual Report under the heading "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments under headings "Business Outlook and Focus for 2019", and for the Corporate segment, "Focus for 2019", and in other statements regarding the Bank's objectives and priorities for 2019 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), liquidity, operational (including technology and infrastructure), reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. Examples of such risk factors include the general business and economic conditions in the regions in which the Bank operates; the ability of the Bank to execute on key priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans and to attract, develop and retain key executives; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access or other voice or data communications systems or services; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance and the bank recapitalization "bail-in" regime; exposure related to significant litigation and regulatory matters;

increased competition, including through internet and mobile banking and non-traditional competitors; changes to the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2018 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the headings "Significant Events" and "Significant Events and Pending Acquisitions" in the relevant MD&A, which applicable releases may be found on [www.td.com](http://www.td.com). All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and the Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2018 MD&A under the headings "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, "Business Outlook and Focus for 2019", and for the Corporate segment, "Focus for 2019", each as may be updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

>> Please welcome Brian Levitt, Chairman of the Board, TD Bank Group.<<

## **Brian Levitt – Chairman of the Board**

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Welcome to the 2019 TD Bank Group annual meeting of shareholders. I'm Brian Levitt, Chairman of the Board of Directors, and I will act as chairman of this meeting as stipulated by the bank's by-laws. This meeting is called to order. I've received satisfactory proof that the notice calling this meeting was duly publicized and sent to all shareholders of the bank. As a quorum of shareholders is present I hereby declare the meeting duly and properly constituted.

I'd like to extend a warm welcome to our shareholders present with us this morning, as well as those joining us by webcast or phone. Today's agenda can be found in the booklet that was on your chair when you entered the room.

The shareholders, if you have questions or comments, you're invited to approach one of the standing microphones in the room. For those with limited mobility please raise your hand and a microphone will be brought to you. However, I ask that you please hold your questions and comments until the appropriate time in the meeting. After the meeting is concluded a representative from TD Cares will be available to answer your questions. Thank you.

I'd now like to introduce the individuals here on stage with me. To my immediate right Bharat Masrani, Group President and Chief Executive Officer of the bank, and Rasha El Sissi, Vice-President and Corporate Secretary of the bank. Rasha will act as secretary of the meeting.

Greg Ashby and Pat Lee, representatives of AST Trust Company (Canada), the bank's registrar and transfer agent, will act as the scrutineers. Before I turn the floor over to Bharat to discuss the bank's performance, I would like to acknowledge TD's executive team and the more than 85,000 employees globally for their commitment to the business and to the brand.

To my fellow directors, thank you for your stewardship and continued guidance. Together we will remain forward-focused on creating sustainable growth and long-term value for shareholders and other stakeholders. To our shareholders we appreciate your support, and to our customers thank you for continuing to choose TD. We look forward to serving you in 2019.

Please note that the discussions during the meeting may contain forward look statements about the bank's outlook and objectives and strategies to achieve them. Bharat will be referring to non-GAAP financial measures, also known as "adjusted results", in his remarks. Details regarding forward-looking statements and non-GAAP financial measures are on the screen behind me and can also be found in the bank's financial report.

And now, please welcome Bharat Masrani.

( Applause )

## **Bharat Masrani –Group President and CEO**

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Good morning. Thank you, Brian. Thank you for the kind introduction. Thank you, Brian, again, and it's great to see so many familiar faces in the crowd. I met a few folks there. Thank you for coming this morning. And I'd also like to also thank people who have joined us by webcast as well as by phone.

TD continued to drive growth, deliver on its promises and distinguish itself in the marketplace in 2018.

Total earnings of \$12 billion represented an increase of 15 percent from 2017. Revenues grew by 8 percent and we delivered a return on equity of 17 percent. At the same time we stood out for our strength with the highest CET1 ratio among our Canadian peers. Each of our businesses contributed to our growth in 2018.

Canadian retail earnings surpassed \$7 billion for the first time. We are the market leader in key business segments and are using our scale to build momentum in areas of strategic importance. Respected industry sources have ranked TD first in digital banking in Canada. We are using our expertise to find new ways to engage with our customers, including those who are just beginning to build long-term banking relationships. In the U.S. we achieved record retail earnings of 3.4 billion U.S. dollars. With the contribution from TD Ameritrade in U.S. dollars adjusted earnings represented a 33 percent increase from the previous year. Over the past five years U.S. retail earnings have almost doubled. We led our peer group in loan and deposit growth in 2018 and continued to build out a diversified offering to attract new customers and deepen relationships with existing ones.

Turning to TD Securities, we earned more than \$1 billion in 2018. We executed on an impressive list of marquee assignments, expanded our client relationships and increased the number of funded corporate loans by 20 percent. TD also proved resilient in the first quarter of 2019. In a challenging environment, and notwithstanding a small loss in TD Securities, we delivered total bank earnings of nearly \$3 billion. So, we have a great story to tell.

But for us it's not just about growing today, it's about setting the bank up for future success. In 2018 the acquisition of Layer 6 was finalized. Our goal is to use the team's world-renowned expertise in artificial intelligence to help us take our legendary customer experience to the next level. The bank also established a long-term agreement with Air Canada to be the primary credit card issuer for its new loyalty program, set for takeoff in 2020. And TD Asset Management is now the largest money manager in Canada, with enhanced capabilities through our acquisition of Greystone.

We also found new ways to be relevant to and resonate with our customers. We've reduced the stress and time it takes to deal with a car accident through our expanding network of TD Insurance Auto Centres. You can speak to an advisor, get your car repaired and pick up a rental all in one location. An impressive pace of innovation helped TD WebBroker earn the top spot in the Globe and Mail's annual ranking of on-line brokers earlier this year. And in the U.S. we launched a new mobile payment system with features and functionality that makes our customers' lives easier.

Speaking of our customers, we know they don't live to bank, they bank to live. That's why we continue to simplify how we operate so they spend less time banking and more time living. In all of this our shareholders have benefited. In 2018 the bank's dividend increased by 11 percent on a full-year basis. A further increase announced in Q1 will bring your dividend per share to 74-cents per quarter. As a result we have outpaced our Canadian peer group in dividend growth over the past 10 years. We also led our Canadian peers for total shareholder return over the 3, 5 and 10-year periods ending in 2018. Let's put this into perspective. TD shares have more than tripled in value for the past decade. Of course growing our business is not the only way we define success. Sustaining the public's trust is critically important, not just for our bank but for the financial system as well. TD does this by living up to the promises we make to those we serve.

In 2018 we continued to be recognized as a brand of choice, including in digital. We stood out as one of the most sustainable banks in the world as well as one of the safest. And we were celebrated for our diverse and inclusive culture. We are proud to receive these and other accolades, however, they are not the only way we stand out in the marketplace. Let me tell you about three others. As I've described for many years our lower-risk, retail focus, diversified business model has generated consistent and predictable earnings growth. This instills confidence in our business and enables us to plan and invest for the future.

Second is our purpose, to enrich lives. For our people, our most important asset, that means providing them with the resources and tools to be their best. This includes helping our colleagues adapt,

develop and grow in our rapidly-evolving workplace.

TD Thrive, for instance, is a learning platform that includes more than 60 pathways of content focused on core competencies. In fact, 30,000 of our colleagues have already benefited from this initiative. For our customers being purpose-driven means placing them at the centre of everything we do. A great example is how we help home buyers become homeowners. The journey can often be complicated and time consuming. So we've introduced a series of digital solutions that make it simpler and faster.

Best of all, we have empowered our customers through the entire process. Today Canadians can use their smart phone to help them save for a downpayment, identify homes that fit their budget, secure a preapproval and, most recently, apply for a mortgage. For our communities purpose-driven means being a positive agent of change. That starts by creating economic opportunity. For instance, we lent to and helped thousands of small and medium size businesses achieve their goals. We also returned capital to you. Our shareholders in 2018 alone TD paid out a total of \$4.6 billion in dividends to a wide range of individuals and institutions. We are also deploying our resources for the greater good. Our team at Layer 6 is using machine learning to improve health outcomes for people with diabetes.

We are targeting a total of \$100 billion by 2030 to help support the transition to a low carbon economy in North America through our lending, financing, asset management and internal corporate programs. We are just over 30 percent of the way to our target. We estimate this has supported more than 76,000 jobs, contributed over \$15 billion to GDP and avoided more than 780,000 tonnes of greenhouse gas emissions. Clearly this transition can be good for the environment and the economy.

And we continue to enrich lives through The Ready Commitment, our global corporate citizenship initiative. As part of this in 2018 we issued 10 grants of \$1 million each to organizations in the U.S. and Canada that are preparing people for the economy of the future. This year our efforts will focus on innovative, scalable solutions that support better health outcomes for all. Finally, we distinguished ourselves by our focus on the future. Not just one year, but three, five, even generations from now. Here are some ways that TD is shaping tomorrow today. We are giving our people more tools, more resources, and less labour-intensive task so they can spend more time having important conversations with our customers. And we are introducing easy-to-use, digital solutions; our latest, TD Clari, provides quick, conversational answers to our customers' financial questions. It joins a suite of mobile services that helps customers track their spending in real time, manage their financial goals as well as receive special offers, helpful tips and information about nearby events.

These innovations help to explain TD's leadership in digital, including why we've been recognized as the number one performer in terms of monthly active users. Let me now turn more broadly to the Canadian economy. TD economics anticipates constrained growth for 2019. It's continuing to watch the market macro economic and geopolitical uncertainty and potential strains in the energy market and supply of Canadian housing. Today it's not uncommon to read about the risks and shortcomings of our economy's growth prospects. You certainly need to identify a problem before you can figure out a solution. And, clearly, there are problems to fix.

Like how to export our oil and natural gas to global markets; reduce trade barriers between provinces; eliminate red tape; increase the supply of Canadian housing; and accelerate much-needed infrastructure projects, just to name a few. But my hope is that we will also look to our strengths and figure out how we might replicate them to address some of these challenges. For instance, Canada has a rich innovation tradition. Some of the fastest growing markets for tech jobs in the world are located here. Venture capital has been flowing into Canada. We are home to world-renowned research institutions. And we continue to attract the best and the brightest from Canada and around the world to innovation hubs across the country.

Success is not just what we have achieved but how we've achieved it. In many cases, governments have created the right conditions for growth, including innovation incentives and sound principles-based regulatory environment. Our education system provides us with an abundance of talent and our healthcare system helps Canadians remain healthy and productive. We are blessed with an entrepreneurial class; we benefit from a close trading relationship with the world's largest economy, the United States; and our financial system is strong with a diverse range of firms that support growth and productivity. In short, everyone has a role to play and they play it well.

This partnership model is an important element in tackling some of challenges I have cited as well as those coming over the horizon. I'm confident it can help create a better future for all Canadians. Let me wrap up, the TD we build tomorrow will be familiar to you today. For our customers it will be a bank built around you, working to anticipate your wants and needs, advising you on how to achieve your aspirations, helping you feel and be confident about your future.

It will be a bank that works not just in but for communities, investing in ideas and organizations that help the places in which we live prosper in healthy and sustainable ways. And it will be a bank that values its people and enables them to be their best. You can also expect us to dive deeper, reach higher, go farther, in short, be better. By doing so we will continue to focus on driving growth, delivering on our promises and distinguishing ourselves to the millions of people and thousands of communities we proudly serve.

I'd like to thank all our 85,000 colleagues around the world for their ongoing contributions and commitment to living up to our promises. I also want to express my appreciation to TD's Board of Directors, what an invaluable source of insights to me and to my senior executive team. And, finally, I want to thank you, our shareholders, for the confidence and trust you have placed in TD. We look forward to continuing to create value for you in the years to come.

Thank you.

( Applause )

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### **Brian Levitt – Chairman of the Board**

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Thank you, Bharat. At this point I would like to move to the official part of the proceedings. I'd first like to recognize the fact that the movers and seconders for all the motions presented by the bank are TD directors or employees who are also shareholders. To help with the counting of ballots we've prepared two ballots for the motions before us today. We have prepared a green ballot for the first three items of business, namely the election of directors, the appointment of the auditor and the advisory vote on the bank's approach to executive compensation.

A blue ballot has been prepared for the two shareholder proposals to be voted on today. These proposals, along with the proposer's statements and the Board's responses are set out in the management proxy circular and in the booklet that was on your chair when you entered the room today. Ballots were made available to shareholders and proxy holder at the registration desk. In addition, the scrutineers have a supply of ballots in both English and French.

I now ask the scrutineers and their assistants to distribute a set of ballots to any proxy holder or shareholder who has not completed a proxy. If you have already sent in a proxy there is no need to complete a ballot. As the scrutineers pass among you please indicate if you would like to receive a set of ballots by raising your hand. When you sign your ballots please print your name clearly above your signature.

When proxies are submitted to our registrar and transfer agent they are counted and tabulated by their officers. The scrutineers at the meeting then verify and report on the results. A simple majority of the votes cast in person or by proxy is required to pass each of the matters to be voted on today.

In the interest of having an open, fair and orderly meeting the front page of the booklet that was on your chair contains guidelines for shareholder participation. These guidelines are based upon the rules of order, as well as common sense and courtesy. I ask each speaker to please keep your comments brief and to the subject under discussion so that all shareholders have an opportunity to participate.

If a speaker has an additional question, and if there is sufficient time, they will be recognized again after we've heard from the others who are waiting to speak. On behalf of your fellow shareholders I thank you in advance for your cooperation. Copies of TD's 2018 annual report, which contains the bank's 2018 financial statements, and the auditor's report on them, were sent to shareholders in advance of this meeting. You can also obtain a copy of our annual report at the entrance to the room or on our website at td.com.

We'll now open the floor to questions or comments from shareholders or proxy holders, directly related to the 2018 financial statements. If you have questions or comments that are not directly related to the 2018 financial statements please hold them until the appropriate time in the meeting. Are there any questions or comments regarding the financial statements? Seeing none we'll now move on to the election of directors. Information about each nominee is included in the management proxy circular.

To facilitate the introduction of the nominees we have prepared a slide presentation that introduces each of them.

>> Bill Bennett; Amy Brinkley; Brian Ferguson; Colleen Goggins; Mary Jo Haddad; John-René Halde; Dave Kepler; Brian Levitt; Alan MacGibbon; Karen Maidment; Bharat Masrani; Irene Miller; Nadir Mohamed; Claude Mongeau. <<

The Board of Directors has fixed the number of directors to be elected at 14 and I confirm that all of the nominees are eligible for election. I now call Erin Wylds, Manager Compliance, to nominate the directors for the coming year.

**Erin Wylds – Manager, Compliance, TD**

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I nominate each of the persons whose name appears in the management proxy circular under the heading "Director Nominees" to be a director of the bank until the close of the next annual meeting of the bank's common shareholders.

**Brian Levitt – Chairman of the Board**

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Thank you, Erin. Are there any questions or comments about the election of directors? Seeing none, I declare the nominations closed and we will move to item number 1 on the green ballot, which relates to the election of directors. Please mark it now.

Next item on the agenda is the appointment of the auditor. The Board recommends that Ernst & Young LLP be appointed as auditor of the bank until the close of the next annual meeting. With us today representing Ernst & Young are Bill Schlich and Humayun Jafrani.

I'd now like to call on Alan MacGibbon, chair of our Board's audit committee, to make this motion.

**Alan MacGibbon** – Chair, Board's Audit Committee

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Thank you, Mr. Chair. I move that Ernst & Young LLP be appointed auditor of the bank to hold office until the close of the next annual meeting of the bank's common shareholders.

**Brian Levitt** – Chairman of the Board

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Thank you, Alan. I now call on Denis D'Souza, Senior Compliance Officer, to second the motion.

**Denis D'Souza** – Senior Compliance Officer, TD

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I second that motion.

**Brian Levitt** – Chairman of the Board

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Thank you, Denis. You've heard the motion. I invite any shareholders or proxy holder with questions or comments regarding the appointment of the auditors to approach one of the microphones.

The appointment of the auditor is item number 2 on your green ballot. Please mark it now.

The next item of business is the advisory vote to the bank's approach to executive compensation. The resolution on the approach to executive compensation is set out in the management proxy circular under the heading "Advisory Vote on Approach to Executive Compensation."

I'd now like to call on Colleen McNulty, Manager Executive Compensation to present a motion for this resolution.

**Colleen McNulty** – Manager, Executive Compensation

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I move that the resolution set out in the management proxy circular under the heading "Advisory Vote on Approach to Executive Compensation" be passed.

**Brian Levitt** – Chairman of the Board

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Thank you, Colleen. I now call on Beatrice Boivin, Senior Manager Specialized Human Resources, to second the motion.

**Beatrice Boivin** – Senior Manager, Specialized Human Resources

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I second the motion.

**Brian Levitt** – Chairman of the Board

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You've heard the motion. I invite any shareholders or proxyholders with questions or comments concerning this item to approach one of the microphones. Mr. Gagnon.



### **Willie Gagnon – Shareholder**

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Mr. Chairman, we are talking about the advisory resolution on executive compensation. I will spare you my usual comments about the pay ratio since this topic will be addressed when it comes to the shareholder proposals. And I will only comment on the total amount of the remuneration of the top five leaders, around \$40 million.

In the area where I come from in Quebec with a sum like that we've built a university. It seems extraordinarily high to me and I've come to wonder what happens to all that money? Those are stratospheric sums. We notice that the best paid person in the bank is getting a 23 percent increase in compensation over last year. Last year's increase was 20 percent. It doesn't look like the kind of pay raises I get. It's about 218 times the median income of households in Canada. Obviously, as is the case each year, we vote against this type of remuneration. It looks in Canada that the bigger a bank is the higher is the compensation that is paid to the best paid executives and we feel that's an absurd factor that -- to take into account, and we would obviously invite all shareholders to vote against the bank's approach to executive compensation.

### **Brian Levitt – Chairman of the Board**

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Thank you, Mr. Gagnon. As we have told you on previous occasions, we live in a competitive market and we have to beat the competition. Thank you very much for your intervention. We have much respect for your opinion. Microphone 3.

### **Bill Davis – Shareholder**

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Bill Davis, Mr. Chairman. Shareholders will not be surprised, I have been here pretty well every year for quite a while.

**Brian Levitt:** Nice to see you again.

**Bill Davis:** Thank you. I hope you can say that when I'm finished.

( Laughter ).

**Brian Levitt:** I'm sure I'll be able to.

**Bill Davis:** It's no surprise to shareholders, because this has been an ongoing concern of mine. I was the co-filer of a shareholder resolution probably five or six, maybe seven years ago, introducing the request that the bank's use vertical metrics, along with horizontal metrics, in considering the executive compensation of the senior people. The model that has been used and is being used pretty much relies on horizontal metrics in comparison with other like -- well, the competitors, let's say. In the United States companies are now required to reveal the ratio of CEO remuneration to a median employee. That's a vertical metric. I can tell you, for your own interest, that the CEO of the Bank of America earns 247.1 percent what a median employee earns. There is no shame or embarrassment there.

Anyway, I want to get to a simple example, just to go over this. If a senior executive earns 100 and I earn 10 then I'm doing quite well. But let's make that assumption. If we each get a 10 percent increase the senior gets \$10 and I get \$1. In absolute dollars the senior gets 9 more than me, that's a growing gap but the ratio is at least the same.

If I get a 2 percent increase and the senior person gets 10, I now have 20-cents more and the senior has the same ten dollars more; that's a difference of \$9.80. So when you do this annually and compound it over 20 or 30 years you get to understand why the gap keeps widening. Really, to me, it's widened to the point of absurdity. And then we hear that the Canadian economy is booming, but many, many people cannot make ends meet. The results of the boom are not reaching the majority of working people. Now, to go to the specific situation, our senior -- if our senior executive averaged a 15 percent increase this year, after a 21 percent increase last year, I make that 39 percent cumulative over two years.

So where's the vertical metric? The bank has been very clear they're not going to use vertical metrics. So there's no way to compare this 39 percent in two years to the bank's 85,000 employees, or in fact to anybody, to any common, working person, to the cost of living. Choose any vertical metric you like. Nobody, virtually nobody is getting 39 percent cumulative over two years. It's a kind of interesting further impact, in my mind, this excessive give-away of our earnings. Next year when the hired consultants do their benchmarking, TD's generous level will sort of raise the average for the comparative group significantly, since no other bank's top five people got even half the increase that our senior five people got. So I assume that the staff at the other banks, the senior staff, are really grateful to our bank for raising the bar. The real culprits to me, frankly, are the members of our own Board, particularly those who sit on compensation committees, many of whom have retired from positions where they've benefited from the same formula that is enriching the present senior group.

For decades we've been putting this small, elite group in the position of taking more and more of our shareholder dollars and widening the gap to the real world. The capitalist system shouldn't work this way and can't indefinitely. In any case, what I want to say, in conclusion, is that when we filed this proposal we withdrew it and entered into a process of negotiation with all of the banks and some vertical metrics were contemplated and actually implemented. And now it's very clear from this proxy circular that the bank has rejected any vertical metrics.

Frankly this is very disillusioning to me since our Boards cannot prevent this sort of upward spiral of what that I would call folly; and institutional investors appear, to me, to be indifferent. I think the only hope, and this is kind of a silly one, but I'd like to suggest that ordinary shareholders simply flat out reject this executive compensation report. Enough is enough. It's time to say no and I think the ordinary shareholder can do that. It's a small witness. It won't make a big change but we can't just go on indefinitely approving this. That's enough from me.

(Applause )

**Brian Levitt:** Thank you, Mr. Davis. As I said to Mr. Gagnon, we live in a competitive world and we have to deal with that. If you look at the charts on pages 48 and 49 of the proxy statement you'll see that the value that's been created at the bank over the last five years has substantially outpaced the growth of executive compensation and the management expense ratio, which we do compute, has not changed. So I respect your -- we respect your point of view. We're concerned about matters of income and equality. The Board -- the management and the Board and bank, through The Ready Commitment that Bharat has talked about, is doing what it can to deal with some of the issues you raise but we have to run the business.

Is there a question back there? Yes, go ahead.

## Nick Seirenson – Shareholder

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**Nick Seirenson:** So my name is Nick Seirenson and TD is my major bank and it's a core position in my portfolio. So the bank is important to me but I, nonetheless, oppose the approach to executive compensation, essentially for the same reasons that have been evoked.

By my reckoning the CEO earns 300 times what the average Canadian earns in a year. Which means that every day he's making as much as the average Canadian makes in a year. And, to echo the previous speaker's comments, it comes back to the compensation committee. Did none of them see this as being unseemly?

They are being paid \$1.6 million, there is \$300,000 of executive compensation consulting. Did nobody say, "Guys, this is obscene." And has nobody asked themselves why he's working? He already has \$40 million of TD stock; he's getting \$1.6 million of dividends alone; he's not in it for the money, guys. He's probably in it for the pleasure of leading, Canada's best bank, for the pleasure of dealing with a team of exceptional professionals and achieving the wonderful results that he outlined.

So he doesn't need that money. His house is probably big enough; he probably has enough luxury cars; he can probably take enough fancy vacations for him to be satisfied. And I think if his motivation is coming from earning more than the other guys than maybe that speaks to a value set that maybe we don't want to have leading the bank.

So I, again, would like to throw a stone in the garden of the compensation committee. I think they have -- and you can compare it to the other banks. I'm concerned about TD. TD is particularly important to me. If TD changes maybe the others will change. Thank you.

( Applause ).

**Brian Levitt:** Again, we respect your comments. I think I've answered -- stated the reasons we are doing what we're doing. I don't think it's appropriate to focus on Mr. Masrani. The issue that underlies these three comments is a systemic issue and we've been looking for an answer but there is no easy answer to this. So I think -- I don't see any other comments.

Sorry, microphone 7.

## Paul Durnan – Shareholder

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Hi. My name is Paul Durnan. I'm from Burlington. I'm not criticizing compensation. Maybe I should have asked this question when you asked was there any comments about the accounting statements. Maybe my -- I should have asked this question.

**Brian Levitt:** That's okay. Go ahead.

**Paul Durnan:** All right. I thought I heard on BNN that capital markets for the year lost \$11 million in 2018?

**Brian Levitt:** No we --

**Paul Durnan:** Is that true.

**Brian Levitt:** No, it's not true. There was a loss in the first quarter.

**Paul Durnan:** In the first quarter.

**Brian Levitt:** Or the -- yeah, the first quarter of '19. That was reported about a month ago.

**Paul Durnan:** So that -- the first quarter is October, November, December?

**Brian Levitt:** No, November, December, January

**Paul Durnan:** Okay, all right. Well, can you address that loss? What caused that? Was it the stock market going down November, December or –

**Brian Levitt:** Perhaps, if it's all right with you, what I would like to do is continue with the meeting and have Bharat deal with that question in the question and answer period. Would you be satisfied with that?

**Paul Durnan:** Yup, that's fine.

### **Brian Levitt – Chairman of the Board**

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Okay, we'll do it that way. Okay. I don't see any other people at the mics so we'll proceed. If there's no further comments, this is item number 3 on your green ballot. Please mark it now. I'd like to remind you that when you finish marking and signing the green ballot please print your name above your signature.

I'd now ask the attendants to collect the green ballot so that the scrutineers can begin tabulating the votes on the first three items. Please pass your ballots along to the end of the row so that the attendants can collect them.

Next to be put before the meeting are the shareholder proposals. As part of our commitment to leadership and corporate governance we seek to maintain an open dialogue with our shareholders. We always value our shareholder participation. There are two shareholder proposals for consideration at this meeting.

Proposal A was submitted by Mr. John Phillip Chubb of North Vancouver, British Columbia; and proposal B was submitted by MÉDAC of Montreal, Quebec. I'd also like to mention that MÉDAC submitted two additional proposals that were withdrawn following discussions between MÉDAC and the bank. And I'm going to invite Monsieur Gagnon, a representative of MÉDAC, to talk about these two withdrawn proposals, after we address the shareholder proposals that are to be voted on at the meeting. The withdrawn proposals and supporting statements, as well as the bank's response to them, were included in the management proxy circular at MÉDAC's request. So we now turn to our attention to the proposals.

The management proxy circular includes statements by the proposers in support of their proposal, as well the reasons why the Board is recommending to shareholders that they vote against each of the proposals. You will find copies of the proposals in the booklet that was on your chair. As a result, in the interest of time, we will not be revisiting the reasons for the Board's position during the discussion of each proposal. Shareholders and proxy holders will be given an opportunity to comment on each of these proposals. As I indicated earlier, I ask that each speaker be mindful of the guidelines for shareholder participation. Given that the exact wording of each proposal is set out in the management proxy circular I suggest that the speakers focus on their comments rather than on reading out the formal proposals. I'd also appreciate it if each speaker would give his or her name and state whether they are a shareholder or a proxy holder. You will be asked to mark your blue ballot after the presentation of each of the shareholder proposals.

After the proposals have been presented the scrutineers will collect the blue ballots. The first item on the blue ballot is shareholder proposal A, as set out in the management proxy circular under the heading, "Shareholder Proposals".

Mr. Chubb was unable to attend this meeting in person. Accordingly I invite Annette Galler, Senior Legal Officer, to move and second the motion in connection with shareholders proposal A.

**Annette Galler:** I move and second shareholder proposal A.

**Brian Levitt:** Thank you. Would any shareholders or proxy holders like to comment on this proposal? Seeing none, your Board of Directors has recommended voting against this proposal. Please mark shareholder proposal A on the blue ballot now.

The next item is shareholder proposal B, which was submitted by MÉDAC. Monsieur Gagnon is here, representative of MÉDAC. I would invite Mr. Gagnon to come to the microphone and to introduce shareholder proposal B. As well as to move and second the motion related to that proposal.

**Willie Gagnon – Shareholder**

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Mr. Chairman, thank you very much. Good morning, again I will just read the title of the proposal and not the arguments since this material is to be found at page 61 of the circular; we are pleased that it was also presented in the booklet that was distributed to shareholders today, not all banks do this.

So the proposal is entitled "Compensation Ratio Disclosure. Be it resolved that the bank disclose the equity ratio in determining compensation."

I will not share with you my moral considerations that I have already outlined when I addressed the advisory resolution, and we'll focus on technical comments on the reasons that all banks invoke to refuse to publish the compensation ratio. All of them bring up practically the same arguments. The first one has to do with distortions in the interpretation of the compensation ratio that are introduced by differences between countries and differences between industries.

We agree with you that you can't compare the compensation ratio of a bank and that of a retailer here the average remuneration is much lower. There are ways to account for such distortions. We also understand why the compensation ratio is higher for a bank that may have many employees in countries where remuneration is lower. That can be solved by disclosing information on the revenue you earn abroad, the taxes you pay abroad, the number of employees you have abroad. That information is already disclosed to tax authorities in your country-by-country returns that are filed under OECD obligations, but that are not published in Canada.

Producing compensation ratios allows for comparisons of the bank with itself over time. In other words, we can see how you are evolving. We have all the data we need to calculate it. We use the same method for everyone. It's very simple. In 2013 the ratio we calculated for you was 114, 2015 it was 110, 2016 it was 97 and your compensation ratio was going down. It was getting better. But since then it's risen from 6 91 to 104, to 125 today.

So this proposal is an opportunity for us to ask you why is the compensation ratio rising? When we look at the compensation ratio we calculate for other Canadian banks you have the second highest compensation with respect to your employees; and the compensation for your best paid executive is the highest among the seven largest Canadian banks. If you compare that to the average remuneration of Canadians you are the highest. So we would invite all shareholders to support this and it would cost you nothing.

Thank you very much.

**Brian Levitt:** Thank you, Mr. Gagnon. As I told you earlier, you have your opinion and we have ours. We don't feel that ratio is helpful in determining executive compensation. Are there other questions or comments on this proposal? Seeing none, as I mentioned, your Board of Directors has recommended that you vote against this proposal.

That completes the proposals. We'll wait a moment while you finish marking and signing the blue ballot. Again, please remember to print your name above your signature.

And I will now ask the attendants to collect the blue ballots. Please pass your ballots to the end of the row so that the attendants can collect them. Thank you.

I would now invite Mr. Gagnon to address the two withdrawn proposals from MÉDAC.

**Willie Gagnon:** Mr. Chairman, we had sent you four proposals, one was set aside on technical grounds and we understand why, but there were two other proposals that we submitted to you and that we agreed, following satisfactory discussions with you, that we are agreed not be put to a vote.

One proposal is aimed at the integration of environmental, social and governance criteria and to executive compensation. And here I'm referring to page 62. I will read your response. The bank score card disclosed in the corporate responsibility report, sets out the bank's ESG related objectives. These are the key metrics used to evaluate business performance under the executive compensation plan. This is what we will -- seeking to find out. We are happy to read that in the circular.

We are also happy to read references to the pages where this is addressed in the circular. This is information that is relevant and that we would like to see every year more accessible. We were interested in the mechanics of the linkage between your compensation policies and your ESG policies. And we are happy with the result of our discussions. We'd also sent in another proposal on climate change and measures taken to support the transition to a low carbon economy.

Be it resolved that the Board of Directors disclose the available information required by the Task Force on Climate Related Financial Disclosure, or TCFD, which is an arm of the Financial Stability board, with respect to governance, strategy, risk management and other parameters and objectives in its next annual report. TD Bank is in a unique position in this respect since it is a participant in the TCFD pilot project under the United Nations environment program finance initiative. We were able to talk to you about the part you play in this pilot project.

What you are doing we used as a lever to get other Canadian banks to get involved. We are happy to do this with you. You know that all these proposals have been sent to all the banks. And it's always very useful to be able to lever the best practice in the industry and try to have it applied by other banks, which we were able to do thanks to you. Thank you very much.

**Brian Levitt:** Thank you, Mr. Gagnon. As you have said, the bank's response is printed in the circular. But I can tell you that we were very appreciative with the quality and tone of our discussions with MÉDAC. Thank you.

I understand that the scrutineers have a preliminary tabulation of the votes cast in respect of each of the items of business before the meeting.

I now ask Greg Ashby, representing the bank's registrar and transfer agent, to provide us with the scrutineers' record.

**Greg Ashby – Bank's Registrar**

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For the information of the shareholders we wish to report that: 54.8 percent of the eligible shares have been voted at this meeting. The results with respect to the election of directors are: A substantial majority of the votes cast at the meeting were voted in favour of the 14 nominees named in the management proxy circular with each nominee receiving in excess of 96.6 percent in favour.

The result with respect to the appointment of auditor is: 99.3 percent voted in favour of Ernst & Young

LLP and 0.7 percent withheld from voting. The result with respect to the advisory vote on the approach to executive compensation is: 93.5 percent voted in favour of the resolution, and 6.5 percent voted against.

The results with respect to the shareholder proposals are, proposal A: 2.3 percent voted in favour, 97.7 percent voted against with less than 5.7 million shares abstained from voting. Proposal B: 5.6 percent voted in favour, 94.4 percent voted against, with a less than 3.3 million shares abstained from voting.

Mr. Chairman, that concludes the scrutineer's report.

**Brian Levitt:** Thank you, Mr. Ashby. I now declare that the 14 director nominees named in the management proxy circular have been duly elected; that Ernst & Young LLP has been duly appointed as auditor; the resolution to the advisory vote to the approach to executive compensation has been passed; and the shareholder proposals A and B have been defeated.

Final voting results will be made available shortly after the meeting. This concludes the formal business of the meeting. We'll now move to shareholder's questions and comments, which I remind you should be of a general interest to all present and not of a personal nature.

As I mentioned earlier, a representative of TD Cares is here today. Can I ask Tara Lucci to stand and be recognized? There she is. Tara will be located at the back of the room and can assist with personal questions after the meeting concludes. Before asking you question please give of your name and state whether you are a shareholder or a proxy holder. Please keep your comments brief so that all shareholders have an opportunity to participate. If a speaker has an additional question, and if there is sufficient time they will be recognized again after we have heard from others who are waiting to speak.

Bharat, will you please conduct this portion of the meeting?

**Bharat Masrani – TD Bank Group President and CEO**

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Thank you, Brian. I think there was a question on the wholesale bank's performance, a gentleman on podium 7 there?

**Paul Durnan:** Yes.

**Bharat Masrani:** Is it the same question?

**Paul Durnan:** Yes.

**Bharat Masrani:** So let me answer your question. Firstly, for 2018, so there might have been some confusion actually, TD Securities posted profits of a billion dollars, so just to keep that in context. In the first quarter, as I mentioned in my prepared remarks, TD Securities had a loss of \$17 million.

Now why is that? Firstly I would say that the type of business we are in was particularly impacted by the high level of volatility we saw in the markets. The markets were very choppy and our business is more geared towards trading, sales and trading. We are building out our investment banking, corporate investment banking type of business around the world, but that's in the formative stage and that will take a few years before that becomes a bigger part of our TD Securities business.

Overall, and I'm thrilled with how TD Securities has performed over many, many years. Many of our shareholders will recall that just before the financial crisis TD Securities actually got out of the type of products that caused the huge amount of problems for banks; and that allowed TD -- in fact I know we were a positive outlier through the financial crisis, and it allowed us to actually build a U.S. business in the way we were able to. So this business is on strategy; very happy with how it's managed; it operates within our risk appetite; and over the long term it has been great for the bank.

Thank you.

Other questions --

**Paul Durnan:** Just.

**Bharat Masrani:** Yes, go ahead.

**Paul Durnan:** Shukriya, Mr. Masrani. I would like to say thank you in Hindi.

**Bharat Masrani:** Thank you, that's terrific. I appreciate it. Thank you. Other questions? Number 5.

**Eid Attia:** Hi, my name is Eid Attia, I'm a shareholder and a customer of TD Bank for more than 50 years. And my question here, is there any better treatment for seniors and people who has been with you more than 25 years for special treatment; and also for better rate when you have more than \$100,000 in your account; and treatment of your senior insurance and other things which I have found it very, very strange and difficult.

**Bharat Masrani:** Thank you for your question. I think I had an opportunity to speak to you earlier on before the meeting. You know, with respect to seniors, of course that is a very important segment for us. We have been in business for 164 years. And there are many customers of ours who suit your profile and have been with us for decades. We have a compelling program for seniors in the bank.

There is discounts available, the type of products we offer. So I would encourage you to speak to our people. I think we – I introduced you to one of our executives here and I know he will be thrilled to speak to you again and introduce you to the right people within the bank to suit your specific needs. With respect to getting higher rates, again, I wish that was an easy thing to do. We live in a system here that rates are driven by macro economic factors and how we design our products. But I can assure you that we look at competitive positioning and what we think is appropriate for each of our types of accounts. But, once again, for your need if there is a specific product that is more suited to you we should be offering that to you. And I think I introduced you to one of our executives, Leo Salom, and he will be happy to sit down with you if there are other, more appropriate products for your specific need.

**Eid Attia:** Since you came to be the president I noticed that you have added extra, extra fees and fees and fees; paper fees, this fees; and because of that I think you guys have been able to make a lot of money. But some of this money comes from our pocket, and I don't want to argue about it but I think you should reorganize things back to show the loyalty to your customer. And thank you.

**Bharat Masrani:** Thank you for your question and comments.

(Applause)

Number 4.

**Amelia Meister:** Thank you so much. My name is Amelia Meister and I represent an organization called "SumOfUs". I'm here as a proxy holder for the BC General Employees Union. I have in my hands right now a petition of 15,000 signatures of Canadians, as well as 4,000 TD customers and almost 1,000 TD shareholders. And it's calling on you, the CEO, and the Board, to make decisions to move to stop funding new fossil fuel projects and work out a way to phase out funding for current fossil fuel projects, in line with a 1.5 degree Celsius global warming target.

And how this relates to shareholders, we're seeing federal, provincial and municipal governments working to move away from fossil fuels. We are also seeing a ground swell of opposition to fossil fuel projects, which is often stalling or delaying the projects. In terms of shares we see this as unsustainable and unstable to continue funding.



And the question is, what is your plan to transition away from funding fossil fuel projects in line with a 1.5 degree Celsius warming? And with the knowledge that the IPCC report, that was released in October 2018, gave us 12 years to significantly reduce greenhouse gas emissions to prevent runaway climate chaos. Thank you.

**Bharat Masrani:** Thank you. Thank you for your question and thank you for coming to our shareholders meeting. And I appreciate your comments, but I wanted to provide a wider context on the issue of the environment and sustainable development.

I'm proud to say we are one of the first financial institutions to recognize this is an issue. We started an initiative many, many years ago. And TD, as to what we've done ourselves, I feel proud of our 85,000 colleagues around the world who take this very seriously. We were the first bank, that I know of in Canada, that went carbon neutral. We are the bank that supports a huge number of environmental projects, it's very much a part of our pillar under The Ready Commitment that you've heard of.

We are the first bank to -- in Canada to issue a green bond. And today TD Securities will be among the leaders to arrange a green bond issuance for many other companies as well. I'm not aware, but at least I know about my bank, we are, I think, the only Canadian bank on the Dow Jones sustainability world index which recognizes the top ten percent of the companies that support and frankly live to their commitments for sustainable development.

We have stores in the United States that we are piloting. We have one store that gives out more electricity than it actually uses and we give that back to the grid. So I'm very proud as to what the bank has done and continues to do. This is a core part of what we believe. But we have also made it very clear that we are all for a low carbon economy. We have multiples of -- we've increased our lending and support in that area. I said in my prepared remarks that we at TD have said we are striving to lend, to finance for an asset management business, our corporate internal programs, that by 2030 we will have provided support to the tune of \$100 billion towards transition to a low carbon economy.

So I feel very proud as to what TD's position is on this and what we have done. But let us be clear, and our view is that there is a transition to a low carbon economy; that this cannot be done overnight; and all the statistics and all the information I just gave you is in support of the transition. But we also recognize that during this transition responsible energy development is necessary if we are to sustain the level of standard of living Canada has. And, frankly, there are parts of Canada that are very dependent on that as well. So, as a bank we take this very seriously. I think Monsieur Gagnon was talking about what the bank is doing with the UN. We are a part of the task force on financial disclosure, we are actually in three pillars around that.

So I think we are playing a leadership role in this and I feel proud of what the bank is doing. But I appreciate your points. I know this is a sensitive topic and there are differences of views here. But I think the TD position is clear and I firmly believe it is the right positioning.

**Amelia Meister:** Thank you. And who could I give these signatures to?

**Bharat Masrani:** There are people – I will take it. Please.

**Amelia Meister:** Thank you.

(Applause)

**Bharat Masrani:** Other questions? All right, number 8. I'll go in order here.

**Brian Manese:** Good morning, Brian Manese, shareholder. I have dealt with TD as a business client for my companies and personally for 25 years. It's important for TD shareholders, customers and the public to learn how TD has taken a Trump-like culture within their major Canadian data centres in Scarborough and Barrie.

Over the last couple of years Canadians in management positions at the data centres have been replaced by Americans. Some have moved up to Toronto and some manage the data centres remotely from New York. This Trump-like management style, which is pro-American, is also affecting Canadian suppliers to TD's major data centres. I have witnessed this as a supplier to the data centres.

I will document some of these issues. One, distribution channels for products sold to the data centre were changed so that U.S. distribution companies benefited. Manufacturers of product were changed to benefit U.S. companies associated with U.S. companies.

Payments of invoices to Canadian suppliers, which the terms were 2 percent, net 10s, were changed. When the U.S. managers took over TD took the 2 percent discount but didn't pay until 60 to 120 days, or until it was escalated, not the agreed upon 10 days. Canadian consultants to the data centre, they've also told me that invoices were not paid by the U.S. managers. Before I raised these concerns to upper management I read the "Whistle Blowing" section in the TD code of conduct and felt confident that they would listen to my concerns and work through this.

The opposite happened. Within two months of discussing this with ITVPs we were out at the Barrie, Scarborough, College Park data centres. The reason? I had questioned why TD was not paying their bills in an agreed, timely manner but still taking the 2 percent discount?

TD then proceeded to hire my data centre techs; then a TD manager sent a copy of another person's resume to my tech, who they are trying to hire, to copy the format and content of this person's resume, who is applying for the same job, so that TD could hire my tech not the other party. This was a blatant and offensive breach of privacy and confidentiality by TD. I have a copy of the third person's resume and an e-mail which was sent to my tech by the U.S. TD manager to copy.

This is the third party's confidential resume here who applied for the job. Another example of the Trump-like culture by the new U.S. data centre management was when the replacement company was hired and wasn't working out. TD then handed over confidential, personal information of my employees to the new company so they could hire my staff.

This was all documented with recordings from a TD, front-line staff commenting on their new U.S. manager. Comments such as, "I want to keep your techs but going over the U.S. manager's head doesn't help. I will be honest with you, Brian, you should not have gone over people's heads" Another comment. "I didn't have any problems with your company's work or your guys." Another comment, "We were told by the new U.S. management that we couldn't tell you anything."

Obviously it appears that the front-line staff were terribly afraid of losing their jobs also. I can understand why they were afraid because I went through the whistle blowing code of conduct myself and nothing was done.

So I wrote e-mails to Board members, senior officers of the company. No response. So my question is, will TD hire an outside agency to investigate the Trump-like culture of their American IT managers and blatant abuse of business practices favouring American companies; and the abusive code of conduct in their major data centres which favours U.S. suppliers over competent Canadian suppliers?

**Bharat Masrani:** Thank you for your question. And, obviously, you know it won't be appropriate for me to address your personal issues you talked about because I don't think this is an appropriate forum for that. But let me talk about TD and what our culture is all about.

We are a major North American bank. We have a very large U.S. business, we have a very large Canada business. One third of the bank's profits now come from the United States.

So I want to be very clear on this that we have 27,000 people working in the United States, but we have more than two thirds of our people working in Canada. We are a North American bank and we will have jobs and opportunities for our people on both sides of the border. With respect to the culture point you have cited, obviously I disagree with the point. If there have been specific issues that

you have noticed, I would encourage you to use various levels of complaint handling within the bank that we have, and if you are not able to get the right answers please write to me. I will be happy to address them myself. There are executives that are available here after the meeting, you can talk to them as well to bring your specific issue to our attention and to see whether there is a specific point we need to address. Maybe there is some control within our system that might not have worked as intended so I'd encourage you to do that.

But, overall, if you look at the number of jobs that TD creates in every geography that we operate I feel very good about it. In our call centres, specifically you talked about it, we ramped up our staffing. We of course invest in technology, that is the way we compete and actually meet customers' expectations.

So, like I said, I don't think it would be appropriate for me to address your specific issue that you're talking about, your own personal experience, but I'm sure our people will be happy to address your points.

**Brian Manese:** Again, I have a serious concern about the culture at the data centres that are run by Americans.

**Bharat Masrani:** I don't think that that is an appropriate comment to make. I disagree, respectfully disagree with the way you positioned it. We have -- TD Bank has 85,000 of them around the world. I'm proud of each and every one of them regardless of their background, their gender, their citizenship or whatever the case might be. That's not the TD I know and I've been here 32 years. I've never experienced that or seen that before.

So, again, I take your comments seriously and I'd encourage you to talk to some of our executives to make sure that there's nothing in your specific experience that would -- that we are able to change or at least address. Appreciate your comments. Number 7.

**Linda Schwey:** Yes, good morning, my name is Linda Schwey, I'm a stockholder and I came from Montreal to talk about this. This is about a report I read on a public website, I believe it was the CBC website. And they told about a TD client in southern Ontario who, at the time, was acting as an executor of a will; and after all the details had been handled he was to send the money to the heirs.

There were four heirs; they all lived in the States and this person, of course, is in Ontario. Now, not knowing how to do this he asked for advice from his bank and they suggested a bank draft, and it was supposed to be \$100,000 to each of the four heirs. Now, bank draft is something I haven't heard in about 40 years but never mind. He gave that advice and the person did that. And, unfortunately, these drafts or this mail was stopped at the border by American customs and it was kept there.

Apparently -- as we maybe know, if you send money across the border, more than 10,000 -- \$9,999 you have to give a notice of it and so on. Apparently notice was not given and was why this money was stopped. And the bank said that they couldn't -- they couldn't send another shipment or another money to these four people because had the first one ended up being presented at a bank they would be forced to cash it. And so this was why they wouldn't do it.

Now, I was very upset when I read this report because had the situation been reversed in some way and the -- let's say the client or the customer had not done something the way they should have been then the bank would have said, well, that's just too bad. Never mind. So I wrote the shareholders' relations people and I recounted the story and I said, I'd like to know what happened? And I'd also like to know when the people got this money? And if it was an amount of time that they waited for it were they paid interest on the money for the time they waited? And, also, one of the four people in the states was waiting on some health issues and so I was -- I also mentioned I would like to know if these people were compensated in some way for the stress at the delay of the money being sent?

Now, they said, well, we can't say too much because it's privacy things and, of course, I understand that. Nobody is asking for the names or addresses of these people, but the report was in the newspaper, it was in the media and I just wanted some answers to the question I posed.

Well, they said they would get someone who could call me and explain it. That person never called and so that's why I'm here, because

I would like an answer to this question. Why -- now, the person was obviously given direct advice that could have been corrected had the bank sent the money a second time, but it wasn't.

I just want to know what happened. Because I think this is really -- and I know TD is great and fabulous, it's a Canadian bank, wonderful, like all the others. But as a minority shareholder I thought to myself, gosh, how would I have felt if that happened to me? So I would just like to know what happened.

**Bharat Masrani:** Thank you, Ms. Schwey and nice to see you again. I think we met last year.

**Linda Schwey:** Yes, we did. It's a pleasure.

**Bharat Masrani:** Thank you for attending the meeting. These are difficult issues and, obviously, it's not appropriate for me to talk about the specific situation because of the reasons you've outlined. There's confidentiality issues, there's a privacy matter as well.

But generally we pay a lot of attention as to what kind of accounts our customers have, what kind of service we are providing. And if you did not get the answer then we have a TD Cares person here that Brian introduced. She will be very happy to go through the general way in how we handle complaints in the bank. For example, there are three levels of complaints in the bank. You can write in through the ombudsperson. There is an outside ombudsperson office available for our customers if it's not handled properly.

But I can assure you, any situation like that the bank would take seriously and would do the appropriate work to make sure, you know, did we fail in any respect? And if we have then we want to make sure that the customers are looked after. So I can assure you that that would have been done. That is very much part of our protocol and very much part of our culture.

So not appropriate for me to talk specifically about the issue, but one point I would raise is that these are complicated matters. When rules at the border and all those things come into play there's -- it's more complicated than what meets the eye. But I would encourage you to talk to our people. I think she was introduced earlier, there she is. And she would be happy to make sure that you understand generally how the bank handles situations like that.

**Linda Schwey:** Well, the other question -- the other point in this story is the advice given to this person by someone from TD. You know, I'm a retired person. I've been involved in business. I can't remember the last time I heard the word "bank draft" in connection with modern banking.

And as you proudly stated about the forward-looking and advance that TD makes in all these ways, I'm just shocked that there's someone today in the bank that is giving advice about bank drafts. I mean, I myself transfer money from bank accounts in a broad -- to my own bank. And I'm proud to say I've started giving my nephew his birthday present by e-transfer. So I don't know why this person should have talked about bank charges in 2018 -- bank draft in 2018.

**Bharat Masrani:** You know, I'm sure the advice given -- that's why it's very difficult to speak about a particular situation because things are kept in confidence as to what exactly might have been said and how it might have been said. That's for our people to go through and make sure we've done the right thing. And you'd be surprised actually how bank drafts are still popular. That's why in our branches --

**Linda Schwey:** In Canada?

**Bharat Masrani:** -- they are available. Yes. And many -- I'd encourage them, like what you have opted and use e-transfer services and wires. In fact I feel very good about the bank that we have services on both sides of the border. We also have services where people can move money between

the United States (sic) and Florida as long as they are TD clients on both sides of the border. So I'd encourage, if there's a need that you have we'd be very happy to let you know how the services work, but these are complicated personal issues.

**Linda Schwey:** Who should I speak to here today?

**Bharat Masrani:** TD Cares is here and I think Teri, perhaps Teri Currie is here as well. She's sitting in the front and she runs our personal banking business in Canada and she'll be happy to sit down with you as well.

**Linda Schwey:** Thank you very much.

**Bharat Masrani:** Number 4.

**David Peters:** My name is David Peters, I'm a shareholder. Aside from being a shareholder one of the projects that I've been working in the past year is I've been writing a biography about Douglas Peters, who was the TD's chief economist for 25 years, and then for four years he was the federal Cabinet Minister responsible for financial institution regulations. What I would like to sort of make an acknowledgment. The book that I've been writing largely I've been taking my father's memoirs and adding a few things.

But I've conducted several interviews. So what I'd like to say here is I was able to interview, and I'd like to thank Peter Drake, I interviewed him. He was the Deputy Chief economist of the TD for many years. And also I interviewed Richard Thomson, who was your predecessor a few stages back. And I also interviewed Mickey Cohen, who was on your Board of Directors. And so I'd like to sort of thank those people, and some people here may recognize those names.

In the discussions that I had with Douglas Peters, over many years, one of the things he commented, particularly after being a Cabinet Minister, he sort of made a bit of a criticism of bank executives saying that they didn't know all that much about the workings of government, politics and sort of public affairs in general. And so when I thought about those comments I took a look at your information circular and looked at the skill set that you're looking for in choosing directors of the bank.

And what I found, that was sort of a pleasant surprise in there, was that one of the skills mentioned was government/public affairs, and several of your members of your Board of Directors have check marks for that. Anyway, so that was sort of a pleasant surprise.

**Bharat Masrani:** Thank you, David, and nice to see you. Yes, you know, Douglas Peters was a terrific TD banker. Many of us were in the bank then and we remember him very fondly. So appreciate your comments. And, yes, we do have directors who have experience in government and public affairs. And it's a great thing, I can tell you that, from my perspective. Thanks for your comments.

Number 5.

**Jim Walker:** Thank you my name's Jim Walker, I'm a shareholder. I have a long history with the TD Bank. My parents moved to London, England, in the '60s. And in the early '70s they got a telephone call, they'd get lots of these from Canadians who were moving to London. And, oh, Bob and Louise Dickson, he's with the TD Bank. They're moving over too. And they actually became quite good friends. And Rob, their son, went to the same school as I did. He went to Oxford and I went to Cambridge. And I came back and when I came back to Canada I actually worked for the TD Bank. Now, all the branches that I worked for are no longer TD branches, of course; and I still have my old Green Machine card which has like eight zeros at the beginning.

So, in terms of your speech, what happens to the bank? Because I was in, you know, when people make a difference, was the slogan of the branch. And so -- and this sort of goes to the woman who was talking about being given bad advice.

So, honesty and making money can come into conflict at some point in time, or ethics and making money. So where does the bank fall on that?

And I have a personal example where someone said that I couldn't do something when in fact I could. And I will deal with whoever at that end, and you, because there's all sorts of things from your speech which play into my -- so this is a philosophical thing and I think that lots of places are -- or lots of institutions around the world are dealing with this idea of in terms of ethics and making money.

And so how does the bank deal with that balance? Thanks.

**Bharat Masrani:** Again, thank you for your comments and welcome again to the TD family since you were with us for many years. I personally don't see a conflict. Let me be very clear, our bank exhibits everything an ethical organization should. Our people are honest. Sometimes, like in any case, we might make errors and when we do we make sure we make it right.

And so I personally do not believe that in order to be successful financially you have to be unethical or dishonest. That's not the culture of TD. That's not the TD that I know of. And, frankly, you know, we would not be around here after 164 years if we did not believe that and, frankly, act in that manner on a consistent basis. But there are cases where if we have made mistakes and there are errors then there are a lot of escalation processes within the bank. I mentioned it earlier, there are three levels of complaints handling and there is an outside ombuds office as well people can go to make sure there is no conflict, that the bank is perhaps not handling this in a proper manner.

And we, as an institution, feel particularly proud that we are known for our delivering legendary experiences to our clients. And we would not have the growth that we have been able to deliver if it wasn't for our 85,000 terrific bankers around the world. And, like I said in my speech, our people that's the bank's greatest asset we have. That's what this bank is about. We don't make cars, we don't make computers, we don't make tablets. We are a financial services company. We try and meet people's aspirations when they want to save for their children's college; when they want to save for their retirement; when they want to aspire to buy a home. That's the business we are in.

The only way we can deliver that is providing great ethical, honest advice to our customers, and I feel very proud of how we do that. And our people are our greatest asset because that's the only way we can be successful. Thank you for your comment.

Number 7.

**Mehernosh Damania:** Thank you very much for your -- my name is Mehernosh Damania . I'm an individual stockholder. And thank you very much, first of all, for your services and for the good results you've produced. My question is looking forwards. What are your future plans for the TD? In which sectors or areas you want to expand? Which areas you want to shrink? What are your development programs that you have? If you can enlighten the shareholders going forward that would be greatly appreciated. Thank you.

**Bharat Masrani:** Thank you, and thank you for coming to our meeting. This is actually your meeting, you're the shareholder here. You know, the bank we are a full-service provider for financial services. Our goal has always been that we want to be providing service to folks who are not yet born and right through their entire life cycle, and frankly provide services even after they have passed.

So we have offerings, we have products available through every part of the bank to make sure that we are living up to that commitment to the customers we serve and the markets in which we are.

There are areas where we have specific emphasis. As a shareholder I'm sure you would be happy to hear that there are certain businesses where we don't feel that we have a rightful market share, or the positioning that TD deserves. And so those areas get more attention than perhaps others might. That's where we channel our investments and build out our total offering.

Like, I'm very proud of how the bank has evolved into the diversified business mix that we have in TD.

So if there's a particular business that goes through a rough patch the rest of the bank is still delivering. If a particular market has any form of stress then we are able to, again, diversify out of it. So there are specific areas. The one I can talk about, a few years ago we didn't think we had the rightful positioning in the credit card business in Canada, for example. So we worked very hard. We wanted to make sure that we had the best offering for our clients. And today TD is the largest credit card issuer in the whole country.

So that's how we choose certain sectors where we feel we are underrepresented and we want to make sure that we have our rightful place in those sectors. Thank you for your question.

Number 5.

**John Flanagan:** Morning, Mr. Masrani. My name is John Flanagan and I'm a shareholder. This is a policy probably coming from your offices. And it's a request that – as a -- I'll give you a little background. I'm a member and director of the East Gwillimbury Chamber of Commerce, as well as the Newmarket Chamber of Commerce, so that will give you an idea of the area I'm in. To be able to grow the bank's small business banking I'm asking you to create a policy to recommend either the branch manager or the small business banking advisor to become a member of a local Chamber of Commerce or Board of Trade.

Because most small businesses start out with one person, like myself, and to be able to go into a branch and meet those individuals that's taking time away from our business and to create the revenue we need to be able to pay our bills. So that's just a recommendation. And not only within Canada but also in the States. So a recommendation on how to build small business banking business that TD has.

**Bharat Masrani:** Thank you. Thank you, and sounds like a great idea. We have Paul Douglas here who runs our commercial and small business business in all of Canada, and as well as Greg Braca from the U.S. who runs our business in the U.S. So I'm sure both of them will take your suggestion very seriously to say, what can we do to have a higher level of engagement in the communities we operate?

So great suggestion. We will take it very seriously and if you needed to talk in more detail then these two gentlemen will be available at the end of the meeting. Other questions? Okay. So there is a question -- okay. Let me take this one but there is a question from the web I hear as well.

Yes.

**Ernest Kam:** My name is Ernest Kam and I am a customer of a branch in North York and also a customer of TD Waterhouse and now TD Direct Investing for over 25 years. And I am also a shareholder of TD Bank. I just come up here to just to say thank you to the -- your colleagues at TD Direct Investing. I pay only \$7 for each trade, and I'm not a trader. And I buy and hold so the money you earn from me is not much. And the service that is -- that has been provided by TD Direct Investing has been excellent.

And now I'm getting older, I'm having some discussions with another department of your bank, TD private banking, and they will take care of me later on in my life. So I just want to say thank you to TD Direct Investing. Your colleagues in TD Direct Investing, thank you.

**Bharat Masrani:** Thank you very much. Thank you.

(Applause)

I'll make sure I pass on your good wishes to the whole group there. The question from the web is, how will you ensure the bank remains a leader in digital?

So hopefully in a lot of the remarks, in my prepared remarks I pointed out many examples of what the

bank is doing. But let me, just to summarize, what's important for us is do we have the right talent for this transition that is happening in our business? Digitization, mobile banking and the like is growing at a pace which is unprecedented, that's what our own experience is.

So we make sure that we want to attract the very best that is available around the world to make sure that TD remains a leader. And I'm happy to report to our shareholders that, unbeknownst to you, we have become Canada's largest digital bank. In North America the bank has 12.5 million digital customers, out of which 7.5 million are active, mobile customers of the bank. So I'm happy with the progress we are making. It's making sure we have the right talent, making sure we have the right investments and, frankly, the culture to adapt to a changing environment.

Because our belief is that if the environment changes around you in a fundamental way we have to find a way to adapt to it, rather than hoping, praying and wishing that it goes back to the good old days because that's not going to happen. And so digitization falls into that category.

We are already a leader among many financial institutions. And some examples, recently we launched something called "TD Clari" which is a chat bar. It does talk, it does answer certain questions people might have regarding their personal accounts, what the balance might be and various other questions that you may ask. I talked in my comments about the acquisition of Layer 6, which is a world-renowned -- and I feel very proud to say that. It's a Toronto-based company, world-renowned in artificial intelligence. It's been recognized around the world as a leader in artificial intelligence. And we are so thrilled to have that as part of the TD family because what that's going to do, what it's already doing, is allow us to elevate our already well-known, legendary experience that we provide. Personalized, connected legendary experiences for our -- around 25 million customers in North America.

So we have -- we will make sure that our level of investments, the type of talent and, frankly, the pace at which we introduce this keeps up with customer expectations and what the market would want from TD. Great question and happy if you want more detail to provide that as well.

Okay, number 5.

**Elisabeth Ecker-Vanderploeg:** I'm a shareholder. We elected a Board of directors and I noted we elected a lot of Americans. Are we still a Canadian bank and are there different rules and regulation in the States and in Canada as far as banking is concerned? And could that influence the TD Bank?

**Bharat Masrani:** So we have a very diverse Board that represents various parts of Canada, the United States, various experiences, the type of expertise they bring on the Board. This is critically important if you are going to be successful for the foreseeable future. So I think the level -- we don't specifically look for Board members from a particular geography. What we are looking for is just terrific people who can help the bank prosper for years to come.

And I am -- I mentioned this, blessed, to have a terrific Board. And not only do they provide me with invaluable advice and counsel, but they also help out my senior executive team. And what we as a bank are from a brand perspective, from an oversight perspective, and governance is a very important part, and the Board plays a critical role in that. And happy to report, in fact I just found this out, and if I get this wrong I'm sure one of my colleagues will correct me. Yesterday actually some investor group recognized TD as one of the top banks in the ESG area, and that includes governance.

So we don't specifically look for directors from a specific country or the like, we look for the best talent that suits the bank. With respect to regulation and different parts of the world, we are a global bank, largely a North American bank. We make sure that we remain compliant with local expectations, rules and regulations and that's what we do. That's part of what the bank's function is.

So, yes, sometimes it creates complications but I think our team does an excellent job of ensuring that we remain compliant and that we will continue to be a Canadian bank with a very large global footprint. But thanks for your question. Any other questions? Well, thank you. Great questions,



appreciate it.

Brian?

(Applause)

**Brian Levitt:** This concludes our meeting. On behalf of the bank I would like to thank you for your interest and participation. Our best wishes to you for a successful and productive 2019. The meeting is now terminated.

Thank you.

(Applause)

>> Thank you for attending the TD Bank Group annual meeting of shareholders. Please return your headsets to the designated bins as you exit the room. <<

--- Meeting ended at 11:10 a.m.

