

# Statement of Corporate Governance Practices

## AT-A-GLANCE OVERVIEW

- We have a strong, independent Chairman with a clear leadership mandate in corporate governance.
- The Board oversees management, considers and approves on a continuous basis strategic alternatives and plans, and approves all major strategy and policy recommendations for TD Bank Financial Group.
- The Board is responsible for setting the tone for a culture of integrity and compliance throughout TD.
- The Board, its committees, the committee Chairs and the Chairman of the Board operate under written charters setting out their responsibilities.
- The Board renews itself with high-calibre candidates with diverse skills and experience.
- The Audit Committee of the Board, not management, is responsible for the relationship with the shareholders' auditor.

The Board of Directors and the management of TD are committed to leadership in corporate governance. We have designed our corporate governance policies and practices to be sure we are focused on our responsibilities to our shareholders and on creating long-term shareholder value. We can assure you that TD's policies and practices meet or exceed applicable legal requirements. We continuously monitor all proposed new rules and modify our policies and practices to meet any additional requirements. An overview of our corporate governance structure is set out below.

## ROLE OF THE CHAIRMAN OF THE BOARD

John Thompson is the Chairman of the Board at TD. The Chairman of the Board is appointed annually by the non-management directors of the Board. He is independent, and his role as Chairman of the Board is to facilitate the functioning of the Board independently of management and to maintain and enhance the quality of our corporate governance at TD. His key responsibilities are set out in the Charter of the Chairman of the Board, which is available on our website. He also serves as Chair of the Corporate Governance Committee and is a member of the Management Resources Committee.

Mr. Thompson served as vice chairman of IBM Corporation until 2002, having previously been the chairman and chief executive officer of IBM Canada Ltd. In addition to being vice chairman of Royal Philips Electronics N.V. and a director of Thomson Reuters Corporation, Mr. Thompson is the vice chair of the board of trustees of the Hospital for Sick Children in Toronto and chancellor of the University of Western Ontario. Mr. Thompson has been a member of the Board of TD since 1988.

## DIRECTORS' KEY RESPONSIBILITIES

In addition to having the requisite skills and experience, all directors must meet the qualifications for directors set out in the Position Description for Directors of TD. Under the Position Description, directors are expected to serve TD and the long-term interests of its shareholders by supervising the management of the business and affairs of TD. In doing so, the directors are expected to:

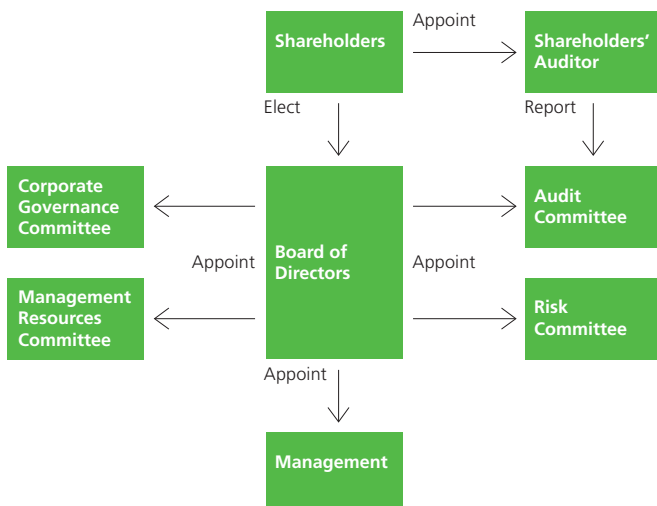
- meet the highest ethical and fiduciary standards;
- demonstrate independence from management;
- be knowledgeable and inquisitive about the issues facing TD;
- apply good sense and sound judgment to help make wise decisions; and
- display commitment through attendance at, preparation for and participation in meetings.

Directors are expected to fulfill these objectives through accountability, integrity, independence, involvement, contribution and commitment to the bank and its shareholders.

Directors are also subject to the bank's Code of Conduct and Ethics.

## OVERVIEW OF CORPORATE GOVERNANCE STRUCTURE AT TD

This diagram is a simple overview of the corporate governance structure at TD.



## OTHER PLACES TO FIND INFORMATION ABOUT CORPORATE GOVERNANCE AT TD

Read our Chairman of the Board's Message to Shareholders on page 13.

**Corporate Governance** Go to the Corporate Governance section of our website – [www.td.com/governance](http://www.td.com/governance) – to find information on our corporate governance practices, including our Corporate Governance Guidelines, our Director Independence Policy, our Code of Conduct and Ethics, the Charters of our Board of Directors and each of its committees and a summary of significant differences between our governance practices and those required of U.S. domestic issuers listed on the New York Stock Exchange.

**Proxy Circular** Read our Proxy Circular – in February 2010 it will be mailed to shareholders and available on our website.

**Annual Meeting** Attend our Annual Meeting – March 25, 2010, in Quebec City, Quebec, Canada – or watch the webcast through our website – [www.td.com/investor](http://www.td.com/investor).

**Corporate Responsibility Report** Read our 2009 report – it documents our corporate citizenship activities throughout the year. The 2009 report will be released and available on our website in March 2010 – [www.td.com/corporateresponsibility](http://www.td.com/corporateresponsibility).

## THE BOARD OF DIRECTORS AND ITS COMMITTEES

Our directors as at December 3, 2009, are listed below. Our Proxy Circular for the 2010 Annual Meeting will set out the director candidates proposed for election at the meeting and additional information about each candidate, including education, other principal directorships, TD committee membership, stock ownership and attendance at Board and committee meetings.

### William E. Bennett

Corporate Director and former President and Chief Executive Officer, Draper & Kramer, Inc., Chicago, Illinois

### Hugh J. Bolton

Chair of the Board, EPCOR Utilities Inc., Edmonton, Alberta

### John L. Bragg

Chairman, President and Co-Chief Executive Officer, Oxford Frozen Foods Limited, Oxford, Nova Scotia

### W. Edmund Clark

President and Chief Executive Officer, The Toronto-Dominion Bank, Toronto, Ontario

### Wendy K. Dobson

Professor and Director, Institute for International Business, Joseph L. Rotman School of Management, University of Toronto, Toronto, Ontario

### Donna M. Hayes

Publisher and Chief Executive Officer, Harlequin Enterprises Limited, Toronto, Ontario

### Henry H. Ketcham

Chairman of the Board, President and Chief Executive Officer, West Fraser Timber Co. Ltd., Vancouver, British Columbia

### Pierre H. Lessard

Executive Chairman of the Board, METRO INC., Montreal, Quebec

### Brian M. Levitt

Co-Chair and Partner, Osler, Hoskin & Harcourt LLP, Montreal, Quebec

### Harold H. MacKay

Counsel, MacPherson Leslie & Tyerman LLP, Regina, Saskatchewan

### Irene R. Miller

Chief Executive Officer, Akim, Inc., New York, New York

### Nadir H. Mohamed

President and Chief Executive Officer, Rogers Communications Inc., Toronto, Ontario

### Roger Phillips

Corporate Director and Retired President and Chief Executive Officer, IPSCO Inc., Regina, Saskatchewan

### Wilbur J. Prezzano

Corporate Director and Retired Vice Chairman, Eastman Kodak Company, Charleston, South Carolina

### William J. Ryan

Corporate Director and former Chairman, TD Banknorth Inc., Portland, Maine

### Helen K. Sinclair

Chief Executive Officer, BankWorks Trading Inc., Toronto, Ontario

### Carole S. Taylor

Senior Advisor, Borden Ladner Gervais LLP, Vancouver, British Columbia

### John M. Thompson

Chairman of the Board, The Toronto-Dominion Bank, Toronto, Ontario

COMMITTEE	MEMBERS*	KEY RESPONSIBILITIES
Corporate Governance Committee	<b>John M. Thompson</b> (Chair) <b>Hugh J. Bolton</b> <b>Donna M. Hayes</b> <b>Roger Phillips</b>	<b>Responsibility for corporate governance of TD:</b> <ul style="list-style-type: none"> <li>Set the criteria for selecting new directors and the Board's approach to director independence;</li> <li>Identify individuals qualified to become Board members and recommend to the Board the director nominees for the next annual meeting of shareholders;</li> <li>Develop and, where appropriate, recommend to the Board a set of corporate governance principles, including a code of conduct and ethics, aimed at fostering a healthy governance culture at TD;</li> <li>Review and recommend the compensation of the directors of TD;</li> <li>Satisfy itself that TD communicates effectively with its shareholders, other interested parties and the public through a responsive communication policy;</li> <li>Facilitate the evaluation of the Board and committees.</li> </ul>
Management Resources Committee	<b>Wilbur J. Prezzano</b> (Chair) <b>Henry H. Ketcham</b> <b>Pierre H. Lessard</b> <b>Helen K. Sinclair</b> <b>John M. Thompson</b>	<b>Responsibility for management's performance evaluation, compensation and succession planning:</b> <ul style="list-style-type: none"> <li>Discharge, and assist the Board in discharging, the responsibility of the Board relating to executive compensation as set out in this committee's charter;</li> <li>Set performance objectives for the CEO that encourage TD's long-term financial success and regularly measure the CEO's performance against these objectives;</li> <li>Determine the recommended compensation for the CEO and certain senior officers in consultation with independent advisors who help this committee set competitive compensation that meets TD's hiring, retention and performance objectives;</li> <li>Review candidates for CEO and recommend the best candidate to the Board as part of the succession planning process for the position of CEO;</li> <li>Oversee the selection, evaluation, development and compensation of other members of senior management;</li> <li>Produce a report on executive compensation for the benefit of shareholders, which is published in TD's annual proxy circular, and review, as appropriate, any other major public disclosures concerning executive compensation.</li> </ul>
Risk Committee	<b>Harold H. MacKay</b> (Chair) <b>William E. Bennett</b> <b>Wendy K. Dobson</b> <b>Brian M. Levitt</b> <b>Wilbur J. Prezzano</b> <b>Carole S. Taylor</b>	<b>Supervising the management of risk of TD:</b> <ul style="list-style-type: none"> <li>Identify and monitor the key risks of TD and evaluate their management;</li> <li>Approve risk management policies that establish the appropriate approval levels for decisions and other checks and balances to manage risk;</li> <li>Satisfy itself that policies are in place to manage the risks to which TD is exposed, including market, operational, liquidity, credit, insurance, regulatory and legal risk, and reputational risk;</li> <li>Provide a forum for big-picture analysis of future risks, including considering trends;</li> <li>Critically assess TD's business strategies and plans from a risk perspective.</li> </ul>
Audit Committee	<b>William E. Bennett**</b> (Chair) <b>John L. Bragg</b> <b>Donna M. Hayes</b> <b>Irene R. Miller**</b> <b>Nadir H. Mohamed**</b>	<b>Supervising the quality and integrity of TD's financial reporting:</b> <ul style="list-style-type: none"> <li>Oversee reliable, accurate and clear financial reporting to shareholders;</li> <li>Oversee internal controls – the necessary checks and balances must be in place;</li> <li>Be directly responsible for the selection, compensation, retention and oversight of the work of the shareholders' auditor – the shareholders' auditor reports directly to this committee;</li> <li>Listen to the shareholders' auditor, internal auditor and the chief compliance officer and evaluate the effectiveness and independence of each;</li> <li>Oversee the establishment and maintenance of processes that ensure TD is in compliance with the laws and regulations that apply to it, as well as its own policies;</li> <li>Act as the Audit Committee and Conduct Review Committee for certain subsidiaries of TD that are federally regulated financial institutions and insurance companies;</li> <li>Receive reports on and approve, if appropriate, certain transactions with related parties.</li> </ul>

\*As of December 3, 2009 \*\*Designated Audit Committee Financial Expert