



**IMPORTANT: ACTION REQUIRED**

**NOTIFICATION OF RIGHT TO SEGREGATION  
OF INITIAL MARGIN POSTED IN RESPECT OF UNCLEARED SWAPS  
PURSUANT TO CFTC RULE 23.701**

Dear Sir or Madam:

This notification (the “**CFTC IM Segregation Right Notice**”) is being provided by us<sup>1</sup> pursuant to Commodity Futures Trading Commission (“CFTC”) rule 23.701 in respect of one or more of our swap counterparties (each, a “**Counterparty**”).

**Please note that failure to make the necessary election described below may inhibit our ability to execute swaps (as defined by CFTC rules) that are not submitted for clearing (each, an “Uncleared Swap”) with Counterparty on or after the relevant CFTC compliance date<sup>2</sup> (the “Compliance Date”) due to CFTC rules.**

**A failure to respond to this notice within five (5) business days of receipt of this notice will be deemed to be a confirmation of an election “not to require” IM Segregation in accordance with the CFTC Segregation Regime.**

In accordance with CFTC rule 23.701, we are hereby notifying you that, to the extent Counterparty posts “Initial Margin” (as defined in CFTC rule 23.700) (“**IM**”) in respect of any Uncleared Swap between us and Counterparty that is executed on or subsequent to the Compliance Date, Counterparty has the right to elect that IM be segregated (“**IM Segregation**”) in accordance with the requirements set forth in CFTC rules 23.702 and 23.703 (the “**CFTC Segregation Regime**”).

**We need to obtain the following information as soon as possible in order to satisfy our obligations under CFTC rules:**

- I. Counterparty’s election to either:**
  - **require IM Segregation in accordance with the CFTC Segregation Regime.**

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<sup>1</sup> References in this notice to “our”, “us” or “we” are references to The Toronto Dominion Bank.

<sup>2</sup> If no agreement existed between Counterparty and us concerning Uncleared Swaps as of January 6, 2014, the CFTC compliance date is May 5, 2014. If such an agreement did exist as of January 6, 2014, the CFTC compliance date is November 3, 2014.

*Note: If Counterparty chooses this first election, certain documentation, including a tri-party custodial agreement that meets the requirements of the CFTC Segregation Regime, must be put in place. After the Compliance Date, choosing this election may prevent us from entering into new Uncleared Swaps with Counterparty until such documentation is in place;<sup>3</sup> or*

- ***not require*** IM Segregation in accordance with the CFTC Segregation Regime. *Note: If Counterparty chooses this second election Counterparty is free to make or retain other arrangements for IM Segregation. This election will not impact Counterparty's existing segregation arrangements or negotiations, if any.*

Please complete the CFTC IM Segregation Election Letter attached to this notice as Exhibit A and deliver it to us as soon as possible.

For the avoidance of doubt, Counterparty's election to require or not to require IM Segregation in accordance with the CFTC Segregation Regime will apply solely with respect to any Uncleared Swap that is entered into after delivery of such election letter to us at the address specified in Exhibit A (or via ISDA Amend) or, if such delivery is before the Compliance Date, on or after the Compliance Date. The election made by Counterparty may be changed at any time by delivery of written notice to us at the same address (or via ISDA Amend). Any such changed election will supersede any prior election with respect to any Uncleared Swap that is entered into after delivery of such changed election.

If you have any questions regarding this notice, please contact [eOnboarding@tdsecurities.com](mailto:eOnboarding@tdsecurities.com).

The Toronto Dominion Bank

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<sup>3</sup> Please note that any existing custodial arrangements, whether legally required or bargained for independently, may not contain certain terms required to be included under the CFTC Segregation Regime and therefore may need to be revised if IM Segregation in accordance with the CFTC Segregation Regime is elected. Parties wishing to elect IM Segregation in accordance with CFTC Segregation Regime may wish to consult with legal counsel as to the potential impact on trading in Uncleared Swaps with us and whether an election to not require IM Segregation in accordance with CFTC Segregation Regime is preferable until such time as a mutually acceptable tri-party custodial arrangement is executed. As further described in this notice, Counterparty may exercise its right to change its election at anytime.

Modified from the CFTC IM Segregation Right Notice, © 2014 International Swaps and Derivatives Association, Inc., which has neither reviewed nor endorsed the modifications.

## Exhibit A

### CFTC IM SEGREGATION ELECTION LETTER

To: The Toronto Dominion Bank (“Swap Dealer”)  
Global Client Management  
EY Tower, 16<sup>th</sup> Floor  
222 Bay Street  
Toronto, ON M5K 1A2  
Canada

Capitalized terms used in this letter have the meanings specified in the CFTC IM Segregation Right Notice referenced below unless otherwise defined.

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#### I. Initial Margin Segregation Election.

Counterparty<sup>4</sup> makes the following election with respect to IM posted on behalf of Counterparty in connection with any Uncleared Swap between Swap Dealer and Counterparty that is executed by the entity executing this election letter after delivery of this election letter to Swap Dealer (or, if such delivery is before the Compliance Date, on or after the Compliance Date): *(check one)*

- Counterparty hereby elects to require IM Segregation in accordance with the CFTC Segregation Regime.** *Note: If Counterparty chooses this first election, certain documentation, including a tri-party custodial agreement that meets the requirements of the CFTC Segregation Regime, must be put in place. After the Compliance Date, choosing this election may prevent Swap Dealer from entering into Uncleared Swaps with Counterparty until such documentation is in place.*
- Counterparty hereby elects not to require IM Segregation in accordance with the CFTC Segregation Regime.** *Note: If Counterparty chooses this second election Counterparty is free to make or retain other arrangements for IM Segregation. This election will not impact Counterparty’s existing segregation arrangements or negotiations, if any.*
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<sup>4</sup> “Counterparty” means each account, client, fund, investor, and/or other principal on behalf of whom this CFTC IM Segregation Election Letter is executed.

By executing and delivering this election letter, the signatory represents that it has all necessary authority to provide the election above on behalf of Counterparty.

[*Legal Name of Entity Completing Letter*]<sup>5</sup>

[Counterparty CICI/LEI:]<sup>6</sup>

By: \_\_\_\_\_

Name:

Title:

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<sup>5</sup> The relevant election in this letter will only apply to Uncleared Swaps that are executed by the relevant party that executes this letter. For instance, if this letter is being executed by any agent, then the relevant election will only apply to Uncleared Swaps that are executed by such agent on behalf of Counterparty.

Moreover, if this letter is being executed by an agent on behalf of one or more Counterparties, the agent should insert before the signature: “as agent for [*insert name of account, client, fund, investor and/or other principal*] OR [the accounts, clients, funds, investors and/or other principals named on the attached sheet]”. If the agent is acting on behalf of more than one Counterparty, it may list the names of such Counterparties on a separate sheet attached to this letter, in which case this letter will be treated as if it were a separate letter with respect to each Counterparty listed on such sheet.

<sup>6</sup> If this letter is being executed by an agent on behalf of more than one Counterparty, the agent should include a CICI/LEI for each such Counterparty.

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