

FIRST AMENDING AGREEMENT TO ISDA INTEREST RATE 2002 MASTER AGREEMENT

THIS FIRST AMENDING AGREEMENT TO ISDA INTEREST RATE 2002 MASTER AGREEMENT (this “**Agreement**”) is made as of the 30th day of June, 2020.

BY AND AMONG

- (1) **THE TORONTO-DOMINION BANK**; and
- (2) **TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, by its managing general partner **TD COVERED BOND (LEGISLATIVE) GP INC.**, as Guarantor.

WHEREAS the parties entered into an ISDA Interest Rate 2002 Master Agreement dated June 25, 2014 (including the schedule (the “**Schedule**”) and credit support annex (the “**Credit Support Annex**”) thereto, the “**Interest Rate Swap Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Interest Rate Swap Agreement pursuant to the terms of this Agreement in accordance with Section 9(b) of the Interest Rate Swap Agreement, as amended by Part 5(o) of the Schedule to the Interest Rate Swap 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 – AMENDMENTS

1.01 Amendments

(1) Part 5(h) of the Schedule to the Interest Rate Swap Agreement is deleted in its entirety and replaced with the following:

- (i) If (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment, in each case, of Party A or any Credit Support Provider of Party A, as applicable, ceases to be at least as high as, respectively, “P-1(cr)” or “A2(cr)”, by Moody’s Investors Service Inc. (“**Moody’s**”) (the “**Minimum Moody’s Rating**”), or (2) the short-term, unsecured, debt obligations or the long-term, unsecured debt obligations, in each case, of Party A or any Credit Support Provider from time to time in respect of Party A, as applicable, cease to be rated at least as high as, respectively, “R-1(low)” or “A”, by DBRS Limited (“**DBRS**” and, together with Moody’s and each of their respective successors, the “**Rating Agencies**” and each a “**Rating Agency**”) (the “**Minimum DBRS Rating**”, and, together with the Minimum Moody’s Rating, the “**Minimum Ratings**” and each a “**Minimum Rating**”, and each such cessation being an “**Initial Rating Event**”), provided that, for greater certainty, in respect of each of (1) and (2), if Party A or any Credit Support Provider of Party A, as applicable, has one of such ratings from Moody’s or DBRS, respectively, it will have the Minimum Moody’s Rating or Minimum DBRS Rating, as applicable, and an Initial Rating Event in respect of such Rating Agency will not occur with respect to Party A, then Party A will, at its own cost, either:

- (A) transfer credit support in accordance with the provisions of the ISDA Credit Support Annex within 30 calendar days of the occurrence of the first such Initial Rating Event;
- (B) transfer all of its rights and obligations with respect to this Agreement to a replacement third party that satisfies the Minimum Ratings requirement of all Rating Agencies, subject to satisfaction of the Rating Agency Condition, and that is satisfactory to the Bond Trustee within (x) 30 Toronto Business Days of the occurrence of the first such Initial Rating Event caused by a downgrade by Moody's or (y) 30 calendar days of the occurrence of the first such Initial Rating Event caused by a downgrade by DBRS, provided that, in each case, Party A transfers credit support in accordance with the provisions of the ISDA Credit Support Annex within 30 calendar days of the occurrence of the first such Initial Rating Event; or
- (C) obtain a guarantee (an "**Eligible Guarantee**") of its rights and obligations with respect to this Agreement from a third party that satisfies the Minimum Ratings requirement of all Rating Agencies, subject to satisfaction of the Rating Agency Condition, and that is satisfactory to the Bond Trustee within (x) 30 Toronto Business Days of the occurrence of the first such Initial Rating Event caused by a downgrade by Moody's or (y) 30 calendar days of the occurrence of the first such Initial Rating Event caused by a downgrade by DBRS, provided that, in each case, Party A transfers credit support in accordance with the provisions of the ISDA Credit Support Annex within 30 calendar days of the occurrence of the first such Initial Rating Event.

If any of sub-paragraphs (i)(B) or (i)(C) above is satisfied at any time, Party A will not be required to transfer any additional credit support in respect of such Initial Rating Event.

- (ii) If, (1) the short-term counterparty risk assessment or the long-term counterparty risk assessment, in each case, of Party A or any Credit Support Provider of Party A, as applicable, ceases to be at least as high as "P-2(cr)" or "A3(cr)" by Moody's, or (2) the short-term, unsecured, debt obligations or the long-term, unsecured, debt obligations of Party A or any Credit Support Provider in respect of Party A, as applicable, cease to be rated at least as high as, respectively, "R-2(middle)" or "BBB" by DBRS (each such rating, a "**Subsequent Rating**" and each such event, a "**Subsequent Rating Event**"), provided that, for greater certainty, in respect of each of (1) or (2), if Party A or any Credit Support Provider of Party A, as applicable, has one of such ratings from Moody's or DBRS, respectively, a Subsequent Rating Event in respect of such Rating Agency will not occur with respect to Party A, then Party A will:

- (A) immediately and in any event no later than (x) 30 Toronto Business Days, in the case of the occurrence of a Subsequent Rating Event caused by a downgrade by Moody's or (y) 30 calendar days, in the case of the occurrence of a Subsequent Rating Event caused by a downgrade by DBRS, in each case, at its own cost and expense, (i) transfer all of its rights and obligations with respect to this Agreement to a replacement third party that satisfies the Minimum Ratings requirement of all Rating Agencies, subject to satisfaction of the Rating Agency Condition, and that is satisfactory to the Bond Trustee, or (ii) obtain an Eligible Guarantee of its rights and obligations with respect to this Agreement from a third party that satisfies the Minimum Ratings requirement of all Rating Agencies, subject to satisfaction of the Rating Agency Condition, and that is satisfactory to the Bond Trustee; and

- (B) transfer credit support pursuant to the Credit Support Annex in no event later than 30 calendar days following the occurrence of a Subsequent Rating Event and until such time as the action set out in sub-paragraph (ii)(A) above has been taken.

If the action set out in sub-paragraph (ii)(A) above is taken at any time following a Subsequent Rating Event, Party A will not be required to transfer any additional credit support in respect of such Subsequent Rating Event.

(iii)

- (A) Without prejudice to the consequences of Party A breaching any provision of this Agreement (other than sub-paragraph (i) above) or failing to transfer credit support under the Credit Support Annex, if Party A does not take any of the measures described in sub-paragraph (i) above, such failure shall not be or give rise to an Event of Default but shall constitute an Additional Termination Event with respect to Party A with Party A as the sole Affected Party and all Transactions as Affected Transactions.
- (B) Without prejudice to the consequences of Party A breaching any provision of this Agreement (other than sub-paragraph (ii) above) or failing to transfer credit support under the Credit Support Annex, if, at the time a Subsequent Rating Event occurs, Party A fails to comply with sub-paragraph (ii) above, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.
- (C) If any of the Covered Bonds then outstanding have been assigned a rating by Moody's, Party B were to designate an Early Termination Date and there would be a payment due to Party A, then Party B may only designate such an Early Termination Date in respect of an Additional Termination Event under this Part 5(h)(iii) if Party B has found a replacement counterparty willing to enter into a new transaction on terms that reflect as closely as reasonably possible, as determined by Party B in its sole and absolute discretion, the economic, legal and credit terms of the Terminated Transactions, and Party B has acquired the Bond Trustee's prior written consent.

Each of Party B and the Bond Trustee (at the expense of Party A) shall use their reasonable endeavours to co-operate with Party A in connection with any of the measures which Party A may take under this Part 5(h) following the rating events described herein.

(2) Paragraph 11(b)(ii) of the Credit Support Annex is deleted in its entirety and replaced with the following:

- (ii) **Eligible Credit Support.** The following items will qualify as "Eligible Credit Support" for Party A:

	Collateral Type	Valuation Percentages in respect of Moody's	Valuation Percentages in respect of DBRS
(A)	Provided Party B will not exceed its Prescribed Cash Limitation and subject to the provision immediately	100%	100%

	Collateral Type	Valuation Percentages in respect of Moody's		Valuation Percentages in respect of DBRS	
		Initial Rating Event	Subsequent Rating Event	Initial Rating Event	Subsequent Rating Event
	following this Eligible Credit Support chart, cash in the Base Currency				
(B)	CAD denominated Fixed Rate obligations of the Canadian federal government or any Canadian province or territory (with local and foreign currency issuer ratings equal to or greater than Aa3 by Moody's and AA(low) by DBRS) having a remaining time to maturity of:			Initial Rating Event	Subsequent Rating Event (the Covered Bonds are rated AA(low)(sf) or higher by DBRS)
(i)	not more than one year;	100%	99%	99.7%	99.0%
(ii)	more than one year but not more than 2 years;	100%	98%	99.0%	98.0%
(iii)	more than 2 years but not more than 3 years;	100%	97%	99.0%	98.0%
(iv)	more than 3 years but not more than 5 years;	100%	96%	98.5%	96.5%
(v)	more than 5 years but not more than 7 years	100%	95%	98.0%	95.0%
(vi)	more than 7 years but not more than 10 years; or	100%	94%	97.5%	93.0%
(vii)	more than 10 years but not more than 20 years	100%	90%	97.0%	90.0%
(viii)	more than 20 years but not more than 30 years	100%	88%	96%	86.0%
(C)	CAD denominated Floating Rate obligations of the Canadian federal government or any Canadian province or territory (with local and foreign currency issuer ratings equal to or greater than Aa3 by Moody's and AA(low) by DBRS) having a remaining time to maturity of:				
(i)	not more than one year;	100%	99%	99.7%	99.0%
(ii)	more than one year but not more than 2 years;	100%	99%	99.0%	98.0%

	Collateral Type	Valuation Percentages in respect of Moody's		Valuation Percentages in respect of DBRS	
(iii)	more than 2 years but not more than 3 years;	100%	99%	99.0%	98.0%
(iv)	more than 3 years but not more than 5 years;	100%	99%	98.5%	96.5%
(v)	more than 5 years but not more than 7 years	100%	99%	98.0%	95.0%
(vi)	more than 7 years but not more than 10 years; or	100%	99%	97.5%	93.0%
(vii)	more than 10 years but not more than 20 years	100%	99%	97.0%	90.0%
(viii)	more than 20 years but not more than 30 years	100%	99%	96%	86.0%
(D)	Subject to satisfaction of the Rating Agency Condition, such other items as agreed between Party A and Party B, from time to time, which Party B can lawfully receive from, and transfer back to, Party A as required, that will qualify as Eligible Credit Support	To be agreed between Party A and Moody's	To be agreed between Party A and Moody's	To be agreed between Party A and DBRS	

In order to ensure that the amount of cash held by Party B on any day, including the amount of cash transferred to Party B hereunder, does not in the aggregate exceed Party B's Prescribed Cash Limitation, upon providing notice to Party A, Party B shall exchange all or a portion of cash originally transferred as Eligible Credit Support hereunder (such amount of cash to be exchanged, the "Original Cash Amount") for non-cash Eligible Credit Support having a Value at least equal to the Original Cash Amount.

For the avoidance of doubt, where negotiable debt obligations are rated by only one of the above relevant rating agencies, the rating applied will be based on the rating of that agency.

Where the ratings and/or the Valuation Percentages of the relevant rating agencies differ with respect to the same negotiable debt obligation, for the purposes of (B) to (D) above the lower of the ratings and/or the Valuation Percentages, as the case maybe, shall apply.

For the purpose of this Annex, references to the "relevant rating agency" shall mean the rating agency whose Rating Agency Requirement will be used to determine the amount of Eligible Credit Support that Party A is required to transfer to Party B following a credit ratings downgrade of Party A.

(3) Paragraph 11(b)(iii)(B) of the Credit Support Annex is deleted in its entirety and replaced with the following:

(B) "**Threshold**" means, for Party A: infinity, unless, (A) (i) an Initial Rating Event has occurred and is continuing for 30 calendar days AND (ii) Party A has not otherwise complied with Part 5(h)(i) of this Agreement, OR (B) (i) a Subsequent Rating Event has

occurred and is continuing for 30 calendar days AND (ii) Party A has not otherwise complied with Part 5(h)(ii) of this Agreement, then its Threshold shall be zero.

“**Threshold**” means, for Party B: infinity.

(4) Paragraph 11(f)(i) of the Credit Support Annex is deleted in its entirety and replaced with the following:

- (i) **Interest Rate.** The “**Interest Rate**” means, in relation to each Eligible Currency and in respect of an Interest Period, the rate of interest earned by the Transferee for such Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such currency. For the avoidance of doubt, the rate of interest may be expressed as a negative or positive value, which may result in a negative Interest Amount or a positive Interest Amount. For greater certainty, Party B agrees to Transfer the positive Interest Amount and Party A agrees to Transfer the absolute value of the negative Interest Amount, as applicable. The parties will utilize the rate of interest regardless of whether the rate is negative or positive for any such day.

(5) Paragraph 11(i)(vi)(i) of the Credit Support Annex is deleted in its entirety and replaced with the following:

(i) **Moody’s Requirements.**

“**Credit Support Amount**” shall equal, with respect to a Transferor on a Valuation Date,

(A) the greater of:

- (i) zero; and
- (ii) the sum of (x) the Transferee’s Exposure and (y) the aggregate of the Moody’s Additional Amounts in respect of such Valuation Date for all Transactions (other than the Transaction constituted by this Annex);

minus (B) the Threshold for Party A,

where:

“**Moody’s Additional Amount**” means:

- (A) in respect of any Transaction that is both a cross-currency hedge and an Optionality Hedge, the lesser of (x) the sum of (1) the product of Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date and the Moody’s Cross Currency Notional Amount Lower Multiplier and (2) the product of the Moody’s Cross Currency DV01 Multiplier (Optionality) and the Transaction Cross Currency DV01 for such Transaction and (y) the product of the Moody’s Cross Currency Notional Amount Higher Multiplier (Optionality) and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date;
- (B) in respect of any Transaction that is a cross-currency hedge and is not an Optionality Hedge, the lesser of (x) the sum of (1) the product of Transaction Notional Amount for such Transaction for the Calculation Period which includes

such Valuation Date and the Moody's Cross Currency Notional Amount Lower Multiplier and (2) the Moody's Cross Currency DV01 Multiplier and the Transaction Cross Currency DV01 for such Transaction and (y) the product of the Moody's Cross Currency Notional Amount Higher Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date;

(C) in respect of any Transaction that is not a cross-currency hedge and is an Optionality Hedge, the lesser of (x) the product of the Moody's Single Currency DV01 Multiplier (Optionality) and the Transaction Single Currency DV01 for such Transaction and (y) the product of the Moody's Single Currency Notional Amount Multiplier (Optionality) and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date; and

(D) in respect of any Transaction that is neither a cross-currency hedge nor an Optionality Hedge, the lesser of (x) the product of the Moody's Single Currency DV01 Multiplier and the Transaction Single Currency DV01 for such Transaction and (y) the product of the Moody's Single Currency Notional Amount Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date.

“Moody's Cross Currency DV01 Multiplier” means, (A) if each Local Business Day is a Valuation Date, 15 and (B) otherwise, 25.

“Moody's Cross Currency DV01 Multiplier (Optionality)” means, (A) if each Local Business Day is a Valuation Date, 30 and (B) otherwise, 40.

“Moody's Cross Currency Notional Amount Higher Multiplier” means, (A) if each Local Business Day is a Valuation Date, 0.09 and (B) otherwise, 0.1.

“Moody's Cross Currency Notional Amount Higher Multiplier (Optionality)” means, (A) if each Local Business Day is a Valuation Date, 0.11 and (B) otherwise, 0.12.

“Moody's Cross Currency Notional Amount Lower Multiplier” means, (A) if each Local Business Day is a Valuation Date, 0.06 and (B) otherwise, 0.07.

“Moody's Single Currency DV01 Multiplier” means, (A) if each Local Business Day is a Valuation Date, 50 and (B) otherwise, 60.

“Moody's Single Currency DV01 Multiplier (Optionality)” means, (A) if each Local Business Day is a Valuation Date, 65 and (B) otherwise, 75.

“Moody's Single Currency Notional Amount Multiplier” means, (A) if each Local Business Day is a Valuation Date, 0.08 and (B) otherwise, 0.09.

“Moody's Single Currency Notional Amount Multiplier (Optionality)” means, (A) if each Local Business Day is a Valuation Date, 0.10 and (B) otherwise, 0.11.

“Optionality Hedge” means any Transaction that is a cap, floor or swaption.

“Transaction Cross Currency DV01” means, with respect to a Transaction and any date of determination, the greater of (i) the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve (denominated in the currency of Party A's payment obligations under such Transaction) on such date and (ii) the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such

Transaction that would result from a one basis point change in the relevant swap curve (denominated in the currency of Party B's payment obligations under such Transaction) on such date, in each case as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

“Transaction Notional Amount” means (A) in respect of any Transaction that is a cross currency hedge, the Base Currency Equivalent of the Currency Amount applicable to Party A's payment obligations and (B) in respect of any other Transaction, the Base Currency Equivalent of the Notional Amount.

“Transaction Single Currency DV01” means, with respect to a Transaction and any date of determination, the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

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 Interest Rate Swap 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 Interest Rate Swap 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 Interest Rate Swap Agreement (prior to its amendment hereby).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

THE TORONTO-DOMINION BANK

Per: *"Brooke Hales"*
Name: Brooke Hales
Title: Associate Vice President,
Funding, Treasury and Balance
Sheet Management

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

Per: *"Brooke Hales"*
Name: Brooke Hales
Title: Vice President