

Governance Disclosure

For the Fiscal Year Ended October 31, 2021

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 Bank’s North American franchise. The business profile of TDBEL has changed over the course of 2021. The Global Metals trading book business, in which TDBEL acted on an agency basis with back-to-back derivatives managing the market risk back to TD Bank, was transferred out in Q1 2021. TDBEL continues to hold a portfolio of highly liquid assets in the form of fixed income bonds which it acquired from TD Bank N.V., a wholly owned subsidiary of TD Bank based in the Netherlands, in August 2020. TDBEL continues to operate its established business of facilitating loans and commitments principally to investment grade corporate customers in the UK, Europe and Asia Pacific. In November 2021, UK activity of the Institutional

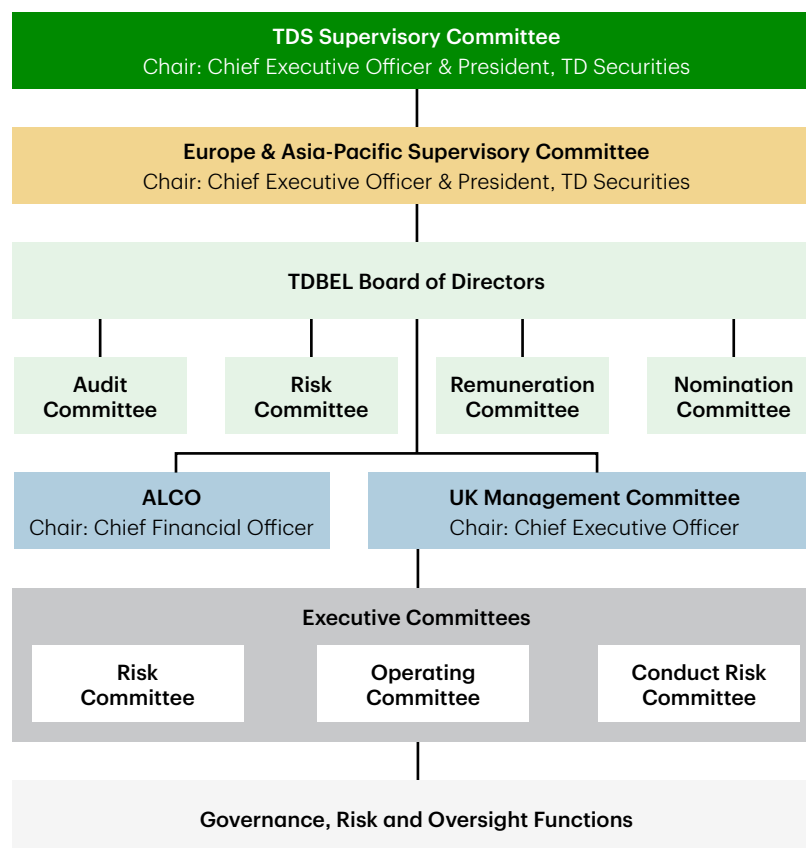
Equities business transitioned from TD Securities Limited to TDBEL.

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 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 ¹	Independent Non-Executive Director
Stephen Souchon ²	Independent Non-Executive Director
Margaret Cole ³	Independent Non-Executive Director
Barbara Hooper ⁴	Non-Executive Director
John Moore	Executive Director, CEO TDBEL Vice Chair & Regional Head of EAP TDS Executive MD & Head of International Fixed Income & Global SSA, TDS SVP, TD Bank Group
Joe Banks	Executive Director, CFO TDBEL
Lucy Izzard ⁵	Executive Director, COO TDBEL
Megan Huppke ⁶	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: Set and have oversight over TDBEL's purpose, strategy and values. Ensure an adequate and effective internal governance and internal control framework, including review and approval of all major product and policy recommendations escalated for the Board's attention as appropriate.
- 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: Set TDBEL's risk strategy and retain overall responsibility for risk management, ensuring that it is aligned with the strategic objectives of TDBEL. Review TDBEL's business strategy to ensure alignment with TDBEL's risk management framework and appetite. 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: Ensure 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 SMF Roles under the Financial Conduct Authority's and Prudential Regulation Authority's Senior Managers & Certification Regime. Create 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 in ensuring that any such matters may be 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: Ensure 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 quarterly.

¹ David Thomas was appointed as a Director with effect from 1 February 2021.

² Stephen Souchon was appointed as a Director with effect from 14 June 2021.

³ Margaret Cole resigned as a Director with effect from 12 August 2021.

⁴ Barbara Hooper was appointed as a Director with effect from 29 September 2020.

⁵ Lucy Izzard was appointed as a Director with effect from 14 June 2021.

⁶ Megan Huppke resigned as a Director with effect from 29 September 2021.

Risk Committee

Name	Role
Patrice McDonald ¹	Independent Non-Executive Director (Chair)
David Thomas ²	Independent Non-Executive Director (Chair)
Stephen Souchon ³	Independent Non-Executive Director
Margaret Cole ⁴	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 Risk Management Framework and 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
 - Review quarterly updates on climate change risk
 - 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 reports on fraud risk from the UK Executive Risk Committee and consider compliance with internal control policies and the effectiveness of related procedures designed to reduce the risk and consequences of fraud
- 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 ensure 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 materially being adhered to. Review reports by supervisory authorities related to Compliance, together with management's response and follow-up on outstanding issues as necessary.

The Risk Committee meets at least quarterly.

Audit Committee

Name	Role
Patrice McDonald ⁵	Independent Non-Executive Director (Chair)
Stephen Souchon ⁶	Independent Non-Executive Director (Chair)
David Thomas ⁷	Independent Non-Executive Director
Margaret Cole ⁸	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:

¹ Patrice McDonald was appointed Chair of the Risk Committee upon its establishment in March 2021 and stepped down from this position with effect from 25 March 2021.

² David Thomas was appointed member of the Risk Committee with effect from its establishment in March 2021 and Chair of the Risk Committee with effect from 25 March 2021.

³ Stephen Souchon was appointed member of the Risk Committee with effect from 14 June 2021.

⁴ Margaret Cole resigned as a Director and stepped down as member of the Risk Committee with effect from 12 August 2021.

⁵ Patrice McDonald stepped down as member and Chair of the Audit Committee with effect from 29 September 2021.

⁶ Stephen Souchon was appointed member of the Audit Committee with effect from 14 June 2021 and Chair of the Audit Committee with effect from 29 September 2021.

⁷ David Thomas was appointed member of the Audit Committee with effect from 1 February 2021.

⁸ Margaret Cole resigned as a Director and member of the Audit Committee with effect from 12 August 2021.

- **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 ensure 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, ensure compliance with accounting and financial reporting standards, and consistency and appropriateness of the accounting policies, practices and financial reporting disclosures.
- **Internal Controls Framework and Risk Management Systems:** 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 Audit Committee meets at least quarterly.

Nomination Committee

Name	Role
Patrice McDonald ¹	Independent Non-Executive Director (Chair)
David Thomas ²	Independent Non-Executive Director
Stephen Souchon ³	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 and induction of directors to the Board and Board Sub-Committees of TDBEL and to designated Senior Management Function roles under the Financial Conduct Authority's and Prudential Regulation Authority's Senior Managers & Certification Regime ("SMF Roles"). 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; ensure plans are in place for orderly succession of Board and SMF Roles and oversee the development of a diverse pipeline for talent; and, where required, be actively involved in external recruitment processes.
- **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 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 and to ensure a diverse pipeline for succession over immediate, medium and long-term time horizons.
- **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.
- **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.

The Nomination Committee meets twice per year.

¹ Patrice McDonald was appointed Chair of the Nomination Committee upon its establishment in November 2021 (having received regulatory approval for SMF12 role with effect from 5 August 2021).

² David Thomas was appointed member of the Nomination Committee with effect from its establishment in November 2021.

³ Stephen Souchon was appointed member of the Nomination Committee with effect from its establishment in November 2021.

Remuneration Committee

Name	Role
Patrice McDonald ¹	Independent Non-Executive Director (Chair)
David Thomas ²	Independent Non-Executive Director
Stephen Souchon ³	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 ensuring such are consistent with and promote sound and effective risk management.
- **Policies and Systems:** Annually review and approve the TD Securities London Remuneration Governance 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 Governance 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 ensuring that TDBEL meets its corporate governance requirements, certain TDBEL-specific policies have been adopted. These include:

- TDGF Board Diversity Policy
- TDGF 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 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 ensure 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

¹ Patrice McDonald was appointed Chair of the Remuneration Committee upon its establishment in November 2021 (having received regulatory approval for SMF13 role with effect from 5 August 2021).

² David Thomas was appointed member of the Remuneration Committee with effect from its establishment in November 2021.

³ Stephen Souchon was appointed member of the Remuneration Committee with effect from its establishment in November 2021.

balance of skills, knowledge, experience and capabilities on the Board.

TDBEL, led by the Head of HR, monitors on an ongoing basis the collective and individual suitability of the members of the Board and a reassessment is performed as required.

The assessment will consider (a) the personal qualities, fitness and propriety (b) the skills, knowledge, experience and capability of each Director and (c) for those Directors considered independent non-executive Directors, the independence requirement. In addition to a review of individual Directors, the attributes and suitability of the Board as a whole shall be assessed at least annually to ensure that, collectively, they are adequate. The results are amalgamated by the Head of HR and reported to the Board Chair, who ascertains any training and development needs of the individuals and the Board as a whole.