

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, and any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. The final base shelf prospectus of The Toronto-Dominion Bank in connection with the securities described in this document is available at www.sedar.com.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended or any state securities laws. See “Selling Restrictions United States” below.

September 6, 2022



The Toronto-Dominion Bank

7.283% Limited Recourse Capital Notes Series 2 (Non-Viability Contingent Capital (NVCC)) (subordinated indebtedness) Final Term Sheet

Issuer:	The Toronto-Dominion Bank (the “ Bank ”)
Issue:	7.283% Limited Recourse Capital Notes Series 2 (Non-Viability Contingent Capital (NVCC)) (the “ Notes ”)
Expected Credit Ratings¹:	DBRS: A (low) Moody’s: Baa1 (hyb) S&P: BBB
Principal Amount:	C\$1.5 billion
Par Value:	C\$1,000 per Note
Pricing Date:	September 6, 2022

¹ A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Settlement Date: September 14, 2022 (T+6)

Initial Interest Reset Date: October 31, 2027

Maturity Date: October 31, 2082 (60 years)

On the Maturity Date, the Bank will repay to holders of the Notes (“**Noteholders**”) the principal amount, plus accrued and unpaid interest to, but excluding, the Maturity Date. See also under “**Limited Recourse**” below.

Interest: The Bank will pay interest on the Notes in equal (subject to the reset of the interest rate and the long first coupon) semi-annual instalments in arrears on April 30 and October 31 of each year, with the first payment on April 30, 2023.

From the date of issue to, but excluding, October 31, 2027, the Notes will bear interest at the rate of 7.283% per annum. Starting on October 31, 2027 and on every fifth anniversary of such date thereafter until October 31, 2077 (each such date an “**Interest Reset Date**”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an “**Interest Rate Calculation Date**”) plus Credit Spread. Assuming the Notes are issued on September 14, 2022, the first interest payment on the Notes on April 30, 2023 will be in an amount of C\$45.793109589 per C\$1,000 principal amount of Notes.

“**Government of Canada Yield**” means, as at any Interest Rate Calculation Date for an Interest Reset Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the

Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“Bloomberg Screen GCAN5YR Page” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

Interest Deferrability:

Interest payments are non-deferrable.

Immediately after a Failed Coupon Payment Date (defined below), pursuant to the limited recourse feature described below, each Noteholder will receive such Noteholder’s proportionate share of the Corresponding Trust Assets (defined below). Upon delivery to holders of their proportionate share of the Corresponding Trust Assets following a Failed Coupon Payment Date, all Notes will cease to be outstanding and each holder of the Notes will cease to be entitled to interest thereon.

“Failed Coupon Payment Date” means the fifth business day immediately following an interest payment date upon which the Bank does not pay interest on the Notes in cash and has not cured such non-payment by subsequently paying such interest in cash prior to such fifth business day.

Credit Spread:²

+410 bps over the GoC Curve (CAN 1.00% 1Jun27 & CAN 2.00% 1Jun28) with CAN 1.00% 1Jun27 priced at \$90.47 to yield 3.186%

² The Credit Spread is a comparable and shows the basis point difference between the Yield to the Initial Interest Reset Date and the yield on the specified Government of Canada bond with a maturity date similar to the Interest Reset Date of the Notes. Comparable means information that compares an issuer to other issuers. The Credit Spread is the customary method for benchmarking yields on Canadian investment grade debt instruments issued in Canada. Information about the Credit Spread was obtained from public sources and has not been verified by the Bank or the dealers. Risks in making an investment decision based on the Credit Spread include that numerous factors will affect the value of an investment in the Notes other than the Credit Spread. If the Credit Spread contains a misrepresentation, investors do not have a remedy under securities legislation in any province or

Interest to Initial Interest 7.283%
Reset Date:

Yield to Initial Interest 7.278%
Reset Date:

Issue Price: C\$1,000 per C\$1,000 principal amount

Redemption: The Notes may be redeemed at the option of the Bank, with the prior written approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), in whole or in part on not less than 10 nor more than 60 days’ prior notice by the Bank, during the period from October 1 to and including October 31, 2027, and during the period from October 1 to and including October 31 every fifth year thereafter at the Redemption Price.

The Bank may also, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, at any time on or following a Special Event Date (defined below) and on not less than 10 nor more than 60 days’ prior notice, at the Redemption Price.

Upon redemption by the Bank of the Preferred Shares (defined below) held by the LRT Trustee (defined below) prior to the Maturity Date (such redemption will be subject to the prior written approval of the Superintendent), outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Preferred Shares redeemed by the Bank shall automatically and immediately be redeemed, for a cash amount equal to the Redemption Price thereof, without the consent of the Noteholders. Subject to the provisions of the *Bank Act* (Canada) (the “**Bank Act**”), the consent of the Superintendent and various restrictions on the retirement of the Preferred Shares, the Preferred Shares are redeemable at the option of the Bank during the period from October 1, 2027 to and including October 31, 2027 and during the period from October 1 to and including October 31 every fifth year thereafter and in certain other circumstances. See the Final Term Sheet for the Preferred Shares attached as Annex A (the “**Preferred Share Final Term Sheet**”) for circumstances under which the Preferred Shares may be redeemed by the Bank. For certainty, to the extent that the Bank has immediately prior to or concurrently with such Preferred Share redemption redeemed or purchased for cancellation a corresponding number of Notes in accordance with the terms of

territory of Canada. Investors are cautioned to not put undue reliance on the Credit Spread in making an investment decision.

the Trust Indenture (defined below), such requirement to redeem a corresponding number of Notes shall be deemed satisfied.

Any Notes redeemed by the Bank shall be cancelled and may not be reissued.

The Bank will not redeem the Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank's breach of any provision of the Bank Act or the Office of the Superintendent of Financial Institutions Canada ("OSFI") Guideline for Capital Adequacy Requirements (CAR).

As a result of the redemption provisions applicable to the Preferred Shares and the Notes, the LRT Trustee will, at all times prior to a Recourse Event (defined below), hold one Preferred Share for each C\$1,000 principal amount of Notes outstanding.

"Redemption Price" of a Note means the aggregate of (i) the principal amount of such Note, and (ii) any accrued and unpaid interest up to, but excluding, the date of redemption.

"Regulatory Event Date" means the date specified in a letter from the Superintendent to the Bank on which the Notes will no longer be recognized in full as eligible "Additional Tier 1 Capital" or will no longer be eligible to be included in full as risk-based "Total Capital" on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

"Special Event Date" means a date that is a Regulatory Event Date or a Tax Event Date.

"Tax Event Date" means the date on which the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an **"Administrative Action"**); or (iii) any

amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that (A) the Bank or the Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Bank of interest on the Notes) or the treatment of the Notes or the Preferred Shares (including dividends thereon) or other assets of the Limited Recourse Trust or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Limited Recourse Trust is, or will be, subject to more than a *de minimis* amount of taxes, duties or other governmental charges or civil liabilities.

Limited Recourse:

If (i) there is non-payment by the Bank of the principal amount of the Notes, together with any accrued and unpaid interest, in cash on the Maturity Date, (ii) a Failed Coupon Payment Date occurs, (iii) the Bank does not pay on the applicable redemption date the Redemption Price in connection with a redemption of the Notes in cash, (iv) an event of default under the Notes occurs or (v) a Trigger Event (defined below) occurs (each such event, a “**Recourse Event**”), while a Noteholder will have a claim against the Bank for the principal amount of the Notes and any accrued and unpaid interest (which will then be due and payable), the recourse of each Noteholder will be limited to that Noteholder’s proportionate share of the assets held by a third party trustee (the “**LRT Trustee**”) in respect of the Notes (the “**Corresponding Trust Assets**”) in the TD LRCN Limited Recourse Trust (the “**Limited Recourse Trust**”). The LRT

Trustee will hold assets in the Limited Recourse Trust in respect of more than one series of limited recourse capital notes. The assets (including the Bank's preferred shares) for each such series will be held separate from the assets for other series. Initially, Computershare Trust Company of Canada will act as the LRT Trustee.

Initially, at the time of issuance of the Notes, the Corresponding Trust Assets will consist of the Bank's Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 29 (Non-Viability Contingent Capital (NVCC)) ("**Preferred Shares**") issued at an issue price of C\$1,000 per Preferred Share. Following the issuance of the Notes, the Corresponding Trust Assets may consist of (i) Preferred Shares, (ii) cash if the Preferred Shares are redeemed for cash by the Bank with the prior written approval of the Superintendent, (iii) Common Shares upon the conversion of the Preferred Shares into Common Shares as a result of a Trigger Event or (iv) a combination thereof, depending on the circumstances.

The number of Preferred Shares issued at the time of issuance of the Notes will be equal to the total principal amount of the Notes divided by C\$1,000. If the Corresponding Trust Assets consist of Preferred Shares at the time a Recourse Event occurs, the LRT Trustee will deliver to each Noteholder one Preferred Share for each C\$1,000 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Preferred Shares will exhaust each Noteholder's remedies against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable.

Upon the occurrence of a Recourse Event that is a Trigger Event, the LRT Trustee will deliver to each Noteholder that Noteholder's proportionate share of the Common Shares issued in connection with the Trigger Event. The number of Common Shares issuable in connection with the Trigger Event will be calculated based on a Share Value (defined below in the Preferred Share Final Term Sheet) of C\$1,000. Such Common Shares shall be applied to the payment of the principal amount of the Notes, and such delivery of Common Shares will exhaust each Noteholder's remedies against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. See "Contingent Conversion" below. Notwithstanding the foregoing, Noteholders are not entitled to receive those Common Shares issued in respect of the portion of the Share Value equal to any declared and

unpaid dividends (the “**Dividend Common Shares**”), which Dividend Common Shares shall be retained by the LRT Trustee and not delivered to Noteholders. Because of the dividend waiver described in the Preferred Share Final Term Sheet, the Bank does not expect the Contingent Conversion Formula (defined below in the Preferred Share Final Term Sheet) to result in the issuance of any Dividend Common Shares in connection with a Recourse Event that is a Trigger Event.

The receipt by a Noteholder of its proportionate share of the Corresponding Trust Assets upon the occurrence of a Recourse Event shall exhaust all remedies of such Noteholder under the Notes. If a Noteholder does not receive its proportionate share of the Corresponding Trust Assets under such circumstances, the sole remedy of the Noteholders for any claims against the Bank shall be limited to a claim for the delivery of such Corresponding Trust Assets.

In case of any shortfall resulting from the value of the Corresponding Trust Assets being less than the principal amount of and any accrued and unpaid interest on the Notes, all losses arising from such shortfall shall be borne by the Noteholders.

All claims of Noteholders against the Bank under the Notes will be extinguished upon receipt of the Corresponding Trust Assets.

Trust Indenture:

The Notes will be issued under the provisions of a trust indenture to be dated as of September 14, 2022 (as supplemented from time to time, the “**Trust Indenture**”) between the Bank and Computershare Trust Company of Canada, acting as trustee (the “**Indenture Trustee**”).

Purchase for Cancellation:

The Bank may, at its option and at any time, with the prior written approval of the Superintendent, purchase the Notes in the market, by tender (available to all holders of Notes) or by private contract at any price.

Conversion:

The Notes are not convertible into any other property.

Contingent Conversion:

Upon the occurrence of a Trigger Event, each Preferred Share held in the Limited Recourse Trust will be automatically and immediately converted, on a full and permanent basis, without the consent of the Noteholders, the LRT Trustee or the Indenture Trustee, into the number of fully-paid and non-assessable Common Shares of the Bank based on the Conversion Price (a “**Contingent Conversion**”). See “Contingent Conversion” in the Preferred Share Final Term Sheet for more details.

Immediately following the Contingent Conversion, pursuant to the limited recourse feature described above, each Noteholder will receive such Noteholder's proportionate share of the Common Shares issued in connection with the Trigger Event (other than any Dividend Common Shares). All claims of Noteholders against the Bank under the Notes will be extinguished upon receipt of such Common Shares. See "Limited Recourse" above.

"**Trigger Event**" has the meaning set out in the OSFI Guideline for Capital Adequacy Requirements (CAR), Chapter 2 – Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- (a) the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- (b) a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Events of Default:

The only events of default under the Notes shall be the bankruptcy, insolvency, or liquidation of the Bank.

An event of default under the Notes will not include any non-payment by the Bank of the principal amount of or interest on the Notes, the non-performance by the Bank of any other covenant of the Bank in the Trust Indenture, or the occurrence of a Trigger Event.

The occurrence of an event of default is a Recourse Event for which the sole remedy of the Noteholders shall be the delivery of the Corresponding Trust Assets. In case of an event of default, the delivery of the Corresponding Trust Assets to the

Noteholders will exhaust all remedies of such Noteholders in connection with such event of default. See “Limited Recourse” above.

Voting Rights: None, other than in certain limited circumstances to be described in the Trust Indenture.

Selling Restrictions Canada: The Notes may only be offered and sold in Canada to “accredited investors” (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals. Each dealer involved in the offering of the Notes in Canada will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Notes to such purchasers in Canada.

Representations by Canadian Purchasers: By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the dealer from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual.

Selling Restrictions United States: The Notes, the Preferred Shares and the Common Shares into which the Preferred Shares may be converted or to which the holders of Notes will have recourse upon the occurrence of a Trigger Event have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws, and the dealers involved in the offering of Notes have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Notes as part of any distribution in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person, except that a U.S. broker-dealer affiliate of TD Securities Inc. may offer or sell Notes to U.S. Persons that are “Qualified Institutional Buyers” (as defined in Rule 144A under the U.S. Securities Act) and institutional “Accredited Investors” within the meaning of Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of Regulation D of the U.S. Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if that offer or sale is

made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

Prohibited Owners:

The terms and conditions of the Notes will include mechanics to allow the Bank to attempt to facilitate a sale of Preferred Shares or Common Shares (issued upon a Recourse Event) on behalf of those Noteholders who are Ineligible Government Holders (defined below), Ineligible Persons (defined below) or who, by virtue of that delivery, would become Significant Shareholders (defined below). The net proceeds received by the Bank from the sale of any such Preferred Shares or Common Shares will be divided among the applicable persons in proportion to the number of Preferred Shares or Common Shares that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes.

“Ineligible Government Holder” means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.

“Ineligible Person” means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Preferred Shares or, pursuant to a Contingent Conversion, of Common Shares (A) would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, or (B) would give rise to a liability for withholding tax in connection with such issuance or delivery, or (ii) any person to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Preferred Shares or, pursuant to a Contingent Conversion, of Common Shares would cause the Bank to be in violation of any law to which the Bank is subject.

“Significant Shareholder” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person (as determined in accordance with the Bank Act), a percentage of the total number of outstanding shares of a

class of the Bank that is in excess of that permitted by the Bank Act.

Form: The Notes will be registered in the name of CDS Clearing and Depository Services Inc. or its nominee (“CDS”) and will be subject to the provisions of the Trust Indenture.

Denominations: Minimum of C\$200,000 and integral multiples of C\$1,000 in excess thereof.

Status and Subordination: The Notes will be direct unsecured subordinated indebtedness of the Bank and will rank subordinate to all of the Bank’s deposit liabilities and all of the Bank’s other indebtedness (including all of the Bank’s other unsecured and subordinated indebtedness) from time to time issued and outstanding, except for such indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Notes.

Upon the occurrence of a Recourse Event, including a Trigger Event or an event of default, the recourse of each holder of the Notes will be limited to the holder’s proportionate share of the Corresponding Trust Assets. As mentioned above, the receipt by a Noteholder of its proportionate share of the Corresponding Trust Assets upon the occurrence of a Recourse Event shall exhaust the remedies of such Noteholder under the Notes. If a Noteholder does not receive its proportionate share of the Corresponding Trust Assets under such circumstances, the sole remedy of the Noteholder for any claims against the Bank shall be limited to a claim for the delivery of such Corresponding Trust Assets. If the Corresponding Trust Assets that are delivered to the Noteholders under such circumstances comprise Preferred Shares or Common Shares, such Preferred Shares or Common Shares will rank on parity with the Bank’s other Class A First Preferred Shares or Common Shares, as applicable.

The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.

Risk Factors: An investment in the Notes (and Preferred Shares and Common Shares upon delivery of the assets of the Limited Recourse Trust, including upon the occurrence of a Trigger Event) is subject to certain risks. Please refer to the prospectus supplement for the offering for a discussion of those risks. As an investment in the Notes may become an investment in the Preferred Shares or

Common Shares in certain circumstances, potential investors in the Notes should consider the risks discussed in the prospectus supplement regarding the Preferred Shares and Common Shares in addition to the risks regarding the Notes.

- Governing Law:** The Trust Indenture and the Notes will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Limited Recourse Trust is formed under the laws of the Province of Manitoba.
- Use of Proceeds:** The proceeds to the Bank from the sale of the Notes will be added to the Bank's general funds and will be utilized for general banking purposes.
- Agents:** TD Securities Inc. (Sole Bookrunner)
- RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc., Manulife Securities Incorporated, Merrill Lynch Canada Inc., National Bank Financial Inc., Scotia Capital Inc., and Wells Fargo Securities Canada, Ltd. (Co-Managers)
- CUSIP / ISIN:** 89117GLM7 / CA89117GLM73



The Toronto-Dominion Bank

**Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 29
(Non-Viability Contingent Capital (NVCC))
Final Term Sheet**

Capitalized terms used in this document but not defined have the meaning given to them in the Final Term Sheet for 7.283% Limited Recourse Capital Notes Series 2 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) to which this Final Term Sheet is attached.

Issuer:	The Toronto-Dominion Bank (the “ Bank ”)
Issue:	1,500,000 Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 29 (Non-Viability Contingent Capital (NVCC)) (the “ Preferred Shares ”) The Preferred Shares will be issued to the LRT Trustee which will hold legal title to the Preferred Shares in trust as trustee for the benefit of the Bank to satisfy the recourse of Noteholders in respect of the Bank’s obligations under the Trust Indenture.
Expected Credit Ratings³:	DBRS: Pfd-2 (high) Moody’s: Baa1 (hyb) S&P: BBB
Principal Amount:	C\$1.5 billion
Issue Price:	C\$1,000 per Preferred Share
Pricing Date:	September 6, 2022
Settlement Date:	September 12, 2022 (T+4)
Maturity:	Perpetual
Yield to Interest Reset Date:	7.278%
Dividends:	During the Initial Fixed Rate Period, the holders of the Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the board

³ A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

of directors, subject to the provisions of the Bank Act, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Initial Annual Fixed Dividend Rate by C\$1,000.00; provided that, whenever it is necessary to compute any dividend amount in respect of the Preferred Shares for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

During each Subsequent Fixed Rate Period, the holders of the Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by C\$1,000.00.

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.10%.

“Bloomberg Screen GCAN5YR Page” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

“Fixed Period End Date” means October 31, 2027 and each October 31 every fifth year thereafter.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the business day prior to the first day of such Subsequent Fixed Rate Period.

“Government of Canada Yield” means, as at any Fixed Rate Calculation Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such

date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“Initial Annual Fixed Dividend Rate” means, for the Initial Fixed Rate Period, the rate equal to the interest rate per annum on the Notes in effect as of the date of issue of the Notes.

“Initial Fixed Rate Period” means, the period from and including the Settlement Date to, but excluding, October 31, 2027.

“Initial Reset Date” means October 31, 2027.

“Subsequent Fixed Rate Period” means the period from and including the Initial Reset Date to, but excluding, the next Fixed Period End Date and each five-year period thereafter from and including such Fixed Period End Date to, but excluding, the next Fixed Period End Date.

Dividend Waiver:

The LRT Trustee, as trustee, will, by written notice, provide to the Bank a waiver of its right to receive any and all dividends on the Preferred Shares during the period from and including the date of the waiver to and including the date upon which the LRT Trustee, as trustee, provides, by written notice, a revocation of such waiver to the Bank. Accordingly, no dividends are expected to be declared or paid on the Preferred Shares while the Preferred Shares are held by the LRT Trustee. The dividend waiver is applicable to the LRT Trustee and will not bind a subsequent holder of the Preferred Shares. The Bank will provide a covenant to the LRT Trustee that, at any time while the Preferred Shares

are held by the LRT Trustee and the dividend waiver is no longer in effect, if it does not declare and pay dividends in full on the Preferred Shares, it will not declare or pay cash dividends on any of its other outstanding series of Class A First Preferred Shares.

Dividend Deferability: If the board of directors does not declare a dividend, or any part thereof, on the Preferred Shares, then the rights of the holders of the Preferred Shares to such dividend, or to any part thereof, will be extinguished.

The Bank may also be restricted under the Bank Act from paying dividends on the Preferred Shares in certain circumstances.

Restrictions on Dividends and Retirement of Shares: The Bank will not declare any dividends on any Common Shares or any other shares ranking junior to the Preferred Shares (other than stock dividends on shares ranking junior to the Preferred Shares); or redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Preferred Shares); or redeem, purchase or otherwise retire less than all of the Preferred Shares; or except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching to any series of preferred shares of the Bank, redeem, purchase, or otherwise retire any other shares ranking prior to or on a parity with the Preferred Shares, unless in each case all dividends on the Preferred Shares up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Preferred Shares, have been declared and paid, or set apart for payment.

Redemption: Except as noted below, the Preferred Shares will not be redeemable prior to October 1, 2027.

Subject to the provisions of the Bank Act and the consent of the Superintendent, during the period from October 1, 2027 to and including October 31, 2027 and during the period from October 1 to and including October 31 every fifth year thereafter, the Bank may redeem all or any part of the outstanding Preferred Shares. The redemption price per share will be equal to C\$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Preferred Shares are held by the LRT Trustee) up to, but excluding, the date fixed for redemption.

Upon the occurrence of a Special Event Date (which may necessarily only occur prior to the occurrence of a Recourse Event), the Bank may also, at its option, with the prior written approval of the Superintendent, redeem the Preferred Shares, in whole but not in part, at any time on or following a Special Event Date in respect of the Notes, at a redemption price per share which is equal to C\$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Preferred Shares are held by the LRT Trustee) up to, but excluding, the date fixed for redemption.

If at any time the Bank, with the prior written approval of the Superintendent, redeems Notes in accordance with their terms or purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then the Bank shall, subject to the prior written approval of the Superintendent, redeem such number of Preferred Shares with an aggregate face amount equal to the aggregate principal amount of Notes redeemed or purchased for cancellation by the Bank, by the payment of an amount in cash for each share redeemed of C\$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Preferred Shares are held by the LRT Trustee) up to, but excluding, the date fixed for redemption.

Concurrently with or upon the maturity of the Notes, the Bank shall, subject to the prior written approval of the Superintendent, redeem all of the outstanding Preferred Shares by the payment of an amount in cash for each share redeemed of C\$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Preferred Shares are held by the LRT Trustee) up to, but excluding, the date fixed for redemption, and apply, or cause the LRT Trustee to apply, the proceeds of such redemption towards the repayment of the aggregate principal amount of and any accrued and unpaid interest on the Notes.

Notice of any redemption will be given by the Bank to registered holders not more than 60 days and not less than 10 days prior to the redemption date.

As a result of the redemption provisions applicable to the Preferred Shares and the Notes, the LRT Trustee will, at all times prior to a Recourse Event, hold one Preferred Share for each C\$1,000 principal amount of Notes outstanding.

Purchase for Cancellation: Subject to the provisions of the Bank Act and the prior written approval of the Superintendent, the Bank may at any time, by private contract or in the market or by tender, purchase for

cancellation any Preferred Shares at the lowest price or prices at which in the opinion of the board of directors such shares are obtainable.

Contingent Conversion: Upon the occurrence of a Trigger Event (defined below), each outstanding Preferred Share will automatically and immediately be converted, on a full and permanent basis, without the consent of the holder thereof, into the number of fully-paid and non-assessable Common Shares determined in accordance with the Contingent Conversion Formula set out below (a “**Contingent Conversion**”), rounding down, if necessary, to the nearest whole number of Common Shares.

Trigger Event: As set out in the OSFI Guideline for Capital Adequacy Requirements (CAR), Chapter 2 – Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Contingent Conversion Formula:

The “**Contingent Conversion Formula**” is:

$(\text{Multiplier} \times \text{Share Value}) \div \text{Conversion Price} = \text{number of Common Shares into which each Preferred Share shall be converted.}$

The “**Multiplier**” is 1.0.

The “**Share Value**” of a Preferred Share is C\$1,000 plus declared and unpaid dividends as at the date of the Trigger Event.

As a result of the dividend waiver, no declared and unpaid dividends are expected for so long as the Preferred Shares are held by the LRT Trustee.

The “**Conversion Price**” of each Preferred Share is the greater of (i) the Floor Price (defined below), and (ii) the Common Share Price (defined below).

“**Floor Price**” means C\$5.00, subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or similar distribution, (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares. No adjustment of the Floor Price will be required if the amount of such adjustment will be less than 1% of the Floor Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, will amount to at least 1% of the Floor Price.

“**Common Share Price**” means the volume weighted average per share trading price of the Common Shares on the Toronto Stock Exchange for the 10 consecutive Trading Day period ending on the Trading Day immediately before the occurrence of a Trigger Event, or if the Common Shares are not then listed on the Toronto Stock Exchange, the principal stock exchange on which the Common Shares are then listed or quoted (being the stock exchange with the greatest volume of trading in the Common Shares during the previous six months), or if such shares are not listed or quoted on any stock exchange, or if no such trading prices are available, the Floor Price.

“**Trading Day**” means, with respect to any stock exchange or market, a day on which shares may be traded through the facilities of that stock exchange or market.

**Common Share Corporate
Event:**

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of Preferred Shares receive, pursuant to a Contingent Conversion, the number of Common Shares or other securities that such holders would have received if the

Contingent Conversion had occurred immediately prior to the record date for such event.

Conversion into Another Series of Preferred Shares or Perpetual Subordinated Debt:

The Bank may at any time that the Preferred Shares are not held by the Limited Recourse Trust, subject to the approval of the Superintendent, (i) give the holders of Preferred Shares the right, at their option, to convert such Preferred Shares into a new series of Bank Securities (defined below), or (ii) require the holders of Preferred Shares to convert such Preferred Shares into a new series of Bank Securities. For purposes of this conversion right, “Bank Securities” means, at the option of the Bank, either (A) Class A First Preferred Shares of the Bank, or (B) a perpetual debt instrument constituting subordinated indebtedness of the Bank which would qualify as “Additional Tier 1 Capital” (or its then equivalent) under the then current capital adequacy guidelines to which the Bank is subject.

Rights on Liquidation:

In the event of the liquidation, dissolution or winding-up of the Bank, where a Trigger Event has not occurred, the holders of the Preferred Shares will be entitled to receive a sum per share equal to C\$1,000, together with the amount of declared and unpaid dividends (of which none are expected for so long as the Preferred Shares are held by the LRT Trustee) to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of the Common Shares or other shares ranking junior to the Preferred Shares. The holders of the Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Bank.

The Preferred Shares will rank on parity with all other series of Class A First Preferred Shares of the Bank and in priority to the Common Shares with respect to the payment of dividends and on the distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank.

If a Trigger Event occurs, the rights on liquidation described above will not be relevant since all Preferred Shares will be converted into Common Shares which will rank on parity with all other issued and outstanding Common Shares.

Voting Rights:

Except as otherwise required under the Bank Act or the Bank’s by-laws, the holders of the Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “**Dividend Deferability**”, above. The voting rights of holders of Preferred

Shares shall forthwith cease upon the first payment by the Bank of a dividend on the Preferred Shares to which the holders are entitled subsequent to the time such voting rights first arose.

For certainty, the LRT Trustee, as holder of the Preferred Shares, will not be entitled to the voting rights described in the preceding paragraph at any time while the dividend waiver described above has been delivered to the Bank and not revoked. If the dividend waiver has been revoked and the LRT Trustee becomes entitled to voting rights, the LRT Trustee will exercise any voting rights in respect of the Preferred Shares held by the LRT Trustee only as directed by the Bank, and the Bank will provide instructions as to the voting of Preferred Shares only upon receiving directions from the Noteholders.

Tax Election:

The terms of the Preferred Shares require the Bank to make the necessary election under Part VI.1 of the *Income Tax Act* (Canada) so that corporate holders will not be subject to the tax under Part IV.1 of the *Income Tax Act* (Canada) on dividends received (or deemed to be received) on the Preferred Shares.

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NOT REGISTERED IN THE UNITED STATES

The Notes, the Preferred Shares and the Common Shares into which the Preferred Shares may be converted or to which the holders of the Notes will have recourse upon the occurrence of a Trigger Event have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. The Notes and the Preferred Shares are being sold only outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act) except that the U.S. broker-dealer affiliate of TD Securities Inc. may offer or sell the securities to U.S. Persons that are “Qualified Institutional Buyers” (as defined in Rule 144A under the U.S. Securities Act) and institutional “Accredited Investors” within the meaning of Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of Regulation D of the U.S. Securities Act. See “Selling Restrictions United States” above.