

Remuneration Disclosure

For the Fiscal Year Ended December 31, 2024

Introduction

The Remuneration Disclosure (the "Disclosure") outlines the remuneration policies and practices for TD Execution Services Limited ("TDESL").

The Disclosure has been prepared in order to fulfil the Financial Conduct Authority's ("FCA") regulatory disclosure requirements under chapter 8.6 of the Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU 8.6").

Under MIFIDPRU 8.6, TDESL is required to disclose certain information about its remuneration policies, practices and outcomes on at least an annual basis. These disclosures are published concurrently with TDESL's 2024 Annual Report and Accounts and relate to the remuneration performance period of TDESL beginning on 1 November 2023 and ending on 31 October 2024 ("2024 Performance Period").

TDESL is subject to the UK prudential framework under the Investment Firms Prudential Regime ("IFPR") and the MIFIDPRU Remuneration Code ("Code"). Under the IFPR, TDESL is classified as a non-SNI MIFIDPRU investment firm that falls within SYSC 19G.1.1R(2), meaning it is not subject to the enhanced requirements under the Code.

TDESL

TDESL is a wholly owned subsidiary of Toronto Dominion International Pte. Ltd (a wholly owned subsidiary of TD Bank Group ("TD")).

In 2023, the previous parent company of TDESL, Cowen Inc. was acquired by TD ("Acquisition"). The Acquisition completed on 1 March 2023 and the former business of Cowen Inc. is now known as TD Cowen, a division of TD Securities ("TDCowen"). On 1 April 2024, all TDESL employees transitioned to TD HR systems, payroll, benefits and policies.

Remuneration Governance and Policies

As a subsidiary, TDESL has an overlay of regional and global compensation governance from TD. Oversight of remuneration at TD globally is a key function of the Human Resources Committee ("TD HRC") of the TD Board of Directors.

In May 2024, the TDESL Board approved disbanding the previous TDESL Remuneration Committee. In October 2024, regional oversight of remuneration for employees of TDESL was transitioned to the International Remuneration Committee ("IRC"). The TDESL Board retains oversight over certain remuneration related items.

The following provides an overview of the TD HRC, the IRC and the TDESL Board.

TD Bank Group Human Resources Committee

The TD HRC is the committee of the TD Board of Directors that is responsible for overseeing TD's total rewards programs including remuneration (i.e., variable incentives, including deferred remuneration), retirement (including defined benefit pension plans and defined contribution plans) and benefits programs on a global basis. In addition, the TD HRC oversees the bank's talent management and succession planning process for the senior-most executives of the bank, as well as reviewing and recommending objectives and evaluating the performance of the Chief Executive Officer (CEO) of the bank.

Committee Composition

In keeping with governance best practices, the TD HRC is composed entirely of independent directors who are knowledgeable about issues related to human resources, leadership, talent management, remuneration, governance and risk management. To assist in executing its responsibilities, the TD HRC hires an independent remuneration advisor who reports solely to the TD HRC and does not provide any services to management.

International Remuneration Committee

The IRC is a regional Committee that has been authorised to assist regional management and subsidiary Boards in fulfilling their corporate governance and oversight responsibilities in relation to the remuneration policies and practices for TD Securities businesses and TD Representative Offices in the Europe and Asia-Pacific regions.

The IRC is responsible for demonstrating that remuneration policies and practices:

- Are aligned with the business and compensation strategy;
- Are consistent with risk strategy;
- Are compliant with regulatory expectations and best practices; and
- Enable TD Securities entities in the Europe and Asia-Pacific regions to attract, retain, and motivate high performing personnel, to create sustainable value for shareholders over the long term.

As part of its oversight responsibilities, the IRC is responsible for reviewing and approving: the Remuneration Policy; the listings of Material Risk Takers; individual remuneration for certain Material Risk Takers (senior management, heads of control functions and/or any individual earning £1 million or more); and, the aggregate incentive awards for TDESL employees.

The IRC met three times in 2024, although, had formal oversight over TDESL for two of these meetings.

Committee Composition

The IRC is composed of at least three members, all of whom are independent of the day-to-day management of the TD Securities business in the Europe and Asia-Pacific region. No individual is involved in decisions relating to his or her own remuneration.

The Committee may engage external advisors for independent advice and counsel. In fiscal 2024, the Committee did not engage any external advisors.

TDESL Board

The TDESL Board of Directors is responsible for setting the strategy for TDESL and for the overall stewardship of the Company through oversight of TDESL's operations, management and safety and soundness, and through oversight of the operations consistent with TD approved strategy and policies.

The TDESL Board has delegated certain governance and oversight responsibilities in relation to remuneration policy, practices and awards to the IRC.

As part of its responsibilities, the TDESL Board is responsible for: reviewing the IRC mandate on a biennial basis; adopting and annually reviewing a Remuneration Policy, that encourages responsible business conduct, fair treatment of clients and avoids conflicts of interest; receiving updates on the activities of the IRC, as appropriate; determining fees payable to non-executive Directors and any change to the same; and annually reviewing and approving the MIFIDPRU Remuneration Disclosure Statement.

The Board met five times in 2024.

Board Composition

Membership of the Board is composed of one independent non-executive director, and five executive directors. Under applicable regulations, TDESL is not required to establish a Remuneration Committee nor allocate Senior Management Function 12 (chair of remuneration committee function) responsibilities. The Board has a broad range of skills, expertise and experience relevant to the financial services sector.

The Board may seek independent advice on any matter within its mandate. In fiscal 2024, the Board did not engage any external advisors.

Remuneration Policy

The IRC annually reviews and approves the Remuneration Policy for TDESL, which includes a summary of the remuneration policies, procedures, and related governance processes that are applicable to TDESL employees and TDESL Material Risk Takers. The TDESL Board reviews the Remuneration Policy annually.

In 2024, the Remuneration Policy was updated to reflect the new remuneration governance structure applicable to TDESL, as well as, to reflect the remuneration policies and practices applicable to TDESL employees and Material Risk Takers. The Remuneration Policy was approved by the IRC in November 2024 and will be reviewed by the TDESL Board in fiscal 2025.

Material Risk Takers

Employees that can have a material impact on TDESL's risk profile are identified as Material Risk Takers.

TDESL Material Risk Takers are identified based on the criteria outlined in Section 19G.5 of the Code. In identifying Material Risk Takers, TDESL considers all types of roles that may have a material impact on the firm's risk profile or on the assets it manages, as well as all types of risks (e.g., prudential, operational, market, conduct, reputational, etc.) involved in its professional activities.

The MRTs that have been identified include:

- Members of the Board;
- Other members of senior management;
- Heads of control functions; and,
- Heads of key business areas (i.e., European Cash Equities)

TDESL assesses new employees at the point of joining to determine whether they will be classified as a Material Risk Taker. In accordance with the Code, TDESL also conducts an annual assessment of all employees to identify its Material Risk Takers and determine the appropriate elements of the Code to apply to which employees.

To ensure Material Risk Takers are appropriately identified, the IRC reviews and approves the listing of TDESL Material Risk Takers, respectively, on at least an annual basis or as necessary to approve changes.

Design and Structure of Remuneration for Material Risk Takers

Remuneration for Material Risk Takers consists of fixed pay, variable incentive pay (non-deferred and deferred incentives) and pension and benefits.

Elements of Remuneration

For the majority of employees, fixed remuneration includes base salary only. TDESL ensures that fixed remuneration is sufficient to maintain an appropriate balance between fixed and variable remuneration.

All variable incentive pay is dependent on the achievement of financial and non-financial measures at the bank, segment, team and individual level (additional details on the metrics in the different incentive plans is provided further below). All variable incentive pay includes consideration of adherence to effective risk management at both the plan and individual level.

Ratios between Fixed and Variable Remuneration

TDESL's policy on the ratio between fixed and variable remuneration is to allow for flexibility, while recognising the need to ensure that remuneration is appropriately balanced between fixed and variable remuneration.

An appropriate ratio of fixed to variable remuneration applies to all TDESL Material Risk Takers, in alignment with the requirements set out in the Code.

Deferral Requirements by Material Risk Taker Category

As TDESL is not subject to the enhanced requirements under the MIFIDPRU Remuneration Code, TDESL Material Risk Taker employees are exempt from the deferral requirements set out in SYSC 19G.6.24R. TDESL Material Risk Takers, participating in either the Executive Compensation Plan or the TD Securities Performance Compensation Plan, are subject to the TD Bank Group Deferral Policy where deferral requirements are based on title, and in some cases, on the amount of the variable incentive awarded.

Certain TDESL Material Risk Takers are also Material Risk Takers of the Toronto-Dominion London Branch and, as a result, are subject to the deferral requirements set out in the Remuneration Part of the Prudential Regulation Authority Rulebook and the FCA's Dual-regulated firms Remuneration Code.

Unless subject to another regulatory regime, deferred incentives awarded to TDESL Material Risk Takers are generally delivered through restricted share units, awarded under a Restricted Share Unit (RSU) Plan and/or Long-Term Compensation Plan (LTCP). Restricted share units awarded under the RSU plan vest 100% at the end of three years. Under the LTCP plan, restricted share units vest on a ratable basis, 25% after one year; 25% after the second year and 50% at the end of the third year. Where restricted share units are deferred, the first deferred portion vests no sooner than a year after the start of the deferral period.

To ensure that remuneration is aligned with risks over the medium term, deferred remuneration awards are subject to a discretionary reduction to the value of outstanding awards in unusual circumstances prior to payout, based on consideration of risk outcomes during the deferral period. Please refer to "Malus Adjustments" for further details.

Details regarding performance measurement, risk adjustment, and deferred remuneration can be found in TD's annual Management Proxy Circular found at the following site: <https://www.td.com/content/dam/tdcom/canada/about-td/pdf/td-investor-2025-proxy-en.pdf>

Annual incentive awards for Material Risk Takers are delivered through the Executive Compensation Plan (ECP), the Performance Compensation Plan (PCP) or the Employee Incentive Plan (EIP).

Executive Compensation Plan

Under the ECP, each executive has an individual remuneration target. At year-end, the aggregate pool of funds available to award as incentive remuneration is equal to the sum of the individual targets multiplied by the respective business performance factor.

For fiscal 2024, the key metrics used to determine the business performance factor include Net Income After Tax (NIAT), Customer Experience and Return on Tangible Common Equity (RoTCE) for the bank and for business segments as applicable. In addition, relative performance is evaluated against a peer group of companies on a comprehensive scorecard of financial and shareholder measures. The final business performance factor is subject to a discretionary risk adjustment that is approved by the TD HRC after considering performance against the bank's risk appetite.

To protect against conflict of interest, NIAT, Customer Experience and RoTCE results for executives in control functions are based on TD's enterprise performance, not on the performance of TD Securities or TDESL.

Individual awards are based on an evaluation of a number of factors including individual performance against objectives, leadership, future potential, and an evaluation against a standard set of accountabilities regarding risk and control behaviours. Performance for TD Securities executives also considers a Risk and Control Scorecard of governance, control, and risk management behaviours in the determination of their annual incentive award.

Individual awards can be higher or lower than their variable incentive target multiplied by their applicable business performance factor (funds available). The sum of individual awards should not exceed the aggregate funds available under the plan on a global basis.

Performance Compensation Plan

Annual incentive awards for front office employees and other employees who directly support revenue generating positions are delivered through the Performance Compensation Plan (PCP), for which there is one global pool.

The PCP plan is a fully discretionary incentive plan, under which aggregate funding is allocated to individual participants after considering performance during the year, including any risk, control or other applicable conduct issues.

The aggregate pool is determined based on adjusted contribution to profit with modifiers based on TD's enterprise performance (based on the Executive Compensation Plan Corporate multiplier) and TD Securities Scorecard performance. The pool is also subject to a risk adjustment that is approved by the TD HRC after considering performance against the bank's risk appetite, as well as other discretionary adjustments (as approved by the TD HRC).

The approved global pool is allocated to senior business leaders by the President and CEO of TD Securities on a discretionary basis. Factors considered when allocating the pool include, but are not limited to, the following: business performance, strategic initiatives, risk management, and market levels of remuneration.

Senior business leaders are responsible for allocating their portion of the approved pool to the individual employees within their business. Individual award decisions are determined as a total remuneration award. They are discretionary and there are no formulae or explicit guidelines for making award decisions. Factors considered include, but are not limited to, the following: individual and business performance, teamwork, risk management, market environment, market levels of remuneration, and potential future contribution to the firm. To ensure appropriate consideration of non-financial performance, performance for PCP participants considers a Risk and Control Scorecard of governance, control, and risk management behaviours in the determination of their annual incentive award.

Employee Incentive Plan

Annual incentive awards for TD employees in support and control functions are delivered through the Employee Incentive Plan. Under the Employee Incentive Plan, each individual has an incentive target which is multiplied by a business performance factor as well as an individual performance factor. Similar to those of the Executive Compensation Plan, the key metrics under the plan include NIAT, and Customer Experience results for the bank and for business segments, as applicable. The Employee Incentive Plan also includes a discretionary adjustment to account for risk or other factors.

To protect against conflict of interest, NIAT and Customer Experience results for employees in control functions are based on TD's enterprise performance, not on the performance of TD Securities or TDESL.

Individual awards are based on an evaluation of a number of factors including individual performance against objectives. To ensure appropriate consideration of non-financial performance measures, performance for employees also considers a Risk and Control Scorecard of governance, control and risk management behaviours in the determination of their annual incentive award.

Awards to individual employees may be higher or lower than their funds available (i.e., their variable incentive target x their applicable business performance factor x their applicable individual performance multiplier). However, the sum of individual awards should not exceed the aggregate funds available under the plan.

Annually, the IRC reviews and approves the aggregate ECP, PCP and EIP awards, ensuring they are aligned with and support the current and future financial status and risk outcomes of TDESL.

Link Between Remuneration and Performance

Risk Adjustments

Risk Adjustments to Variable Incentive Pools

Under all incentive plans, the IRC and the TD HRC have the ability to reduce or cancel awards in the event of poor performance, significant risk related issues, or other unusual circumstances. To facilitate appropriate risk adjustments to incentive plans, the TD Chief Risk Officer presents an annual Enterprise Risk Appetite Scorecard to a joint session of the TD HRC and the TD Risk Committee of the TD Board of Directors. This process allows the TD HRC to appropriately consider risk when determining global incentive pools, and to ensure that remuneration is appropriately linked to the bank's risk-adjusted performance.

As there are no formal regional bonus pools, the IRC reviews and approves the regional aggregate incentive awards for TDESL employees. The IRC reviews a summary of the global plan outcomes for PCP, ECP and EIP, including a summary of the plan metric results and impact to the overall pool, as well as the outcome of the risk adjustment and/or discretionary adjustments made to the global pool calculations. This ensures the Committees are informed of the factors and considerations taken into account to determine the overall global pool (for PCP) and final business performance factors (for ECP and EIP).

In their review of regional aggregate incentive awards, the IRC also reviews the financial results for the fiscal year for each region. This is accompanied by a risk commentary by the Chief Risk Officer, TD Securities Europe and Asia-Pacific (EAP) who assesses whether the business operated within the Risk Appetite for the region. This overall approach ensures that aggregate incentive awards are aligned with and support the current and future financial status and risk outcomes of the respective entities.

Individual Risk Adjustments

Performance for all TD Securities employees considers a scorecard of governance, control, and risk management behaviours as part of the performance assessment process. In addition, TD Bank titled executives are evaluated against a standard set of accountabilities regarding risk and control behaviours. Individual risk assessments are considered when year-end performance and remuneration decisions are made.

Local material conduct risk events are reviewed and discussed at the UK Conduct Risk Committee (CRC). In addition, there is an enterprise-wide risk and control process, whereby material risk, control and misconduct events are identified and documented (with input from TD risk and control function heads) and then individual performance and remuneration impacts are considered. The IRC reviews the results from the risk and control process and approves any adjustments to individual remuneration for TDESL employees and Material Risk Takers.

Misconduct and Compliance with Code of Conduct and Ethics

All employees are expected to act ethically and with integrity, and in a manner consistent with the bank's risk appetite. All variable incentive awards are subject to compliance with the Code of Conduct and Ethics and may be adjusted (including reduction, forfeiture or clawback as appropriate) in the event of misconduct, actions taken that are outside of the bank's risk appetite or other unusual circumstances as appropriate. Adjustments can be made to in-year remuneration, outstanding deferred compensation or awards paid.

Malus Adjustments

All deferred remuneration plans are subject to a discretionary reduction to the value of outstanding awards in unusual circumstances prior to payout.

For Material Risk Takers, the following criteria is used to identify situations that require further investigation to consider whether a reduction is warranted:

- The firm or the business unit suffers a material downturn in its financial performance;
- There is reasonable evidence of employee misbehaviour or material error; or,
- The firm or the relevant business unit suffers a material failure of risk management.

The criteria include situations where the employee participated in or was responsible for conduct which resulted in significant losses to the firm; and/or, failed to meet appropriate standards of fitness and propriety.

Discretionary malus adjustments to deferred remuneration will only be made after consideration of all applicable facts and circumstances, in alignment with the TDESL Malus and Clawback policy.

The IRC reviews and approves all malus adjustments for TDESL employees and Material Risk Takers.

Clawback

For TDESL Material Risk Takers, the minimum clawback period applicable to variable incentives is 3-years from the award date (or payment date for non-deferred cash). Clawback provisions for certain TDESL Material Risk Takers who are also Material Risk Takers of Toronto-Dominion London Branch are structured in compliance with the requirements set out in the Remuneration Part of the PRA Rulebook and the FCA's Dual-regulated firms Remuneration Code.

For Material Risk Takers, clawback is considered where there is evidence of employee misbehaviour, misconduct or material error; and/or, material failure of risk management. The criteria include situations where the employee participated in or was responsible for conduct which resulted in significant losses to the firm; and/or, failed to meet appropriate standards of fitness and propriety.

Clawback of previously awarded incentive awards will only be made after consideration of all applicable facts and circumstances, in alignment with the TDESL Malus and Clawback policy.

For employees who are not Material Risk Takers, all variable compensation awards made under ECP and PCP are subject to clawback in the event of a material misrepresentation resulting in the restatement of financial results, or in the event of a material error. In those circumstances, clawback may be applied to some or all of any variable remuneration awarded or paid within a 36-month look-back period.

In addition, the TD HRC and the IRC have the discretion to apply clawback to any award, granted or paid, in the event of employee conduct constituting cause for discipline or dismissal, including, but not limited to:

- Breaching the TD Code of Conduct and Ethics;
- Breaching employment or post-employment duties or obligations to TD; and
- Any behaviour that could have a negative impact on the reputation, market performance or financial performance of TD.

In the situations above, the TD HRC and the IRC have the discretion to apply clawback to some or all variable remuneration awarded or paid to groups of individuals or to specific individuals as appropriate after a comprehensive investigation of the circumstances.

The IRC reviews and approves all clawback adjustments for TDESL employees and Material Risk Takers.

TDESL – IFPR Remuneration Disclosures for 2024

The following tables summarise the total remuneration awarded to TDESL employees and Material Risk Takers in respect of the performance year ending October 31, 2024.

Quantitative Disclosures - MIFIDPRU 8.6.8R

in £ millions

	Total Remuneration Awarded			
	All Staff	Senior Management MRTs ⁽¹⁾	Other MRTs	Other Staff
Fixed	14.5	4.2	0.0	0.0
Variable	9.5	3.2	0.0	0.0
Total	24.0	7.4	0.0	0.0

(1) Certain MRTs are employed by entities other than TDESL and are not included in the All Staff remuneration.

MRTs	Total
Number of MRTs	12

Guaranteed Variable Remuneration			
	Total	Senior Management MRTs	Other MRTs
Total Awarded	0.2	0.0	0.0
Number of MRT Recipients	0	0	0

Severance Payments			
	Total	Senior Management MRTs	Other MRTs
Total Severance Payments Awarded	0.4	0.0	0.0
Number of MRT Recipients	0	0	0
Highest Severance Payment Awarded to an Individual MRT	n/a		