Summary of the Best Execution Policy

1. Introduction

The summary of the Best Execution Policy outlines the key arrangements The Toronto-Dominion Bank (London Branch), TD Securities Limited, TD Bank (Europe) Limited and TD Global Finance Unlimited Company (collectively, "**the firm**") have in place to provide best execution, as required by the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**"), when executing client orders or when dealing on a Request for Quote ("**RFQ**") basis. This document is applicable to the financial instruments listed in Annex I.

2. Best Execution

Best execution requires the firm to take all sufficient steps to obtain the best possible result when executing, placing or transmitting client orders on behalf of a client or when dealing on an RFQ basis ("**best execution**").

2.1 Acting on Behalf of a Client

For the purposes of this document, a client order is a verbal or electronic agreement to execute a transaction on behalf of a client in any of the financial instruments listed in Annex I.

The firm will be executing an order on behalf of a client in the following cases, including but not limited to, when:

- dealing as agent for a client on an execution venue;
- executing or acting as principal and the client legitimately places reliance on the firm (as per Section 4.3); or
- executing an order as a riskless principal.

2.2 Request for Quotes (RFQs)

For RFQ business, best execution will be owed where the client is legitimately relying upon the firm to act on their behalf and protect their interests in relation to the pricing and other elements of the transaction (as per Section 4.3).

3. Specific Instructions from Clients

Clients should be aware that the provision of specific instructions may, in certain circumstances, prevent the firm from taking sufficient steps to obtain the best possible result.

Where the client gives a specific instruction as to how to execute a transaction, best execution will not apply. The firm will need to carry out those specific instructions to the extent it is possible to do so. In such circumstances, the firm will be deemed to have satisfied its obligations to take all sufficient steps to obtain the best possible result for the client.

4. Scope of the Policy

Best execution will be applicable if the client satisfies all the conditions outlined below (as per Section 4.1 - Section 4.3).

4.1 Professional Clients

The firm has a regulatory duty to provide best execution to clients classified as "**Professional**" (this includes both Per Se Professionals and Elective Professionals), when their order or RFQ relates to a MiFID II financial instrument (as per Annex I) and the firm is executing on behalf of the client.

The firm is not obliged to comply with the best execution obligations for clients classified as an "**Eligible Counterparty**". The firm is not permitted to deal with "**Retail Clients**" and accordingly this policy is not applicable to such person(s).

4.2 Located in the EEA

The best execution obligations will be owed when providing services within the European Economic Area ("**EEA**").

Clients receiving their execution outside of the EEA may be entitled to the local best execution rules of the jurisdiction in which the executing entity is situated.

4.3 Legitimate Reliance

The firm shall provide best execution where it deems that the client is placing legitimate reliance on the firm to protect their best interests in relation to pricing and other elements of an order placed with the firm.

In order to determine legitimate reliance, the firm will assess the following factors:

1. Which party initiates the transaction
2. Questions of market practice and the existence of a convention

to "shop around"

3. The relative levels of price transparency within a market
4. The information provided by the firm and any agreement reached

Based on the above factors, if the firm determines that the client is not legitimately relying on the firm then best execution will not apply.

4.3.1 Examples of Not Placing Legitimate Reliance

Circumstances in which a client will be viewed as not placing legitimate reliance on the firm may include (but are not limited to):

- **Which party initiates the transaction:** i.e. if the client initiates a transaction the firm will view this to mean that the client is less likely to place reliance on the firm. Also, where the firm disseminates research or market commentary, as part of general business, these will not be deemed to initiate the transaction.
- **Questions of market practice and the existence of a convention to "shop around":** i.e. where there is market practice for a particular asset class or product that suggests that the client has ready access to various providers who provide quotes and the client has an ability to "shop around" to obtain the best price, it will be viewed as the client is less likely to place legitimate reliance on the firm. Generally, this is how the firm will consider executing a majority of Professional client transactions.
- **The relative levels of price transparency within a market:** i.e. where pricing information is transparent and the client has access to such information, it will be viewed as if the client is less likely to place legitimate reliance on the firm.
- **The information provided by the firm and any agreement reached:** any agreements or arrangements with the client, including this document, do not indicate or suggest an understanding has been reached that the client will place a legitimate reliance on the firm or the firm has agreed to apply best execution.

4.3.2 Examples of Legitimate Reliance

Circumstances in which a client will be viewed as placing legitimate reliance on the firm may include (but are not limited to):

- **Where the firm is given discretion** on how and when to execute the clients order either on an agency, riskless principal or principal basis;
- **Where the firm attempts to find the opposite side** of the client's trades on a riskless principal or agency basis and therefore elects not to execute on a risk basis; and/or
- **Other circumstances** where the client has a lack of client choice over where to execute a transaction due to the complexity or nature of the order and therefore the client is unable to seek alternative quotes.

5. Application of Best Execution

5.1 Best Execution Factors

In order to obtain the best possible result when executing, placing or transmitting client orders on behalf of a client, the firm will take into account the following factors when determining its execution strategy.

The order of relative priority and the variety of criteria that are taken into account in determining the appropriate consideration will be made based on a transaction-by-transaction basis.

Factors the firm will consider are:

- **Price:** price at which the financial instrument is executed;
- **Costs:** include costs such as execution fees, settlement fees, amendment fees;
- **Speed:** time it takes to execute a client order;
- **Likelihood of execution and settlement:** the likelihood the firm will be able to complete the client order;
- **Size:** the size of the order executed for a client accounting for how the size affects the price of execution; and
- **Nature of the transaction:** how the particular characteristics of a client order can affect how best execution is received.

Annex II outlines the priority of execution factors and top execution venues per asset class.

It is the general policy of the firm that the most important execution factor for a Professional client is the price at which the relevant financial instrument is executed. However, there may be circumstances where the primary execution factors may vary and price is no longer the most prominent execution factor; for example, for orders in illiquid securities market impact may become more important.

5.2 Best Execution Criteria

When executing a client's order the relative importance of the best execution factors will be determined by reference to the characteristics of:

- the **client** (i.e. professional or eligible counterparty);
- type of **client order(s)**;
- type of **financial instrument(s)** concerned; and
- **execution venue(s)** to which the order can be directed.

6. Execution Venues

The firm will take sufficient steps in order to obtain best execution on a consistent basis. Where the firm chooses an execution venue on behalf of the client it will not discriminate between execution venue(s). The choice of execution venue(s) will be made by considering the above factors and criteria (as per Section 5.1 and 5.2).

The firm may use one or more of the following venue types when executing client order(s):

- Affiliates acting as Liquidity Providers;
- Systematic Internalisers ("**SIs**");
- The firm's trading desks' principal positions;
- Organised Trading Facilities ("**OTF**")/Multilateral Trading Facility ("**MTF**");
- Regulated Markets ("**RMs**");
- Other exchanges that are not RMs; or
- Other internal sources of liquidity

On an annual basis, the firm will publish on its website, at tdsecurities.com, details of its top execution venues on which the orders are placed to obtain the best result for the client, in respect of each class of instruments.

6.1 Affiliates Acting as Liquidity Providers

The firm may utilise an affiliate to assist in the execution of a client transaction. On a periodic basis, the firm will ensure that, whilst taking into account all relevant execution factors, the affiliate's executions are monitored so that the firm may satisfy the best execution obligations on a consistent basis and any conflict of interests are managed and prevented appropriately. The use of affiliates provides specific benefits to client executions; these factors include, but are not limited to, governance, oversight and transparency of an order, consistency of order handling and front to back transaction processing.

6.2 Internalisation

Under MiFID II, the firm may choose to "internalise" a client's order by executing the order as principal against the firm's book.

7. Order Handling and Aggregation

7.1 Order Handling

The firm will satisfy the following conditions when carrying out client orders:

a. ensure that orders executed on behalf of the client are promptly and accurately recorded and allocated.

b. carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client requires otherwise.

7.2 Aggregation and Allocation of Client Orders

The firm will not carry out a client order or transaction for own account in aggregation with another client order unless the following conditions are met:

a. it is very unlikely that the aggregation of orders and transactions will work to the overall disadvantage of any client whose order is to be aggregated;

b. it is disclosed to each client whose order has been aggregated that the effect of the aggregation may work to its disadvantage in relation to a particular order;

c. there will be a fair allocation of aggregated orders and transactions, including factors/criteria such as volume and price of orders when determining allocations and the treatment of partial executions.

7.3 Aggregation and Allocation of Transactions for Own Account

When the firm aggregates a client order with a transaction for own account and the aggregated order is partially executed it will allocate the related transactions to the client in priority to the firm.

8. Confirmations

When acting on behalf of a client, the firm will provide the client the essential information concerning the execution of an order and a confirmation on the execution of that order.

9. Execution Risks

The firm has established and implemented policies to obtain the best possible results for client orders, subject to and taking into account any specific instructions (as per Section 3), the nature of the client orders and the nature of the markets and the products concerned.

The firm is not required to guarantee that it will always be able to provide best execution on every order executed on the client's behalf. The firm does not owe the client any fiduciary responsibilities as a result of the matters set out in this document, over and above the specific regulatory obligations or as contractually agreed.

10. Conflicts of Interest

The firm has an obligation to identify, manage and prevent potential and actual conflicts of interest. This requirement applies to conflicts of interest that may arise between the firm and its clients as a result of its execution arrangements which could prevent the firm from satisfying its best execution obligations. The firm is required to take all appropriate steps to mitigate any conflicts of interest that may arise.

11. Inducements

The firm may impose a mark-up or spread where it may buy a financial instrument and where it may sell the same instrument. The firm will ensure that mark-ups and spreads, if charged where best execution is owed, are reasonable and not excessive.

12. Monitoring and Review

The firm will undertake periodic monitoring to ensure the on-going effectiveness of the best execution arrangements. Material changes to the market or to the firm's business model will also trigger a review. The latest version of this document will be accessible via the firm's website at tdsecurities.com.

13. Client Consent

The client will be deemed to have given implied consent to the content outlined in this document when they instruct the firm during the regular course of business.

The firm may execute all or part of the order outside of a RM or trading venue. In accordance with the MiFID II requirements, the request for consent has been outlined in the firm's Terms of Business.

14. Client Queries

If you wish to discuss the application of best execution to your transactions, please contact your business relationship representative.

Summary of the Best Execution Policy

Annex I – MiFID II Financial Instruments

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Annex I and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

Summary of the Best Execution Policy

Annex II – Priority of Execution Factors and Top Execution Values Per Asset Class

Business Line	Execution Venue(s)	Liquid Market Prioritised list of execution factors when selecting an execution venue	Illiquid Market Prioritised list of execution factors when selecting an execution venue	Unwinds Prioritised list of execution factors when selecting an execution venue	Other Pricing Considerations
Equity and Equity-like Derivatives, Listed Derivatives	TD[1] LME	1. Price 2. Size 3. Likelihood of execution 4. Costs 5. Speed 6. Other considerations			Market conditions, liquidity
Bonds	TD[1]	1. Price 2. Speed 3. Size 4. Likelihood of execution 5. Costs 6. Other considerations	1. Size 2. Price 3. Likelihood of execution 4. Speed 5. Costs 6. Other considerations		Market conditions, liquidity, hedging risk
OTC Derivatives	TD[1]	1. Price 2. Size 3. Speed 4. Likelihood of execution 5. Costs 6. Other considerations		1. Likelihood of execution 2. Price 3. Size 4. Speed 5. Costs 6. Other considerations	Liquidity of underlying instrument, hedging risk, complexity of transaction, tenor, market conditions

[1] TD refers to the use of entities within The Toronto Dominion Banking Group including but not limited to The Toronto-Dominion Bank and its EU Branches, TD Securities Inc., TD Securities Limited, TD Bank (Europe) Limited and TD Global Finance Unlimited Company).

Summary of the Best Execution Policy

Annex III – Definitions

Agency capacity: When the firm acts as an agent for the client and must look after the clients' best interests.

Best execution: The obligation to take all sufficient steps to obtain the best possible result when executing, placing or transmitting client orders on behalf of a client.

EEA: European Economic Area which includes all member states in the European Union as well as Norway, Lichtenstein and Iceland.

Execution venue: A RM, MTF, OTF or SI, or a market maker or other liquidity provider or an entity that performs a similar function in a third country.

MiFID II: The European Parliament and Council Markets in Financial Instruments Directive 2014/65/EU and any implementing directives and regulations.

Multilateral Trading Facility (MTF): A multilateral system operated by an investment firm or market operator, which brings together multiple third-party buying and selling interests in financial instruments in the system, in accordance with non-discretionary rules, in a way that results in a contract in accordance with the provisions of Title II of the MiFID II.

Organised Trading Facility (OTF): An OTF is a multilateral system, which is not a RM or MTF and in which multiple third party buying and selling interests in bonds, structured finance product, emissions allowances or derivatives are able to interact in the system in a way which results in a contract.

Principal capacity: When the firm executes an order for a client from the inventory held by the firm.

Regulated Markets (RMs): RMs means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system, in accordance with its non-discretionary rules, in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID Directive.

Riskless principal: The firm will be acting in a riskless principal capacity where it buys and sells the financial instrument in a principal capacity at the same price but does not retain market risk for the order.

Specific instruction: Instructions provided to the firm by the client when placing an order for execution. Examples include but are not limited to: a request by the client to execute an order on a specific venue, request to execute the order at a certain time.

Systematic Internaliser (SI): An investment firm, on an organised, frequent and systematic basis, deals on own account by executing client orders outside of a RM, MTF or OTF.

Trading Venue: There are four types of trading venues recognised under MiFID II, namely: (i) RMs; (ii) MTFs; (iii) SIs and (iv) OTFs.