

TORONTO-DOMINION BANK GROUP SUSTAINABLE BONDS FRAMEWORK

DNV GL INDEPENDENT ASSESSMENT

Scope and Objectives

Headquartered in Toronto, Canada, with more than 85,000 employees in offices around the world, The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group (henceforth referred to as "TD Bank Group" or "the Bank"). TD Bank Group offers a full range of financial products and services to over 26 million customers worldwide through three key business lines; Canadian Retail, U.S. Retail and Wholesale Banking.

TD Bank Group has created a Sustainable Bonds Framework (henceforth referred to as "the Framework"). The purpose of the Framework is to set forth a methodology for future issuances of Green, Social and Sustainability Bonds (collectively referred to as "Sustainable Bonds"), so that for each instrument issued, the principles of this Framework apply. The Sustainable Bonds that TD Bank Group may issue under the Framework includes one of, or a combination of Green, Social and Sustainability Bonds. The Framework has also been developed to be consistent with the United Nations Sustainable Development Goals (UN SDGs).

DNV GL Business Assurance Services Limited ("DNV GL") has been commissioned by TD Bank Group to provide a review of the Framework against International Capital Markets Association ("ICMA") Green Bond Principles 2018 ("GBP"), Social Bond Principles 2020 ("SBP") and Sustainability Bond Guidelines 2018 ("SBG"). Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of the Sustainable Bonds issued under the Framework, the value of any investments, or the long term green & social benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of TD Bank Group and DNV GL

The management of TD Bank Group has provided the information used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform TD Bank Group's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the ICMA GBP, SBP and SBG. In our work, we have relied on the information and the facts presented to us by the Bank. DNV GL is not responsible for any aspect of the projects, expenditures or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by TD Bank Group management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

We have adapted our eligibility assessment methodology to create a TD Bank Group specific Sustainability Bond Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV GL's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a bond must use the funds raised to finance or refinance eligible loans, investments, and internal/external projects. The eligible loans, investments, and internal/external projects should produce clear green & social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond should outline the process it follows when determining eligibility of a loan, investment or internal/external project financed or refinanced by Green, Social & Sustainability Bond proceeds.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a bond should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made on the use of proceeds and that quantitative and/or qualitative performance indicators should be reported, where feasible, until maturation.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by TD Bank Group in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a TD Bank Group specific Protocol, adapted to the purpose of the Framework;
- Assessment of documentary evidence provided by TD Bank Group on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of TD Bank Group's published material with regards to its environmental & social activities;
- Discussions with TD Bank Group's management as we considered necessary, and review of documentation and evidence related to the criteria of the Protocol that we considered relevant;
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV GL's opinion

DNV GL's findings are listed below:

1. Principle One: Use of Proceeds.

TD Bank Group intends to use an amount equal to the net proceeds of Sustainable Bonds issued under the Framework to finance and/or re-finance, in part or in whole, green and social loans, investments, and internal and external projects namely "Eligible Assets" that promote the categories outlined below, namely the "Eligible Categories".

Eligible Assets must fall within one or several of the following Eligible Categories:

Eligible Categories - Green

- Renewable Energy
- Energy Efficiency
- Pollution Prevention and Control
- Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use
- Clean Transportation
- Sustainable Water and Wastewater Management
- Green Buildings

Eligible Categories - Social

- Affordable Basic Infrastructure
- Access to Essential Services: Healthcare
- Access to Essential Services: Education
- Affordable/Community Housing
- Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing
- Socioeconomic Advancement and Empowerment

Where appropriate, the Framework also sets out performance criteria for each Eligible Category.

DNV GL concludes that the Eligible Categories and performance criteria outlined in the Framework are consistent with the categories outlined in the ICMA GBP, SBP and SBG.

2. Principle Two: Process for Project Evaluation and Selection.

TD Bank Group has established an internal group called the TD Sustainable Bonds Review Group ("TD SBRG") to, among other things, review, select and approve any additions to or subtractions from a "Sustainable Loans Portfolio" comprised of Eligible Assets meeting the Framework's criteria. The senior representatives forming this group come from a variety of functions across the business such as Sustainability and Corporate Citizenship, Treasury and Balance Sheet Management, Risk Management, Capital Markets, and business finance segments.

TD's business finance segments will assess potential loans, investments and internal/external projects against the Green Eligible Categories and Social Eligible Categories and will propose asset recommendations to the TD SBRG for review, selection and approval. TD Bank Group will maintain a pool of Eligible Assets in a "Sustainable Loans Portfolio". The Sustainable Loans Portfolio will be reviewed by the TD SBRG at least quarterly to verify that all Eligible Assets continue to meet the

eligibility criteria. Assets that have matured, or no longer comply with the eligibility criteria, will be removed from the Sustainable Loans Portfolio.

The TD SBRG will hold ultimate responsibility for the Framework, and responsibilities will include reviewing and approving the Framework and any updates or amendments to the Framework, and monitoring ongoing green bond and social bond market practices, including the consideration of whether any updates or amendments should be made to the Framework to reflect new or developing practices.

DNV GL concludes that TD Bank Group's Sustainable Bonds Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the ICMA GBP, SBP and SBG.

3. Principle Three: Management of Proceeds.

DNV GL can confirm the proceeds from Sustainable Bonds issued under the Framework will be managed using a portfolio approach. The TD SBRG will monitor the aggregate value of Eligible Assets in TD's Sustainable Loans Portfolio on a quarterly basis, with the goal of maintaining the aggregate value of Eligible Assets in the Sustainable Loans Portfolio at a level that is equal to or greater than the net proceeds raised from its outstanding Sustainable Bonds.

If the aggregate value of Eligible Assets in TD's Sustainable Loans Portfolio is less than the total outstanding amount of Sustainable Bonds issued under this Framework, TD Bank Group will invest surplus in cash/cash equivalents and/or other liquid securities in accordance with TD Bank Group's normal liquidity management policy.

DNV GL concludes that TD Bank Group's Sustainable Bonds Framework appropriately describes the management of proceeds and is in line with the requirements of the ICMA GBP, SBP and SBG.

4. Principle Four: Reporting.

TD Bank Group intends to make, and keep readily available, reporting for the Sustainable Bonds issued under the Framework, within a year from issuance, to be renewed annually until maturation. This reporting will be publicly available in the Investor Relations section of its public website. Allocation reports will include the net proceeds raised for each Sustainable Bond issuance, aggregate amounts of proceeds allocated to each Eligible Category, the balance of unallocated proceeds if any, and the proportion of new and existing Eligible Assets to which proceeds have been allocated.

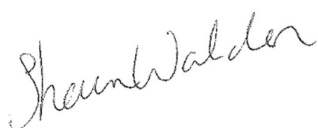
TD Bank Group also intends to provide, where possible, examples of Eligible Assets financed or refinanced by Sustainable Bonds issued under the Framework, as well as impact metrics per Eligible Category.

DNV GL can confirm TD Bank Group intends to produce appropriate allocation and impact reporting on the green and social impacts of its investments made under the Sustainable Bonds Framework and is in line with the requirements of the ICMA GBP, SBP and SBG.

On the basis of the information provided by TD Bank Group and the work undertaken, it is DNV GL's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles 2018, social bonds within the Social Bond Principles 2020 and sustainability bonds within the Sustainability Bond Guidelines 2018.

for DNV GL Business Assurance Services UK Limited

London, 12th August 2020



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About DNV GL

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,100 professionals are dedicated to helping customers make the world safer, smarter and greener.

1 SCHEDULE 1: CATEGORIES TO BE FINANCED THROUGH THE FRAMEWORK

Green Eligible Categories	Social Eligible Categories
<ul style="list-style-type: none">• Renewable Energy• Energy Efficiency• Pollution Prevention and Control• Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use• Clean Transportation• Sustainable Water and Wastewater Management• Green Buildings	<ul style="list-style-type: none">• Affordable Basic Infrastructure• Access to Essential Services: Healthcare• Access to Essential Services: Education• Affordable/Community Housing• Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing• Socioeconomic Advancement and Empowerment