

SECOND AMENDING AGREEMENT TO INTERCOMPANY LOAN AGREEMENT

THIS AMENDING AGREEMENT TO INTERCOMPANY LOAN AGREEMENT (this “**Agreement**”) is dated as of this 26th day of July, 2018.

BETWEEN:

TD Covered Bond (Legislative) Guarantor Limited Partnership, a limited partnership existing under the law of the Province of Ontario, whose registered office is at 66 Wellington Street West, 21st Floor, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2, acting by its managing general partner **TD Covered Bond (Legislative) GP Inc.** (referred to herein as the “**Guarantor**”); and

The Toronto-Dominion Bank, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 66 Wellington Street West, P.O. Box 1, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2, as the Issuer (referred to herein as the “**Issuer**”) and as the Cash Manager (hereinafter referred to as the “**Cash Manager**”).

WHEREAS the parties entered into an intercompany loan agreement made as of June 25, 2014, as amended on September 7, 2017 (as amended, the “**Intercompany Loan Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Intercompany Loan Agreement pursuant to the terms of this Agreement and in accordance with Section 12.7 of the Intercompany Loan Agreement and Section 7.02 of the Security Agreement;

NOW THEREFORE IT IS HEREBY AGREED that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

ARTICLE 1 – AMENDMENT

1.01 Amendment

(1) Recital (b) of the Intercompany Loan Agreement shall be amended by deleting the words “Cdn \$20 billion” and replacing them with the words, “Cdn \$62.5 billion”.

(2) Effective as of the date of the amendment to the Guarantor Agreement on or about the date hereof to make corresponding changes thereto, Sections 3.2(a) and 5.3(b) of the Intercompany Loan Agreement shall be amended by deleting the words, “True Balance” and replacing them with the words, “Outstanding Principal Balance”.

(3) Effective as of the date of the amendment to the Guarantor Agreement on or about the date hereof to make corresponding changes thereto, the schedule attached to the Intercompany Loan Agreement as Schedule 2 – *Asset Coverage Test* is deleted in its entirety and replaced with the schedule attached hereto as Schedule A.

ARTICLE 2 – MISCELLANEOUS

2.01 Further Assurances

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

2.02 Other Amendments

Except as expressly amended, modified and supplemented hereby, the provisions of the Intercompany Loan Agreement are and shall remain in full force and effect and shall be read with this Agreement, *mutatis mutandis*. Where the terms of this Agreement are inconsistent with the terms of the Intercompany Loan Agreement (prior to its amendment hereby), the terms of this Agreement shall govern to the extent of such inconsistency.

2.03 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

2.04 Interpretation

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Intercompany Loan Agreement (prior to its amendment hereby) and in the Amended and Restated Master Definitions and Construction Agreement dated July 14, 2016, as amended, supplemented or restated from time to time, by and among The Toronto-Dominion Bank, TD Covered Bond (Legislative) Guarantor Limited Partnership, Computershare Trust Company of Canada, 8638080 Canada Inc., TD Covered Bond (Legislative) GP Inc., Ernst & Young LLP, Citibank, N.A. London Branch, Citigroup Global Markets Europe AG and Citibank, N.A., as the context requires.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties have caused this Agreement to be duly executed on the day and year appearing on Page 1.

**TD COVERED BOND (LEGISLATIVE)
GUARANTOR LIMITED
PARTNERSHIP**, acting by its managing
general partner **TD COVERED BOND
(LEGISLATIVE) GP INC.**

Per: “Cameron Joynt”
Name: Cameron Joynt
Title: Authorized Signatory

THE TORONTO-DOMINION BANK

Per: “Cameron Joynt”
Name: Cameron Joynt
Title: Authorized Signatory

**SCHEDULE A TO
THE SECOND AMENDMENT TO THE INTERCOMPANY LOAN AGREEMENT**

See attached.

Schedule 2 to Intercompany Loan Agreement

Asset Coverage Test

(included for reference only)

N.B. The parties to this Intercompany Loan Agreement agree this Schedule 2 is included for reference only. To the extent of any inconsistency between this Schedule 2 and the Asset Coverage Test as set out in Schedule 2 to the Guarantor Agreement, the terms of Schedule 2 to the Guarantor Agreement shall govern. For defined terms used and not otherwise defined herein see the Master Definitions and Construction Agreement.

[See Attached]

Schedule 2 to Limited Partnership Agreement

Asset Coverage Test

- (a) The “**Asset Coverage Test**” is met if the Adjusted Aggregate Loan Amount (as defined below) shall be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. For greater certainty, references in this Schedule to “**immediately preceding Calculation Date**” and “**previous Calculation Date**” are to the Calculation Period ending on the Calculation Date.
- (b) For the purposes of the Asset Coverage Test, the “**Adjusted Aggregate Loan Amount**” means the amount calculated as at each Calculation Date as follows:

$$A+B+C+D+E-F-G$$

where,

A = the lower of (i) and (ii), where:

(i) = the sum of the “**LTV Adjusted Loan Balance**” of each Loan, which is not a Non-Performing Loan, in the Covered Bond Portfolio, which shall be the lower of (1) the Outstanding Principal Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans

in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Partnership in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Partnership by the Seller to indemnify the Partnership for such financial loss);

AND

(ii) = the aggregate “**Asset Percentage Adjusted Loan Balance**” of the Loans, which are not Non-Performing Loans, in the Covered Bond Portfolio which in relation to each Loan shall be the lower of (1) the Outstanding Principal Balance of the relevant Loan on such Calculation Date, and (2) the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Loan Balance of the relevant Loan or Loans (as calculated on such Calculation Date) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Partnership in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Partnership by the Seller to indemnify the Partnership for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts (excluding proceeds of the sale of Loans and their Related Security) on the Loans in the Covered Bond Portfolio up

to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans and their Related Security which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) and/or the other Transaction Documents;

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the balance, if any, of the Reserve Fund;

F = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case, determined as at such Calculation Date; and

G = the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the "Negative Carry Factor" is, if the weighted average margin of the interest rate payable on the Principal Amount Outstanding of the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1 per cent. per annum, 0.5 per cent. or (ii) greater than 0.1 per cent. per annum, 0.5 per cent. plus such margin minus 0.1 per cent.; provided that if the weighted average remaining maturity of the Covered Bonds then outstanding is less than one year, the weighted average maturity shall be deemed, for the purposes of this calculation, to be one year, unless and for so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio; (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; whereupon the Negative Carry Factor shall be zero.

(c) The "Asset Percentage" shall be determined as follows:

(1) Prior to the Guarantor Payment Date immediately following the Cash Flow Model Calculation Date (as defined below) falling in January, April, July and October of each year and on such other date as the Limited Partner may request following the date on which the Bank is required to assign the Interest Rate Swap Agreement to a third party (each such date, a "**Cash Flow Model**

Calculation Date”), the Managing GP (or the Cash Manager on its behalf) will determine the percentage figure selected by it as the Asset Percentage based on such methodologies as the Rating Agencies may prescribe from time to time (to ensure sufficient credit enhancement for the Covered Bond Guarantee will be maintained) for the Covered Bond Portfolio based on the value of the Loans as at the Calculation Date immediately preceding such Cash Flow Model Calculation Date as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio, such calculations to be made on the same basis throughout unless the Rating Agency Condition has been satisfied in respect thereof.

(2) The Asset Percentage (including as applied in respect of item A or item B of the Asset Coverage Test) will from time to time be adjusted in accordance with the various methodologies of the Rating Agencies to ensure that sufficient credit enhancement for the Covered Bond Guarantee will be maintained.

(3) The Managing GP (or the Cash Manager on its behalf) will, or will use all reasonable efforts to determine the Asset Percentage at least two days prior to the Guarantor Payment Date following a relevant Cash Flow Model Calculation Date and shall apply such Asset Percentage to any calculations in respect of the Calculation Period ending on such Cash Flow Model Calculation Date and in respect of each subsequent Calculation Period until the Asset Percentage is required to be redetermined in accordance with this Schedule 2.

(4) Notwithstanding anything to the contrary in this Schedule 2, the Asset Percentage shall at all times be less than or equal to 97%, as determined in accordance with this Schedule 2 and as provided by Clause 14 of the Trust Deed, provided that the Asset Percentage shall not be less than 80%, unless otherwise agreed by the Bank (and following an Issuer Event of Default, the Partnership for the purposes of making certain determinations in respect of the Intercompany Loan).