

Governance Disclosure

For the Fiscal Year Ended October 31, 2023

Introduction

The following document outlines the governance structure and practices for TD Bank Europe Limited, UK (“TDBEL”).

TDBEL Governance Structure

TDBEL has a focused business model providing services in support of TD’s North American franchise. TDBEL’s primary business is the management of an investment portfolio of highly liquid assets in the form of fixed income bonds to support TD’s global liquidity risk management programme. The portfolio functions as a source of reserve liquidity for TD and is managed on an integrated basis with enterprise-wide risk management and liquidity processes. The portfolio is governed locally through TDBEL liquidity and investment policies, overseeing that local liquidity and credit requirements are met on a standalone basis. With regard to TDBEL’s established business of facilitating loans and commitments principally to investment grade corporate customers in the UK, Europe and Asia Pacific, in March 2023, following a review by the Corporate and Investment Bank on optimising and simplifying the UK model, the TDBEL Board approved a change in booking point for future Corporate and Investment Banking activity to The Toronto-Dominion Bank, London Branch. With regard to the UK activity of the Institutional Equities business, which was transferred into the entity in November 2021, following the purchase of Cowen by the TD Bank Group in March 2023, a global strategic review was

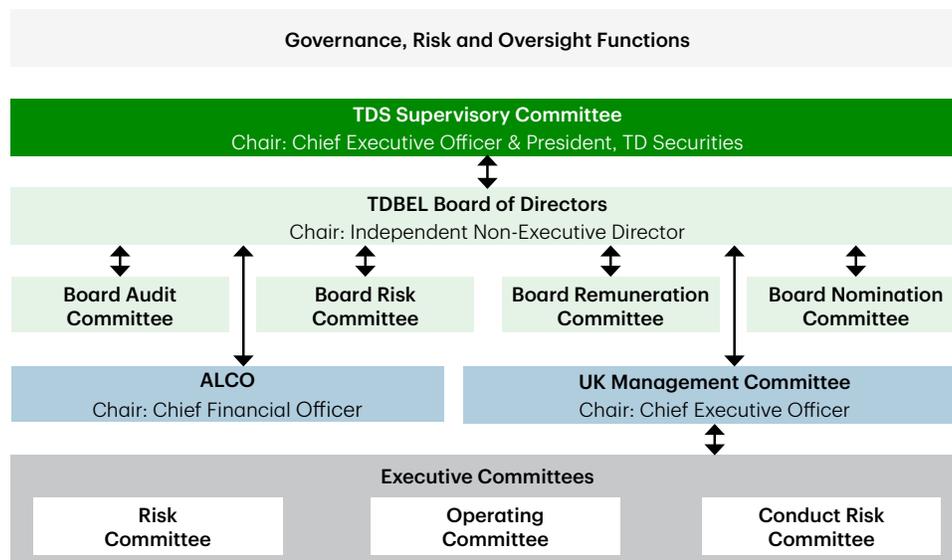
undertaken to align pertinent businesses across the TD footprint and in September 2023, the TDBEL Board approved a change in booking point for future TDBEL Institutional Equities activity (including future transactions with current TDBEL clients) to Cowen Execution Services Limited.

TDBEL’s business is conducted under the guidance of the senior executive management team, the UK Management Committee (“UKMC”) and with oversight from the TDBEL Board.

TDBEL’s governance framework emphasises and balances clear ownership for operations and risk control by the UKMC with strong independent oversight by the TDBEL Board. TDBEL also has appropriate representation on key regional and global committees to challenge and support effective decision-making. This contributes to increased awareness, evaluation and mitigation of risks to enhance overall supervision and management.

The TDBEL Board and Board Sub-Committee mandates include clear accountabilities, roles and responsibilities, reporting relationships and escalation protocols. The Board and each Board Committee are required to complete a self-assessment on an annual basis to continually enhance the governance framework, and this is periodically performed by an external evaluator. The latest external evaluation took place in 2022 and concluded in 2023.

The diagram below outlines the governance structure of TDBEL.



TDBEL Board & Board Sub-Committees Composition & Responsibilities

TDBEL Board

Name	Role
Patrice McDonald	Independent Non-Executive Director (Chair)
David Thomas	Independent Non-Executive Director
Stephen Souchon	Independent Non-Executive Director
Barbara Hooper	Non-Executive Director, Senior Executive Vice President, Treasury and Enterprise Strategy
Sharon Kim	Executive Director, CEO TDBEL Regional Head TDS Europe
Joe Banks	Executive Director, CFO TDBEL
Lucy Izzard	Executive Director, COO TDBEL

The Board is responsible for setting the strategy for TDBEL and for the overall stewardship of the Company through oversight of TDBEL's operations, management and safety and soundness, and through oversight of the operations consistent with TD approved strategy and policies. Specific duties include but are not limited to:

- **Culture & Conduct and Tone at the Top:** Set the tone for a culture of integrity and compliance including promoting awareness of applicable regulatory requirements and observing appropriate ethical standards; ensuring that these are communicated throughout TDBEL and regularly monitored.
- **Strategy and Governance:** Approve and have oversight over TDBEL's purpose, strategy and values. Overseeing that an adequate and effective corporate governance, internal governance and internal control framework exists, including a clear organisational structure, facilitating effective decision-making and well-functioning independent risk management, compliance and audit functions.
- **Operations and Business Management:** Oversee TDBEL's operations, management, and safety and soundness consistent with TDBEL and TD approved strategy and policies.
- **Risk Management, Compliance & AML:** Approve TDBEL's risk strategy and retain overall responsibility for risk management, aligned with the strategic objectives of TDBEL. Review TDBEL's business strategy and oversee alignment with TDBEL's risk management framework and appetite. Oversee principal and emerging risks, including climate change risk and cyber security risk. Oversee significant liquidity, capital, and funding matters, including review and approval of capital adequacy and liquidity risk management practices and review of proposals and recommendations from the TDBEL Asset Liability & Capital Committee ("ALCO"). Review the Annual Money Laundering Reporting Officer's report. Review ad hoc reports from the

Compliance or AML functions regarding any significant risk of failure by TDBEL to comply with its obligations within their areas of functional responsibility.

- **Financial Reporting:** Oversee the integrity of TDBEL's accounting and financial reporting systems, including financial and operational controls and compliance with law and relevant standards and, in so doing, consider reports of the Audit Committee on the quality, effectiveness and integrity of the financial reporting process. Approve year-end financial statements.
- **Talent Management, Development and Succession:** Oversee changes to TDBEL's organisational structure and to the key management appointments, particularly those designated as Senior Management Function roles ("SMF") under the Financial Conduct Authority's and Prudential Regulation Authority's Senior Managers & Certification Regime ("SMCR"). Create a diverse pool of Board members to achieve a variety of views, qualities and experience at Board level, to promote independent and diverse opinions and sound decision-making.
- **Whistleblowing:** Periodically assess that whistleblowing procedures and reporting mechanisms are operating effectively and that appropriate matters are reported to the regulator.
- **Stakeholder Considerations:** Engage with TDBEL's key stakeholders on material decisions, so as to understand their views and enable their interests and the other matters, including Environmental, Social and Corporate Governance matters, as set out in s.172 Companies Act 2006, to be taken into account.
- **Communication:** Promote appropriate engagement and dialogue with all stakeholders based on the mutual understanding of objectives, as well as open and prompt communication with all regulators as required.

The TDBEL Board meets at least four times a year.

Risk Committee

Name	Role
David Thomas	Independent Non-Executive Director (Chair)
Patrice McDonald	Independent Non-Executive Director
Stephen Souchon	Independent Non-Executive Director

The purpose of the Risk Committee is to assist the Board in fulfilling its governance and oversight responsibilities in relation to the management of risk within TDBEL, and, on any other matters as directed by the Board. Specific duties and responsibilities include but are not limited to:

■ **Risk Management Framework and Risk Appetite:** Review and recommend for Board approval the Enterprise Risk Management Framework and review and approve as appropriate associated policies which set the direction for how TDBEL manages risk to its business operations in alignment with the overall strategy.

■ **Risk Management Oversight:**

- Monitor TDBEL's risk profile and performance against Risk Appetite
- Review all risk dashboards/reports and management's actions pertaining to TDBEL's top, new and emerging risks
- Oversee the implementation of strategies for capital and liquidity management and review and assess TDBEL's ongoing compliance with internal and regulatory capital and liquidity thresholds and limits including any breaches of such thresholds or limits and associated mitigating actions taken on by management
- Review and recommend to the Board for approval recommendations from ALCO relating to TDBEL's risk-based and leverage-based capital requirements and the determination of such as part of TDBEL's ICAAP
- Review and recommend to the Board for approval recommendations from ALCO relating to TDBEL's liquidity requirements and the determination of such as part of TDBEL's ILAAP
- Review and recommend to the Board for approval recommendations from ALCO relating to Treasury and Asset Liability Management or management actions or strategies applicable to positions, risks and activities overseen by ALCO
- Annually review the adequacy of the Recovery Plan, for recommendation to the Board for approval
- Receive escalations on fraud risk from the UK Executive Risk Committee
- In conjunction with the TDBEL Audit Committee monitor the effectiveness of TDBEL's internal financial control systems and associated policies capable of having a material impact on its financial reporting
- Review and assess TDBEL's ongoing compliance with internal and regulatory capital and liquidity thresholds and limits including any breaches of such thresholds or limits and associated mitigating actions taken on by management

■ **Compliance:**

- Review information provided by management and reports prepared by the Chief Compliance Officer

(SMF16) and MLRO (SMF17), to oversee compliance by TDBEL with applicable financial and other laws, regulation, guidance and best practice. Seek reasonable assurance that the TDBEL's Compliance and AML policies and procedures are being adhered to. Review reports by supervisory authorities related to Compliance, together with management's response and follow-up on outstanding issues as necessary.

- Review relevant information in relation to the Privacy, Legal and SMCR functions brought to the Committee

The Risk Committee meets at least four times a year.

Audit Committee

Name	Role
Stephen Souchon	Independent Non-Executive Director (Chair)
David Thomas	Independent Non-Executive Director

The purpose of the Audit Committee is to assist the Board to fulfil its governance and oversight responsibilities in relation to internal and external audit functions, financial reporting, internal control framework and legal matters having a material impact on the financial statements, and, on any other matters as directed by the Board. Specific duties and responsibilities include but are not limited to:

- **External Audit:** Provide the necessary oversight of all aspects of the external statutory audit, including reviewing the independence of the external auditor, monitoring the audit process and reporting on the audit to the Board.
- **Internal Audit:** Monitor and oversee the independence and effectiveness of the TDBEL internal audit function in the context of TDBEL's overall risk management system.
- **Financial Reporting:** Through review of information provided by management, review of the annual financial statements and, working with the internal audit function and external auditor as appropriate, oversee compliance with accounting and financial reporting standards, and non-financial reporting requirements, and consistency and appropriateness of the accounting policies, practices and financial reporting disclosures.
- **Financial Controls and Policies:** Through oversight of the internal and external audits, and in conjunction with the TDBEL Risk Committee, monitor the effectiveness of TDBEL's internal financial control systems and associated policies capable of having a material impact on its financial reporting. Receive updates from management on financial controls and policies in place for detecting and preventing fraud and remediating actions undertaken for any fraud that is uncovered. The Committee will receive an annual report from management explaining the framework in place for the protection against and prevention of fraud.

The Audit Committee meets at least four times a year.

Nomination Committee

Name	Role
Patrice McDonald	Independent Non-Executive Director (Chair)
David Thomas	Independent Non-Executive Director
Stephen Souchon	Independent Non-Executive Director

The purpose of the Nomination Committee is to assist the Board in fulfilling its governance and oversight responsibilities in relation to the identification, appointment, induction and assessment of directors to the Board and Board Sub-Committees of TDBEL and to designated SMF roles under SMCR. Specific duties and responsibilities include but are not limited to:

- **Nominations:** The Committee shall lead the process for, and the identification, assessment and recommendation of, prospective appointments to the Board and SMF Roles; oversee the development and application of an appropriate Board suitability policy and Board diversity policy; oversee that plans are in place for orderly succession of Board and SMF Roles; and, where required, be actively involved in external recruitment processes.
- **Board & Board committee structure and composition:** Make recommendations to the Board with respect to the appropriate structure and composition of the Board and its Committees to fulfil their functions and comply with all legal requirements.
- **Board and management composition / appointment recommendations:** Consider the actual and required capabilities of the Board and SMF Roles of TDBEL and make recommendations for the approval of the Board with respect to the appointment of directors and SMF Roles and of members of Board committees.
- **Suitability Assessment:** Assess the qualities of candidates for, and existing incumbents of, the Board, committees and SMF Roles.
- **Diversity:** Engage a broad set of qualities and competences when assessing and recruiting members to the Board and SMF Roles which promote diversity of gender, social and ethnic background, cognitive approach and personal strengths. Put in place a policy promoting diversity which is embedded within the Board recruitment and succession planning process.
- **Succession plans:** Conduct a continuous process of planning and assessment in respect of potential candidates for appointment to the Board and SMF Roles of TDBEL to facilitate an orderly succession process.
- **Recruitment:** Actively contribute to the identification and selection of candidates for Board and SMF Roles in cooperation with the Human Resources function.
- **Director Induction and Training:** Oversee the establishment of and monitor an induction program for new directors and continuing training for directors.

The Nomination Committee meets at least twice per year.

Remuneration Committee

Name	Role
Patrice McDonald	Independent Non-Executive Director (Chair)
David Thomas	Independent Non-Executive Director
Stephen Souchon	Independent Non-Executive Director

The purpose of the Remuneration Committee is to assist the Board in fulfilling its governance and oversight responsibilities in relation to remuneration policy, practices and awards; and any other matters as directed by the Board. Specific duties and responsibilities include but are not limited to:

- **Remuneration:** Provide oversight of remuneration policy and practices within TDBEL, giving due consideration to both financial and non-financial risks, including conduct risk, liquidity and capital levels, and overseeing that such are consistent with and promote sound and effective risk management.
- **Policies and Systems:** Annually review and approve the TD Securities London Remuneration Policy Statement document as TDBEL's adopted remuneration policy.
- **Oversight and Review:** Support and advise the Board in discharging its responsibility for the on-going oversight of remuneration policies, systems, processes and practices within TDBEL in accordance with the adopted Remuneration Policy Statement document and TDBEL's compliance with the same and propose to the Board any adjustments or modifications which it believes are required.
- **Individual Remuneration Decisions:** Review and approve total individual remuneration for Material Risk Takers.
- **External Advisers:** Review the appointment, and oversee the performance, of remuneration (and other professional) consultants engaged in respect of TDBEL remuneration matters.
- **Material Risk Takers:** Oversee the process of identifying those members of staff whose professional activities have a material impact on TDBEL's risk profile.

The Remuneration Committee meets at least once per year.

Corporate Governance

In demonstrating that TDBEL meets its corporate governance requirements, certain TDBEL-specific policies have been adopted. These include:

- TDBEL Corporate Governance Policy
- TDBEL Board Diversity Policy
- TDBEL Board Suitability Policy

These policies detail how TDBEL monitors and assesses the effectiveness of certain governance arrangements both on an ongoing and periodic basis. A summary of the content of each policy is detailed in the following sections.

TDBEL Corporate Governance Policy

The purpose of this document is to set out the governance and the principles and practices which enable the Board of TDBEL to effectively supervise management's operation of the Company and to responsibly advance the long-term interests of shareholders and other relevant stakeholders.

The key requirements set out in this policy include the following:

Board Composition

The composition of the Board shall be considered in the context of the requirements of the business of TDBEL at any given point in time, including prevailing legal and regulatory considerations.

The majority of Directors of the Board will be non-executive Directors. Independence shall be defined in accordance with the criteria set out in the UK Corporate Governance Code and other applicable European legislation, as transposed into UK law. Non-executive Directors shall act critically and independently so as to exercise objective and independent judgement to help preserve the corporate interests of TDBEL and its stakeholders.

The requirement that the Board is of sufficient size and expertise to oversee adequately the operations of TDBEL is a key consideration in succession planning by the Board and the Nomination Committee. This requirement is considered both (i) annually, as part of the review of TDBEL's internal governance framework and the Board Collective Suitability Assessment, and (ii) on an as-needed basis. Nominations to the Board shall be made a view to facilitating a balanced Board and paying regard to the desired number of Independent Non-Executive Directors on the Board and the gender diversity targets defined in the TDBEL Board Diversity Policy, which is reviewed annually and when making changes to the composition of the Board.

The maximum number of directorships per Director in accordance with Title III, Section 5 of the joint EBA/ESMA guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (the Suitability Requirements). TDBEL also considers the time commitments associated with such directorships in conjunction with that required by TDBEL.

Where an Independent Non-Executive Director has served on the Board for more than nine years, his or her position on the Board will be subject to a formal review and, if applicable, rationale for continued service will be documented.

Director independence is assessed annually by the Nomination Committee. Regarding a Director's independence and the assessment of such, the number and type of other directorships and outside interests held, and time commitments associated

with these, are reviewed and assessed in line with applicable governance and suitability guidelines. Previous experience with TD is also considered, including past employment and any close relationships that may exist or have existed from a personal and business perspective for each Director.

Directors shall not be eligible for appointment if they have a potential or actual conflict of interest that is incompatible with service as a Director of TDBEL.

Director Responsibilities

The obligations of the Board Chair and the Chief Executive Officer are to be carried out in line with the Board approved job descriptions which have been developed for these roles.

Non-executive Directors are responsible for overseeing that an effective senior management team is in place and for ongoing oversight of senior management through robust challenge.

Director Induction and Training

Upon a Director's appointment to the Board, they shall receive all relevant induction and training required in order for them to discharge their duties effectively. The Board induction itinerary for Directors shall be presented to the Board for review and approval on a regular basis. Specific Board Committee induction itineraries will be presented to the relevant Committees for review and approval on a regular basis. The Nomination Committee oversees continuing education and training for Directors and serves as a resource for ongoing education about Directors' duties and responsibilities. The Nomination Committee is responsible for and reviews the Board Training Plan annually and recommends its approval to the Board.

Director Remuneration

The Board is responsible for reviewing non-executive Director compensation periodically and satisfying itself that it is competitive in the marketplace and aligns Directors' and shareholders' interests. The Board determines the adequacy, form and level of non-executive Director compensation.

Role of the Board

The Board is responsible for approving the strategy for TDBEL and for the overall stewardship of the Company through oversight of TDBEL's management and safety and soundness, and through oversight of operations consistent with TD approved strategy and policies. The Board is also responsible for assuring that the long-term interests of TDBEL's shareholders are advanced responsibly while addressing the concerns of other relevant stakeholders and interested parties including its employees, customers, regulators and communities.

The TDBEL Corporate Governance Policy also covers the requirements pertaining to Committee composition, annual board evaluations and succession planning.

TDBEL Board Diversity Policy

This policy sets out the high-level approach to diversity on the Board of Directors of TDBEL, outlining TDBEL's recognition that having a diverse Board is important in creating a diverse pool of Board members, achieving a variety of views, qualities and experience at Board level, thereby promoting independent and diverse opinions and facilitating sound decision-making.

To demonstrate an inclusive, fair process when making nomination/appointment decisions, the Nomination Committee considers all aspects of diversity, including age, disability, education, ethnicity, experience, gender, geographical provenance, professional background and social background, in reviewing the composition of the Board. In relation to gender diversity specifically, the Board maintains documented representation targets.

As part of the Board's annual review and evaluation, compliance with targets set and measurable objectives, is also assessed with details as to how such were achieved / not achieved being noted.

TDBEL Board Suitability Policy

The TDBEL Board Suitability Policy sets out the high-level approach to the suitability assessment of directors of the Board of Directors of TDBEL, the composition of the Board, the nomination, selection, appointment and re-appointment of Directors, Board succession planning, Board induction and training and Board conflicts of interest management.

To adequately fulfil its role and responsibilities, the Board as a whole is required to possess the necessary balance of skills, experience, diversity and independence and also consider educational and professional background, skills, industry background, race, gender, age and geographical provenance. The majority of members of the Board will be non-executive Directors. Independence shall be defined in accordance with the criteria set out in the UK Corporate Governance Code and other applicable European legislation, as transposed into UK law.

The Nomination Committee of the Board, composed of non-executive Directors (a majority of whom shall be independent), leads the process for Board nominations and makes recommendations to the Board in this respect. As part of any proposed recommendation, various factors are considered, including, a candidate's personal qualities, fitness and proprietary and their potential contribution as a Director to the balance of skills, knowledge, experience and capabilities on the Board.

The individual and collective suitability of the Board, supported by the Head of HR, shall be assessed, and evaluated on a

periodic basis (collective suitability and board and committee evaluations will be conducted annually and individual suitability assessments conducted biannually), with independent evaluations carried out every third year. The assessment will be conducted with input from each Director and HR. Certain trigger events (for example, when reappointing a Director, where there are concerns regarding individual or collective suitability, in the event of a material change to the business model or risks of TDBEL) may necessitate an individual and/or collective assessment of suitability to be undertaken out of cycle.

The assessment will consider (a) the personal qualities, fitness and proprietary (b) the skills, knowledge, experience and capability of each Director and (c) for those Directors considered independent non-executive Directors, the independence requirement. The assessment considers the knowledge, skills and experience of the TDBEL Board under the following key areas in addition to Director independence:

- TDBEL's business and main risks
- Material activities of TDBEL
- Relevant areas of financial and sectoral competence
- Financial accounting and reporting
- Risk management, compliance, controls, and internal audit
- Adherence to laws and regulations applicable to TDBEL