

28th January, 1998



THE TORONTO-DOMINION BANK
NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR

THE TORONTO-DOMINION BANK

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of this Bank will be held in the Crystal Ballroom, The Palliser Hotel, 133-9th Ave. S.W., Calgary, Alberta, on Wednesday, the 28th day of January, 1998 at 10:30 a.m. for the purposes of:

- (a) receiving the financial statements for the year ended October 31, 1997, and the auditors' report thereon;
- (b) electing directors;
- (c) appointing auditors;
- (d) considering certain shareholder proposals attached as Schedule "A" to the accompanying Management Proxy Circular; and
- (e) transacting such other business as may properly be brought before this Meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete the enclosed form of proxy. Proxies must be returned to the Secretary of the Bank at least twenty-four hours prior to the Meeting. Details of the matters in this notice are contained in the accompanying Management Proxy Circular.

By Order of the Board
R. G. BUMSTEAD
Senior Vice President,
General Counsel and Secretary

Toronto, 15th December 1997.

MANAGEMENT PROXY CIRCULAR

AS OF NOVEMBER 17th, 1997 (unless otherwise noted)

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 28th, 1998

SOLICITATION OF PROXIES

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF THE TORONTO-DOMINION BANK (THE "BANK") OF PROXIES TO BE USED AT THE ANNUAL MEETING OF SHAREHOLDERS (THE "MEETING") OF THE BANK TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING ACCOMPANYING THIS MANAGEMENT PROXY CIRCULAR. THE SOLICITATION WILL BE PRIMARILY BY MAIL. THE RETURN OF PROXIES MAY ALSO BE SOLICITED BY REGULAR EMPLOYEES OF THE BANK AND ADP INDEPENDENT INVESTOR COMMUNICATIONS CORPORATION. THE COSTS OF THE SOLICITATION WILL BE BORNE BY THE BANK.

EXERCISE OF DISCRETION BY PROXY

Subject to the provisions of the Bank Act (Canada) the shares represented by properly executed proxies received by management will be voted by the persons named in the enclosed form of proxy or a duly appointed substitute in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF ANY DIRECTION TO THE CONTRARY, THE SHARES REPRESENTED BY PROXIES RECEIVED BY THE MANAGEMENT WILL BE VOTED ON ANY POLL FOR THE ELECTION OF THE NOMINEES FOR DIRECTORS AND FOR THE APPOINTMENT OF AUDITORS AND AGAINST THE SHAREHOLDER PROPOSALS ATTACHED AS SCHEDULE "A", ALL AS DESCRIBED IN THIS MANAGEMENT PROXY CIRCULAR. The enclosed form of proxy confers discretionary authority upon each person named therein to appoint a substitute proxyholder, to act with respect to matters not specifically mentioned in the Notice of Meeting, but which may properly come before the Meeting and to act with respect to amendments to or variations of matters identified in the Notice of Meeting. As at the date hereof, management knows of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended to vote on such other business in such manner as the person appointed as proxy then considers to be proper.

VOTING AND OWNERSHIP OF SHARES

As of the date hereof, the Bank has 296,946,199 common shares issued and outstanding. Holders of common shares in the capital of the Bank ("shareholders") registered on the books of the Bank as at the close of business December 12, 1997, the record date, are entitled to receive notice of the Meeting and are entitled to cast one vote for each share held except to the extent that the ownership of such shares has been transferred after December 12, 1997 and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns such shares and requests not later than 10 days before the Meeting that his name be included in the list of shareholders, in which case the transferee, subject to the Bank Act, shall be entitled to vote such shares. Every resolution that will be placed before the Meeting will be an ordinary resolution requiring a simple majority of the votes cast in respect of the resolution by holders of common shares for approval. Proxies are to be returned to the Bank's transfer agent, CIBC Mellon Trust Company, for counting and tabulation. The results of each vote are verified by the scrutineer of the Meeting. To the knowledge of the directors and officers of the Bank, no shareholder of the Bank beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all issued and paid up shares of the Bank.

CONFIDENTIALITY OF VOTING

In the ordinary course, proxies are not submitted to the management of the Bank unless they contain comments clearly intended for management or when legal requirements make it necessary. Shareholders wishing to maintain complete confidentiality of their holdings and their voting thereof may elect to register their shares in the name of a nominee.

APPOINTMENT AND REVOCATION OF PROXIES

The persons specified in the enclosed form of proxy are directors or officers of the Bank. EACH SHAREHOLDER HAS THE RIGHT TO APPOINT A PROXYHOLDER OR ONE OR MORE ALTERNATIVE PROXYHOLDERS TO ATTEND AND ACT AT THE MEETING OR ANY ADJOURNMENTS THEREOF IN THE PLACE OF THE PERSONS SPECIFIED IN THE ENCLOSED FORM OF PROXY. SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE NAMES OF THE SPECIFIED PERSONS AND INSERTING THE NAME OF THE SHAREHOLDER'S NOMINEE(S) IN THE SPACE

PROVIDED OR BY COMPLETING ANOTHER APPROPRIATE FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE FORM OF PROXY TO THE SECRETARY OF THE BANK AT LEAST TWENTY-FOUR HOURS PRECEDING THE MEETING. DELIVERY TO CIBC MELLON TRUST COMPANY AT 393 UNIVERSITY AVENUE, 5th FLOOR, TORONTO, WILL CONSTITUTE DELIVERY TO THE SECRETARY OF THE BANK.

A shareholder executing the enclosed form of proxy may revoke it by delivering an instrument of revocation in writing to the Secretary of the Bank at any time up to and including the last business day preceding the day of the Meeting or to the chairman of the Meeting.

VOTING RESTRICTIONS

Under the provisions of the Bank Act your right to vote Bank shares may be subject to certain restrictions. Common shares of the Bank may not be voted in person or by proxy if such shares are beneficially owned by the Government of Canada, a Province, the government of a foreign country or any political subdivision thereof, or any agency of any of the foregoing.

The foregoing is a summary only. If further information concerning the relevant sections of the Bank Act is required for your assistance, please forward your request to the Secretary.

ELECTION OF DIRECTORS

The persons named in the enclosed form of proxy intend to vote for the nominees listed below. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but should that occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director's term of office is until the next annual election of directors. As required by the Bank Act, the following table provides a summary of the record of attendance by directors at meetings of the Board and Committees of the Board during the twelve months ended October 31, 1997. During this period, the Board held 12 meetings. During the same period, Committees of the Board held 16 meetings, broken down as follows: Audit (4), Conduct Review (2), Corporate Governance (3), Executive (4), and Management Resources and Compensation Advisory (3). The table also sets forth for each director: age; municipality of residence; principal occupation and business; positions or offices with significant Bank subsidiaries, if any; approximate number of Bank shares beneficially owned, directly or indirectly, or over which control or direction is exercised; and the date each became a director of the Bank.



² M. Norman Anderson Vancouver, B.C.	Age	Director Since	Shares	Number of Meetings Attended	
	66	August 1979	21,000 Common	Board	Committees
				12	7
President, Norman Anderson & Associates Ltd. (management consultants).					



² A. Charles Baillie Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended	
	57	September 1994	64,052 Common	Board	Committees
				11	4
President and Chief Executive Officer of the Bank and Director of Waterhouse Investor Services, Inc.					



^{1,2} G. Montegu Black Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended	
	57	August 1978	3,150 Common	Board	Committees
				11	10
Chairman and President, Txibanguan Limited (holding company).					



William T. Brock Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	60	September 1996	40,032 Common	11 –

Deputy Chairman of the Bank, Officer of TD Securities Inc. and Director of Toronto Dominion (South East Asia) Limited.



André Chagnon Vaudreuil, Quebec	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	69	September 1989	5,763 Common	9 1

Chairman of the Board and Chief Executive Officer, Le Groupe Vidéotron ltée (diversified communications).



Marshall A. Cohen Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	62	February 1992	5,633 Common	8 2

Counsel, Cassels Brock & Blackwell (barristers and solicitors).



¹ Wendy K. Dobson Uxbridge, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	55	October 1990	3,000 Common	11 5

Professor and Director, Centre for International Business, Faculty of Management, University of Toronto.



¹ Marsha P. Hanen Winnipeg, Manitoba	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	61	September 1994	4,238 Common	11 6

President and Vice-Chancellor, The University of Winnipeg.



² The Honourable E. Leo Kolber Westmount, Quebec	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	68	July 1971	64,237 Common 153,600 Preferred	10 6

Member of the Senate of Canada.



Pierre H. Lessard Town of Mount-Royal, Quebec	Age	Director Since	Shares	Number of Meetings Attended Board Committees
	55	October 1997	3,000 Common	1 –

President and Chief Executive Officer, Métro-Richelieu Inc. (distributor of food products).



¹ Brian F. MacNeill Calgary, Alberta	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	58	August 1994	4,133 Common	11	6

President and Chief Executive Officer, IPL Energy Inc. (natural resource transportation).



² James A. Pattison West Vancouver, B.C.	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	69	August 1985	20,916 Common	11	5

Chairman, President and Chief Executive Officer, The Jim Pattison Group (management holding company).



¹ Roger Phillips Regina, Saskatchewan	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	57	February 1994	7,000 Common	12	6

President and Chief Executive Officer, IPSCO Inc. (steel manufacturing company).



² Robert J. Richardson North Bay, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	69	January 1973	30,000 Common	11	7

Corporate Director.



Edward S. Rogers Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	64	August 1989	10,640 Common	8	3

President and Chief Executive Officer, Rogers Communications Inc. (diversified communications).



¹ Helen K. Sinclair Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	46	June 1996	2,500 Common	11	6

Chief Executive Officer, BankWorks Trading Inc. (software and educational products).



² Donald R. Sobey Stellarton, N.S.	Age	Director Since	Shares	Number of Meetings Attended Board Committees	
	63	October 1992	193,628 Common	11	6

Chairman, Empire Company Limited (investment company).



Michael D. Sopko Oakville, Ontario	Age	Director Since	Shares	Number of Meetings Attended	
	58	August 1992	5,658 Common	Board	Committees
				10	2

Chairman and Chief Executive Officer, Inco Limited (primary metals and formed metal products).



John M. Thompson Greenwich, Connecticut	Age	Director Since	Shares	Number of Meetings Attended	
	55	August 1988	11,000 Common	Board	Committees
				9	3

Senior Vice President and Group Executive, IBM Corporation (information technology hardware, software and services).



² Richard M. Thomson Toronto, Ontario	Age	Director Since	Shares	Number of Meetings Attended	
	64	April 1971	151,501 Common	Board	Committees
				10	4

Chairman of the Bank.



¹ George W. Watson Calgary, Alberta	Age	Director Since	Shares	Number of Meetings Attended	
	50	November 1993	3,431 Common	Board	Committees
				10	5

President and Chief Executive Officer, TransCanada PipeLines Limited (natural resource transportation).

¹Member of Audit Committee

²Member of Executive Committee

(directors serve on Board committees on a rotating basis)

Mr. Pierre H. Lessard has been elected to the Board since the last annual meeting of shareholders. Except as herein disclosed, all directors standing for re-election have held their positions or other executive positions with the same or associated firms or organizations for the past five years. Mr. Marshall A. Cohen was President and Chief Executive Officer of The Molson Companies Limited from November 1988 to September 1996. Ms. Helen K. Sinclair was President of the Canadian Bankers' Association from October 1989 to May 1996. Mr. Philippe de Gaspé Beaubien, who has served as a director since August 1983, Dr. Gail Cook-Bennett, who has served as a director since August 1989, and Mr. Adam H. Zimmerman, who has served as a director since August 1982, will not be standing for re-election as directors at the Annual Meeting. During the twelve months ended October 31, 1997, Mr. Beaubien attended 8 board meetings and 5 committee meetings, Dr. Cook-Bennett attended 11 board meetings and 2 committee meetings, and Mr. Zimmerman attended 11 board meetings and 7 committee meetings. Mr. William L. Sauder, who did not stand for re-election at the last Annual Meeting, attended 2 board meetings and 1 committee meeting from November 1, 1996 to January 22, 1997. Mr. Donald R. Sobey was a director of the Bank from May 1978 to January 1992.

MATERIAL INTERESTS OF BANK'S DIRECTORS OR OFFICERS

None of the Bank's directors or officers, or the proposed management nominees for election as directors of the Bank, nor any associate or controlled corporation of such person had any direct or indirect material interest, since the beginning of the Bank's last completed financial year, in respect of any matter that has materially affected or will materially affect the Bank or any of its subsidiaries, except as arose from the transaction of regular banking services.

REMUNERATION OF DIRECTORS AND OFFICERS

The table below shows the aggregate remuneration paid by the Bank during its last completed financial year to its directors and those officers who received aggregate remuneration in excess of \$75,000.

STATEMENT OF DIRECTORS' AND OFFICERS' REMUNERATION FROM THE BANK AND ITS SUBSIDIARIES

NATURE OF REMUNERATION EARNED						
	Directors' fees	Salaries	Bonuses	Non- accountable expenses	Others	Total
1. REMUNERATION OF DIRECTORS						
(A) Number of directors: 22						
(B) Corporation incurring the expense:						
The Toronto-Dominion Bank	\$1,029,150	NIL	NIL	NIL	NIL	\$1,029,150
Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
2. REMUNERATION OF OFFICERS OVER \$75,000						
(A) Number of officers: 280						
(B) Corporation incurring the expense:						
The Toronto-Dominion Bank		\$40,609,042	NIL	NIL	NIL	\$40,609,042
Subsidiaries		NIL	NIL	NIL	NIL	NIL
TOTALS	\$1,029,150	\$40,609,042	NIL	NIL	NIL	\$41,638,192

STOCK OPTION AND OTHER PLANS

The Bank's Stock Option, Incentive Compensation and Long Term Incentive Plans are described in the Management Resources and Compensation Advisory Committee report, which follows at page 10. Certain officers of the Bank participate in each of these Plans. Options were issued under the Bank's Stock Option Plan on April 3, 1997 and allow the holder to purchase common shares of the Bank at an exercise price of \$34.90, which was the closing price on The Toronto Stock Exchange on April 2, 1997. The Bank's common shares traded in the range of \$34.25 to \$41.00 per share in the 30 days preceding the date options were issued. The options expire 10 years after issue and vest at the rate of 25% of the original award on each of the first four anniversaries of the grant date. As at October 31, 1996 and October 31, 1997, there were reserved for future issuance 9,859,600 and 7,517,725 common shares respectively in respect of the Bank's Stock Option Plan. The aggregate number of options issued under this plan to all officers who received in excess of \$75,000 in the last completed fiscal year in respect of the fiscal year was 1,945,900.

During fiscal year 1997, officers of the Bank, who received in excess of \$75,000 in that year exercised options to purchase 323,300 common shares of the Bank at a purchase price of \$16.375 per share, 230,375 common shares of the Bank at a purchase price of \$20.875 per share, 169,725 common shares of the Bank at a purchase price of \$20.250 per share and 82,275 common shares of the Bank at a purchase price of \$23.625. The ranges of common share trading prices on The Toronto Stock Exchange from October 1, 1996 to October 31, 1997 were as follows:

October 1, 1996 to December 31, 1996	\$27.650 to \$38.100
January 1, 1997 to March 31, 1997	\$34.100 to \$41.000
April 1, 1997 to June 30, 1997	\$34.250 to \$43.850
July 1, 1997 to September 30, 1997	\$40.200 to \$47.750
October 1, 1997 to October 31, 1997	\$45.400 to \$52.000

The aggregate of payments made under the Bank's Incentive Compensation Plan during the last completed fiscal year, and not previously reported, to all officers who received in excess of \$75,000 in the last completed fiscal year was NIL. The aggregate of payments approved by the Board and made under this plan on December 11, 1997 to all officers who received in excess of \$75,000 in the last completed fiscal year is \$21,632,000.

The aggregate of payments made under the Bank's Long Term Incentive Plan during the last completed fiscal year, and not previously reported, to all officers who received in excess of \$75,000 in the last completed fiscal year was NIL. The aggregate of payments proposed to be made under this plan in the future to all officers who received in excess of \$75,000 in the last completed fiscal year is \$52,334,000.

Certain officers of the Bank participate in the Bank's Performance Compensation Plan. Payments under this plan are dependent upon business unit performance, with payments to individuals in certain specialized functions reflecting the level of business unit performance. The aggregate of payments made under this plan in the last fiscal year to all officers who received in excess of \$75,000 in the last completed fiscal year was \$20,036,237.

Certain officers of the Bank participate in the Bank's Long Term Capital Plan. Participation Units may be made available for issuance to officers in certain specialized functions. Units vest three years after grant with the redemption value based on business unit performance. The aggregate of payments made under the Bank's Long Term Capital Plan during the last completed fiscal year, and not previously reported, to all officers who received in excess of \$75,000 in the last completed fiscal year was NIL. The aggregate of payments proposed to be made under this plan in the future to all officers who received in excess of \$75,000 in the last completed fiscal year is \$5,695,000.

Certain officers of the Bank participate in the Bank's contributory defined benefit pension plan (the "Pension Plan"). Pensions under the Pension Plan are based on pensionable service and the average annual pensionable earnings for the five year period immediately preceding retirement. In addition, the Bank has entered into supplementary retirement income agreements with certain officers pursuant to which each officer is entitled, upon retirement, to receive a benefit equal to the difference between the amount received by that officer under the Pension Plan and anticipated Canada Pension Plan/Quebec Pension Plan payments, and such amount as is equal to the greater of: 70 percent of that officer's average annual salary for the three year period immediately preceding retirement; or, 60 percent of that officer's average of the highest five consecutive years of the last ten years of salary and incentive compensation payments. It is impracticable to state the amounts that will be payable under these supplementary retirement income agreements as such amounts are dependent upon the future employment and salary levels of those officers and continue for the lifetime of those officers.

EMPLOYEE SAVINGS PLAN

The Bank has an Employee Savings Plan pursuant to which all eligible employees are permitted to contribute a percentage of their annual basic salary up to a maximum of 5% or \$2,200, whichever is less. Pursuant to this plan the Bank contributes, for the account of each participant, an amount equal to 50% of the participant's contribution to the plan. The contributions are held, invested, managed and distributed by a Trustee.

LOANS TO DIRECTORS AND OFFICERS

Loans to officers who are proposed management nominees for election as directors have been made by the Bank and its subsidiaries for the purposes of private investment, including the acquisition of Bank shares, housing and personal requirements. Such indebtedness during the year ended October 31, 1997 and at the date hereof was as follows:

	<i>High for year Ended October 31 1997</i>	<i>Average Rate per Annum</i>	<i>Balance as at November 17 1997</i>
A.C. Baillie	\$737,533	3.548%	\$720,571

SUMMARY COMPENSATION TABLE

<i>Name and Principal Position</i>	<i>Year</i>	<i>Annual Compensation</i>			<i>Long-Term Compensation</i>				
		<i>Fiscal Salary (\$)</i>	<i>Bonus (\$)</i>	<i>Other Annual Compensation¹ (\$)</i>	<i>Awards</i>		<i>Payouts</i>		<i>All Other Compensation³ (\$)</i>
					<i>Securities Under Options/SARs Granted (#)</i>	<i>Restricted Shares or Restricted Share Units² (\$)</i>	<i>LTIP Payouts (\$)</i>		
R.M. Thomson ⁴ Chairman	1997	\$697,041	\$ 275,000		75,000			\$1,002,193	
	1996	\$985,000	\$1,200,000		225,000			\$ 3,191	
	1995	\$950,863	\$1,200,000		170,000			\$ 3,191	
A.C. Baillie President and Chief Executive Officer	1997	\$762,192	\$1,090,000*	\$4,139	197,500			\$ 2,471	
	1996	\$601,503	\$ 800,000	\$5,386	125,000			\$ 2,106	
	1995	\$479,781	\$ 665,000	\$3,105	75,000			\$ 1,944	
W.T. Brock Deputy Chairman	1997	\$444,959	\$ 575,000*		90,500			\$ 1,442	
	1996	\$371,803	\$ 470,000		65,000			\$ 1,393	
	1995	\$355,370	\$ 375,000		46,000			\$ 1,199	
R.P. Kelly Vice Chairman	1997	\$360,000	\$ 445,000*	\$4,333	53,500			\$ 1,166	
	1996	\$318,083	\$ 360,000	\$5,237	40,000			\$ 1,166	
	1995	\$289,815	\$ 268,000	\$5,889	30,000			\$ 966	
S.R. McMorran Vice Chairman	1997	\$380,000	\$ 395,000*	\$ 499	53,500			\$ 1,231	
	1996	\$370,301	\$ 380,000	\$ 568	65,000			\$ 1,231	
	1995	\$350,329	\$ 375,000	\$1,657	46,000			\$ 1,199	

¹ The value of perquisites and benefits for each Named Executive Officer is less than the lesser of \$50,000 and 10% of total annual salary and bonus. The amounts quoted in this column represent the taxable benefits on reduced rate loans.

² The aggregate holdings and value of restricted share units on October 31, 1997, are as follows:

	<i># Units</i>	<i>Value on October 31, 1996 as Previously Reported</i>	<i>Value on October 31, 1997</i>
R.P. Kelly	5,000	\$135,300	\$224,150

Dividend equivalents are not paid on these units. Units are redeemed on the fifth anniversary. This represents an award granted in 1993.

³ All figures in this column reflect premiums and applicable provincial sales taxes paid by the Bank for term life insurance for each officer except Mr. Thomson. Mr. Thomson's figures represent term life insurance premiums and applicable provincial sales taxes paid by the Bank, plus a retiring allowance.

⁴ Mr. Thomson served as Chief Executive Officer until January 31, 1997. Mr. Baillie was appointed Chief Executive Officer on February 1, 1997.

* Awarded December 11, 1997.

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

<i>Name</i>	<i>Securities Under Options/SARs Granted</i>	<i>% of Total Options/SARs Granted to Employees in 1997</i>	<i>Exercise or Base Price (\$/Security)</i>	<i>Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)</i>	<i>Expiration Date</i>
R.M. Thomson	75,000	3.0%	\$34.900	\$34.900	April 3, 2004
A.C. Baillie	197,500	8.0%	\$34.900	\$34.900	April 3, 2007
W.T. Brock	90,500	3.7%	\$34.900	\$34.900	April 3, 2007
R.P. Kelly	53,500	2.2%	\$34.900	\$34.900	April 3, 2007
S.R. McMorran	53,500	2.2%	\$34.900	\$34.900	April 3, 2007

Option awards for fiscal 1997 were granted for The Toronto-Dominion Bank common shares. The first 25% of the award becomes exercisable after one year, the second 25% after two years, the third 25% after three years, and the final 25% after four years.

AGGREGATED OPTIONS/SAR EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR
AND FINANCIAL YEAR-END OPTION/SAR VALUES

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at FY-End ¹ (#)		Value of Unexercised in-the-Money Options/SARs at FY-End ² (\$)	
			Exercisable/Unexercisable	Exercisable/Unexercisable	Exercisable/Unexercisable	Exercisable/Unexercisable
R.M. Thomson	0	\$0	1,088,750	371,250	\$30,389,219	\$9,962,406
A.C. Baillie	45,000	\$ 820,125	313,250	342,250	\$ 9,251,369	\$7,528,431
W.T. Brock	45,000	\$ 778,500	224,750	173,750	\$ 6,764,944	\$3,958,206
R.P. Kelly	16,000	\$ 291,600	139,500	106,000	\$ 4,184,178	\$2,438,688
S.R. McMorran	45,000	\$ 778,500	224,750	136,750	\$ 6,764,944	\$3,338,456

¹ Options issued in 1993 through 1997 and Phantom Stock Options issued in 1989 through 1992.

² Closing price of TD common shares on the TSE on October 31, 1997 was \$51.65.

PENSION PLAN TABLE

Base Salary (\$)	Years of Service				
	15	20	25	30	35
\$ 300,000	\$ 86,607	\$114,943	\$143,679	\$172,414	\$201,150
\$ 400,000	\$116,607	\$154,943	\$193,679	\$232,414	\$271,150
\$ 500,000	\$146,607	\$194,943	\$243,679	\$292,414	\$341,150
\$ 600,000	\$176,607	\$234,943	\$293,679	\$352,414	\$411,150
\$ 700,000	\$206,607	\$274,943	\$343,679	\$412,414	\$481,150
\$ 800,000	\$236,607	\$314,943	\$393,679	\$472,414	\$551,150
\$ 900,000	\$266,607	\$354,943	\$443,679	\$532,414	\$621,150
\$1,000,000	\$296,607	\$394,943	\$493,679	\$592,414	\$691,150
\$1,100,000	\$326,607	\$434,943	\$543,679	\$652,414	\$761,150
\$1,200,000	\$356,607	\$474,943	\$593,679	\$712,414	\$831,150

This table reflects the standard annual benefits payable to certain officers of the Bank, including the Named Executive Officers, at age 63 for the various salary/service combinations shown. The pension is based on 2% per year of service (to a maximum of 35 years) of the average of the final three years' salary minus an adjustment for Canada or Quebec Pension Plan benefits. These amounts include benefits payable from the Bank's Pension Fund Society but do not include payments from Canada or Quebec Pension Plans. These benefits are reduced for retirement earlier than age 62.

The maximum annual benefit will be the greater of: 60% of the average of the highest five consecutive years of the last 10 years of salary and Incentive Compensation payments; or, 70% of the average of the final three years of salary.

Messrs. Thomson, Baillie, Brock and McMorran will have attained the maximum years of credited service at age 63. Mr. Kelly's pension will be based on 32.9 years of service with the Bank at age 63.

These retirement benefits are payable for life. Upon death, reduced payments continue to the surviving spouse.

COMPOSITION OF THE MANAGEMENT RESOURCES AND COMPENSATION ADVISORY COMMITTEE

The following individuals served as the members of this Committee for all or part of the fiscal year which ended on October 31, 1997. None are officers, employees, or former officers or employees of the Bank or any of its subsidiaries.

M.N. Anderson	J.A. Pattison
P. de G. Beaubien	W.L. Sauder
G. Cook-Bennett	D.R. Sobey, Chairman
E.L. Kolber	J.M. Thompson

MANAGEMENT RESOURCES AND COMPENSATION ADVISORY COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Oversight responsibility for the Bank's executive compensation program has been delegated by the Board to the Management Resources and Compensation Advisory Committee (the "Committee"), comprised of seven non-employee members of the Board. As part of its mandate, the Committee advises the Board on the appointment and remuneration of the Bank's senior officers, including the executive officers named on the Summary Compensation Table, (the "Named Executive

Officers”). The Committee is also responsible for reviewing the design and competitiveness of the Bank’s compensation programs generally and approving the compensation budgets for all Bank employees. The Committee met three times in fiscal 1997.

Executive Compensation Strategy and Competitive Positioning

The Bank’s executive compensation program has three components, including base salary, annual incentive compensation paid in cash, and long term, equity-based incentive compensation. Together these components form a comprehensive strategy for achieving the following objectives with respect to the Bank’s senior officers, including the Named Executive Officers:

1. attract and retain highly qualified management;
2. motivate performance by linking incentive compensation to the achievement of business objectives and financial performance;
3. align management and shareholder interests; and
4. encourage retention of key resources for the succession of Bank management.

The total compensation mix is structured to place a significant portion of the executives’ compensation at risk, based on individual performance, and business unit and Bank performance as well as market practice.

The Committee references competitive data provided by outside consultants to assist in determining the level and mix of executive compensation. This year, the Committee reviewed the practices for the other five major Canadian banks, the Royal Bank of Canada, Bank of Montreal, Canadian Imperial Bank of Commerce, Bank of Nova Scotia and National Bank of Canada, as the primary comparator group. As a secondary reference group, the Committee considered the practices of large Canadian companies from non-bank industries as well as U.S. banks.

Salary

The Committee and the Board approve the salary programs for all levels of Bank employees, based on competitive industry data for the markets in which the Bank operates. The Committee references data provided by independent consultants to determine appropriate salary ranges for the Named Executive Officers. Salary increases to the senior officers in fiscal 1997 were consistent with the base salary programs approved by the Board for all Bank employees.

Annual Incentives

The Bank provides annual incentive compensation to senior officers, including the Named Executive Officers, through the Incentive Compensation Plan (“ICP”). The aggregate level of ICP awards paid to all senior officers in each fiscal year is determined based on performance standards established by the Committee and approved by the Board at the beginning of the fiscal year.

Annual ICP awards are based on Bank, business unit and individual performance. The performance measures used to determine the aggregate level of ICP awards have been redefined to support the Bank’s business strategy.

A threshold level of Return on Equity (“ROE”) must be achieved to qualify for payment of ICP awards under the Plan based on Bank performance. This feature ensures that shareholders receive an adequate level of return before management is rewarded. Each year a threshold level of ROE to be achieved in the following fiscal year is established based on a risk-free rate of return, currently equivalent to a Government of Canada medium term bond yield, plus a risk premium.

The aggregate level of ICP awards to be paid is based on the Bank’s Net Income available to common shareholders (“Net Income”) and is adjusted for performance compared to the primary reference group of banks and for business unit performance.

The Committee uses these ROE and Net Income guidelines to determine the general level of ICP awards, but may adjust the level of ICP awards to be allocated for the fiscal year based on its judgement of Bank performance relative to economic conditions and the primary comparator group performance. Individual awards are adjusted to reflect individual and business unit performance.

Long Term Compensation

Stock Option Plan

The Stock Option Plan was implemented in 1993. It is designed to align executive and shareholder interests and focus executives on long term value creation. Options may be exercised at the closing market price on the trading day prior to the date of grant and the executives' compensation is linked directly to the appreciation in the price of the Bank's common shares. The options become exercisable over four years and expire after ten years.

The Bank's stock option grant guidelines are set to align with competitive grant practices. Data provided by external consultants on competitive market practices for award sizes is reviewed for the financial services industry and a broader industrial group. The Committee also considers the terms and total number of options and phantom stock options issued in the past. Although the Committee has not established specific life-time maximums for individuals, it considers the current inventory of options when determining whether to issue additional option grants to any officer.

Long Term Incentive Plan

Prior to the introduction of the Stock Option Plan, the Bank provided equity-based compensation to selected officers under the Long Term Incentive Plan ("LTIP"), which has two components. The first component under this Plan provides for Stock Appreciation Rights, which were similar to the Bank's stock options, whereby phantom stock options were issued at a market price and were redeemed for the appreciation in value four to eight years after issuance. These phantom stock options have been discontinued where stock options can be issued but may be issued in locations outside of Canada where the Bank cannot issue stock options.

The second LTIP component provides for Restricted Share Units. These Units are issued at a base price of zero and are redeemed at market price three or five years after issuance. Units are granted to selected high potential officers for retention and succession planning purposes.

Executive Stock Ownership Requirements

The Bank has introduced stock ownership requirements for the executive officers, including the Named Executive Officers, which further align management and shareholder interests. These minimum stock holding requirements are proportionate to the executive's compensation and position in the Bank. Bank common share holdings representing a multiple of three times base salary are required for the CEO; two times base salary for the Deputy Chairman and Vice Chairmen; and one times base salary for the Executive Vice Presidents. Stock ownership by the executives, including the Named Executive Officers, met these requirements at fiscal year end.

CEO's Compensation and Corporate Performance

Mr. Baillie succeeded Mr. Thomson as CEO on February 1, 1997, following which Mr. Thomson has held the office of non-executive Chairman of the Board. The Committee's report on CEO compensation outlines total compensation for both Messrs. Thomson and Baillie in their capacity as CEO.

Mr. Thomson's total compensation for fiscal year 1997 reflected his remuneration for service as CEO and Chairman. Base salary as CEO was pro-rated based on the 1996 base salary level. The ICP award as CEO was pro-rated based on a maximum award level. His grant of an option to purchase 75,000 TD common shares reflected this change in accountabilities and recognized his performance.

The Committee evaluates the performance of the CEO each year. This review covers accountabilities such as leadership, the Bank's financial performance, strategy, management development and succession, employee relations, risk, customer service and quality, and communication. Based on this review, the Committee determines changes to the CEO's compensation.

Mr. Baillie's base salary was increased in 1997 to recognize his appointment as CEO and to provide a competitive market position. Mr. Baillie's ICP award is based on Bank performance relative to goals established for the fiscal year and comparative performance. The Board retains full discretion over the award granted.

In fiscal 1997, the Bank met the ROE qualifying threshold and based on Net Income performance Mr. Baillie received an award of 121% of salary.*

* Includes award made on December 11, 1997.

Equity-based compensation is provided under the Bank's Stock Option Plan. Mr. Baillie's 1997 grant of an option to purchase 197,500 TD common shares is competitive with grants made by the primary comparator group of Canadian banks and other reference companies. This award level is appropriate for his level of responsibility and, in conjunction with the annual incentive award, ensures that Mr. Baillie's compensation is aligned with TD's objectives and is reflective of performance.

Report Presented By

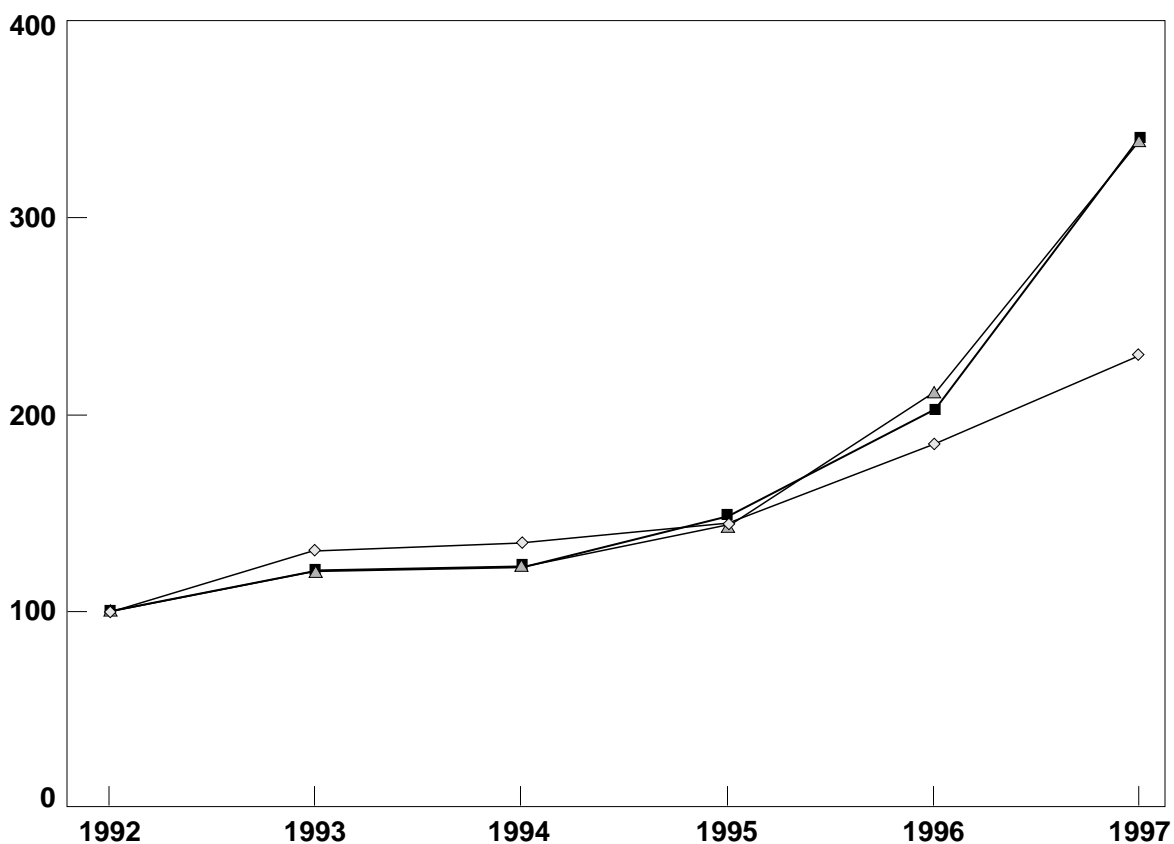
M.N. Anderson
 P. de G. Beaubien
 G. Cook-Bennett
 E.L. Kolber

J.A. Pattison
 D.R. Sobey, Chairman
 J.M. Thompson

FIVE YEAR TOTAL SHAREHOLDER RETURN COMPARISON

The following graph assumes that \$100 was invested on October 31, 1992 in the Bank's common stock, the TSE 300 Composite Index and the TSE Banks and Trusts Sub-group Index (formerly the TSE Banks Sub-group Index), respectively.

CUMULATIVE VALUE OF A \$100 INVESTMENT ASSUMING REINVESTMENT OF DIVIDENDS



	Oct. 31, 1992	Oct. 31, 1993	Oct. 31, 1994	Oct. 31, 1995	Oct. 31, 1996	Oct. 31, 1997
■ TD BANK	100	122	122	148	203	343
◇ TSE 300	100	131	136	144	185	230
△ TSE BANKS AND TRUSTS	100	120	123	143	212	341

COMPENSATION OF DIRECTORS

Each director who is not an employee of the Bank is entitled to be paid \$23,000 per annum for services as a director. Each director who is not an employee is entitled to \$3,000 per annum for services as a member of the Audit, Conduct Review, Corporate Governance, Executive, and Management Resources and Compensation Advisory Committees of the Board, excluding the Chairmen of those Committees. The Chairman of each of the Audit, Corporate Governance and the Management Resources and Compensation Advisory Committee is entitled to receive \$12,500 per annum for services in that capacity. In all cases, directors who are not employees are entitled to an attendance fee and the reimbursement of their expenses for each board and committee meeting. Attendance fees are: \$1,000 for a board meeting and \$900 for committee meetings held on a board meeting day. Directors based outside the province in which a board or committee meeting is held receive double attendance fees for board meetings and for committee meetings held on a day when the Board is not meeting. Fees for telephone meetings are \$1,000 for board meetings and \$900 for committee meetings regardless of where the director is based and regardless of when the meeting is held.

TABLE OF INDEBTEDNESS UNDER SECURITIES PURCHASE PROGRAMS

The aggregate indebtedness to the Bank and its subsidiaries as at October 31, 1997 of all officers, directors, and employees entered into in connection with a purchase of securities of the Bank or any of its subsidiaries, excluding routine indebtedness, was \$351,135.

<i>Name and Principal Position</i>	<i>Involvement of Bank or Subsidiary</i>	<i>Largest Amount Outstanding During Fiscal 1997 (\$)</i>	<i>Amount Outstanding as at October 31, 1997 (\$)</i>	<i>Financial Assisted Securities Purchased During Fiscal 1997</i>
G.J. O'Mahoney Senior Vice President	Loan from Bank	\$351,135	\$351,135 ¹	10,000

¹ Demand Loan at a floating interest rate of Prime minus 2% with a 10 year term and amortization for the purchase of The Toronto-Dominion Bank common shares, which shares are held as evidence of good faith.

TABLE OF INDEBTEDNESS OTHER THAN UNDER SECURITIES PURCHASE PROGRAMS

The aggregate indebtedness to the Bank and its subsidiaries as at October 31, 1997 of all officers, directors, and employees not entered into in connection with a purchase of securities of the Bank or any of its subsidiaries, excluding routine indebtedness, was \$552,668.

<i>Name and Principal Position</i>	<i>Involvement of Bank or Subsidiary</i>	<i>Largest Amount Outstanding During Fiscal 1997 (\$)</i>	<i>Amount Outstanding as at October 31, 1997 (\$)</i>
P.A.E. Bethlenfalvy Senior Vice President	Loan from Bank	\$397,247 U.S. \$498,238	\$133,950 ¹ U.S. \$297,533 ^{2*}

¹ Mortgage secured Demand Loan with interest fixed at 5.75% and a one year term.

² US Dollar residential mortgage with interest at 6% and a 24 year term.

* Oct. 31, 1997 rate of exchange to Cdn. \$1.4073.

APPOINTMENT OF AUDITORS

The firms and/or members of Ernst & Young, KPMG and Price Waterhouse have held appointments in accordance with the Bank Act as auditors of the Bank during the five financial years ended October 31, 1997. Unless authority to do so is withheld, the persons named in the enclosed Appointment of Proxy intend to vote to appoint Ernst & Young and Price Waterhouse, or in the event that a proposed firm merges with some other firm, the firm created by that merger, to be auditors to hold office until the close of the next annual meeting of shareholders of the Bank.

SHAREHOLDER PROPOSALS

Attached to this Management Proxy Circular as Schedule "A" are certain shareholder proposals which have been submitted for consideration at the Meeting.

GENERAL MATTERS

The Bank has no matter, other than matters described in the Notice, which it intends to place before the holders of shares of the Bank to be voted upon at the Meeting.

We would be pleased to have you attend the Meeting. However, if your shares may be properly voted and you do not intend to be present at the Meeting, you are requested to fill in, sign and return the accompanying Appointment of Proxy in the enclosed envelope at your earliest convenience.

The Bank's Annual Report containing the 142nd Annual Statement of the Bank for the financial year ended October 31, 1997 is being mailed to shareholders with this Notice and Management Proxy Circular.

DIRECTORS' APPROVAL

The Board of Directors of the Bank has approved the contents of this Management Proxy Circular and its sending to the shareholders.

R. G. Bumstead
Secretary

SCHEDULE "A"

SHAREHOLDER PROPOSALS

The following proposals have been made by holders of shares of the Bank for consideration at the Annual Meeting of Common Shareholders. Proposal numbers 1 through 9 have been submitted by Mr. Yves Michaud, of 4765 Meridian Avenue, Montreal, Quebec H3W 2C3 and have been translated into English from French by the Bank. Proposal number 10 was submitted by Ms. Nuala D. Freund, of 153 Wilfred Avenue, Kitchener, Ontario N2A 1X2. Proposal number 11 was submitted by Mr. J. Robert Verdun, of 15 King Street, Elmira, Ontario N3B 2R1. Management opposes these proposals for the reasons set out after each of them.

PROPOSAL NO. 1

"Chairmanship of the Board of Directors"

"It is proposed that the Chairman of the Board be appointed from among the Board members who are not on staff at the Bank."

Statement by Shareholder:

"This proposal is in keeping with the recommendations made by the Pension Investment Association of Canada (PIAC), the Kirby Senate Report on Banking, Trade and Commerce, Fairvest Securities Corporation, the Caisse de depot et placement du Quebec, and the Toronto Stock Exchange Committee (Dey Report), whereby the board of directors must assess the performance of a corporation's senior management with full independence. This is not the case when the president and chief operating officer who also holds the position of chair of the board is required to assess his/her own performance and that of his/her main colleagues. To avoid apparent or actual conflict of interest, "the means for implementing this guideline is for the board to appoint a strong non-executive chair of the board whose principal responsibility is managing the board of directors."

THE BOARD OF DIRECTORS RECOMMENDS VOTING AGAINST THIS PROPOSAL FOR THE FOLLOWING REASONS:

The Board feels that the approach to be taken with respect to appointing a Chairman should always be a function of the circumstances, the Bank's strategies and the experience of the people in place. While for the past year the Board has believed it appropriate to separate the role of the Chairman of the board from that of the Chief Executive Officer for succession purposes, the Board is of the opinion that it is generally in the Bank's best interest to combine these two functions.

Combining these two functions is consistent with general practice within the banking industry in North America and results in the Chairman of the board having a more detailed knowledge of the business and activities of the Bank than would be possible in the case of a non-executive Chairman.

While Mr. Michaud quotes an excerpt from The Toronto Stock Exchange Committee on Corporate Governance in Canada report ("Dey Report") which indicates that separation of the roles of the CEO and the Chairman would assist the board to function independently of management, the report goes on to "recognize that other means are also available to achieve this objective" (p. 41, Dey Report). Board independence is ensured for the Bank through the corporate governance process which is managed by the Board and the Board's Corporate Governance Committee. In accordance with the Bank's corporate governance policies and as provided by guidelines pronounced in the Dey Report, the Board, committees and individual directors can retain independent advisors for any matter relating to the Bank, and the Board and committees can meet in the absence of management at their discretion. No bank officers may be appointed to the Audit, Conduct Review, Corporate Governance, or Management Resources and Compensation Advisory Committees.

Finally, the Dey Report does not contain any formal recommendation on the question of who may be appointed Chairman.

PROPOSAL NO. 2

“Ineligibility of Service Providers”

“It is proposed that a person who is “related” to the Bank as a provider of services not be eligible to become a member of the board”.

Statement by Shareholder:

“Page 24 (articles 5.9 and 5.10) of the report issued by the Toronto Stock Exchange Committee deals with the independence of board members vis-a-vis management. According to the report, the board should be constituted so that it can bring judgment independent of the particular interest at issue - in all circumstances. An example is “the director who provides services to the company, for example legal or financial services. He or she would generally not be regarded as an unrelated director because the dependence of the advisor/director upon management of the company as a client could, or could be perceived to, interfere with the director’s ability to objectively assess the performance of management”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

The adoption of an arbitrary rule which excludes all service providers would deprive shareholders of the ability to select directors with business and professional expertise who have contributed to the Bank’s success specifically through their extensive knowledge of the Bank’s business as well as their professional training and experience.

The *Bank Act* clearly contemplates that directors may provide services to the Bank and contains specific provisions governing that relationship. For example, the *Bank Act* requires that any services provided by a director to the Bank can only be provided on terms and conditions at least as favourable to the Bank as market terms and conditions.

The directors are elected to exercise their independent judgment on all issues concerning the Bank. At least two-thirds of all directors are unaffiliated with and unrelated to the Bank. The determination of each director’s status is made in accordance with the *Bank Act* affiliation rules and by reviewing whether the size and importance of the business or other relationship of the director and the director’s spouse with the Bank reasonably give rise to the perception of a lack of independence for the director. Furthermore, the *Bank Act* requires a director who is a party to a material contract to disclose his or her interest and to be absent from the meeting of directors during the discussion of and voting on a resolution to approve such a material contract.

PROPOSAL NO. 3

“Executive Compensation”

“It is proposed that the overall compensation paid to the highest-ranking bank official, including annual salary, bonuses, incentives, payments under long-term incentive programs and any other form of compensation, not exceed twenty (20) times the average salary, including fringe benefits, earned by bank employees”.

Statement by Shareholder:

“In the executive compensation guidelines it issued in March 1997, the CAISSE DE DEPOT ET PLACEMENT DU QUEBEC, which ranks first among institutional investors in Canada with over \$60 billion in assets, recommended that “the Board show moderation and increased restraint, while keeping the corporation competitive” (sic). An international study conducted by Towers Perrin in 1995 gave the following results with respect to the multiple suggested above: Sweden and Japan: 9; Switzerland: 10; Germany: 11; the Netherlands: 12; Belgium and Canada: 13; France: 16; Italy: 17; Australia: 18; U.S.: 24.

In the June 1996 issue of the magazine Affaires Plus, Stephen A. Jarislowsky, who sits on the board of directors of numerous Canadian companies, stated: “(translation) Although it is important for competent staff to be well paid, basic salaries are all too often too high, bonuses are excessive, purchase options outrageous and the loans granted for share purchases ridiculous; not to mention that such loans should carry interest charges.” Added Jarislowsky, “excessive compensation is disgraceful and reflects greed more than it does management skills”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

The Bank must offer competitive compensation in order to serve the interest of shareholders by attracting and retaining highly qualified and motivated executives. The Bank’s compensation policy is based on establishing a link between remuneration for executives and the achievement of the Bank’s business objectives and financial performance.

The Board delegates the responsibility of reviewing overall compensation policies and recommending compensation for senior executives to the Management Resources Compensation and Advisory Committee of the Board. The Committee is comprised of 7 non-management board members. This Committee uses data provided by independent consultants to determine competitive and appropriate salary ranges for senior officers. The Board believes the relevant factors to consider in setting executive compensation levels are appropriate for the Bank's scope and complexity of operations, market practices, financial performance, and returns generated for shareholders.

PROPOSAL NO. 4

“Loan Program for Executives”

“It is proposed that the loan program for directors, executive officers and senior officers, other than under securities purchase programs, be terminated on December 31, 1998.

Statement by Shareholder:

“This type of program includes loans at one-third or one-half of the prime lending rate, depending on the institution in question, for the purchase of residential properties or personal borrowings. This practice, which benefits executive officers who are already amply compensated under other programs, is clearly abusive. Royal Bank of Canada terminated its program on December 6, 1995. Since the comparison market is often invoked with respect to the compensation of bank officers to justify exorbitant salaries, and given the step taken by the country's largest bank, the other banking institutions might be expected to follow suit”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING AGAINST THIS PROPOSAL FOR THE FOLLOWING REASONS:

As part of its compensation policy, the Bank offers all its employees, including officers, modest product discounts on personal loans and loans secured by a mortgage. This is consistent with general practice within the banking industry in North America and is analogous to product discounts available to employees in a wide array of other industries. The cost to the Bank is insignificant and the benefit is taxable on a personal basis.

The Bank encourages employees to establish a banking relationship with it and employees are valued customers of the Bank. In the Board's opinion, this component of the Bank's compensation policy should be maintained as it fosters greater loyalty among employees and officers alike.

PROPOSAL NO. 5

“Proposals under Section 189 and 168 of the Act respecting banks and banking”

“It is proposed that recommendation no. 12, which was issued by the Caisse de depot et placement du Quebec in March 1997 and stipulates that the proxy addressed to the shareholders should “allow a separate vote for each person proposed” to serve as director, be incorporated in the by-laws of the bank.

Statement by Shareholder:

“Except at the Laurentian Bank, shareholders, whether or not they designate a proxyholder to act on their behalf at the general meeting, can vote directly on the proxy form for the election of directors. However, they can either vote for all the directors proposed by the bank or “abstain”. The current proposal is designed to change this practice so that shareholders can vote separately for each director on the proxy form”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING AGAINST THIS PROPOSAL FOR THE FOLLOWING REASONS:

The shareholder has not expressed any arguments in favour of changing the present proxy structure. Through the Corporate Governance Committee, the performance of each director is evaluated annually and a detailed examination is made of each person proposed for nomination in the proxy circular. The directors are well positioned to assess the skills, qualifications and appropriateness of the list of nominee directors presented.

The present system of voting for directors has served the Bank and its shareholders well, is an effective method of electing the Board at the annual meeting, and therefore should be retained.

PROPOSAL NO. 6

Number of Directors

“Number of Bank Directors is set at twenty-four (24)”.

Statement by Shareholder:

“This proposal must be adopted in order to apply the cumulative voting provisions of subsection 168(1)(a) of the Bank Act, which stipulates that “there shall be a stated number of directors fixed by by-law and not a minimum and maximum number of directors”. The number “24” is based on the Report of the Toronto Stock Exchange Committee on Corporate Governance in Canada (1994; page 31, 5.41): “The effectiveness of a board of this size has been debated within the Committee. There is a general view within the Committee that as the number of directors on a board increases beyond a particular threshold (approximately 20), the effectiveness of the board decreases. The public wonders how any group of 30 individuals functioning within time constraints can make effective decisions” (sic).

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

Each year the Board considers its requirements and those of the Bank in determining the number of directors to be elected at the Bank’s annual meeting of shareholders. The Board does not feel that it should be restricted by an arbitrary number in determining these needs. The Dey Report does not recommend that any corporations set their board sizes at exactly 24 directors. The Dey Report states: “we do not think there is any one number (of directors) that suits all circumstances. Each board must be constituted to deal effectively with the circumstances of the corporation” (1994; page 31, 5.38).

PROPOSAL NO. 7

Cumulative Voting for the Election of Directors

“It is proposed that the by-laws, in keeping with Section 168 of the Bank Act, provide for cumulative voting for the election of directors”.

Statement by Shareholder:

“In accordance with cumulative voting, as provided for and explained in section 168 of the Bank Act, minority shareholders can take part in the election of directors. This provision makes it possible for a maximum of one or two candidates, other than those selected by the Bank, to sit on the board. Through cumulative voting, the law aims to weaken practices that are contrary to corporate governance principles such as slates of candidates proposed by the chief executive officer or chair that could promote co-optive “friendships” and the return of favours, and could turn boards into rubber stamp operations with respect to management decisions”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

Currently, the Board of the Bank (and many other large public corporations) is elected by plurality of shares represented and voted at the annual meeting. Shareholders, who are entitled to one vote per share, may cast their votes in favour of, or withhold their votes from, each director nominee. Director candidates listed in the proxy circular are selected for nomination by the Board’s Corporate Governance Committee, comprised of directors, all of whom are presently neither affiliated nor related, and approved by the Board, a majority of whose members are neither affiliated nor related. This is the fairest method of selecting directors who will represent all shareholders equally. Cumulative voting, on the other hand, would permit relatively small groups of shareholders to elect directors to represent their special interests or points of view. Special interest directors may tend to focus on their own special interests and not work together with other board members for the maximum benefit of all shareholders. Cumulative voting introduces the possibility of partisanship among board members, which could inject an adversarial element in the Board’s deliberative process and would likely impair the directors’ ability to work together as a team in support of the best interests of all shareholders.

The Board believes that each director should feel a responsibility to represent all shareholders and not just a special constituency of shareholders with their related special interests. Accordingly the Board is of the view that cumulative voting in the election of directors is not in the best interests of the Bank or its shareholders.

PROPOSAL NO. 8

“Adopting a code of procedure for general meetings of shareholders”

(The Shareholder proposes) “Adopting a code of procedure for general meetings of shareholders.”

Statement by Shareholder:

“In Michaud v. National Bank of Canada and Royal Bank of Canada (Jurisprudence Express, 96-245, Quebec Superior Court), a decision that was sustained on appeal, the Court concluded “(translation) that the legislator wanted the annual meeting to be for the shareholders and not for the executives or directors”. Shareholders are therefore not subject to arbitrary decisions made by the chair of a meeting, and their comments and proposals should be given proper attention. A code of procedure should give shareholders reasonable time (seven to ten minutes) to discuss each proposal being submitted, and should allow sufficient time (five minutes) for anyone to state his/her objections. As well, annual meetings should not be adjourned until all questions from shareholders have been heard and discussed”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

The Bank adheres to common law principles applicable to procedures for general meetings of shareholders as well as all regulatory requirements. The Board believes that it is important to allow the Chairman to exercise his or her discretion to ensure the orderly conduct of business and to maintain the integrity of the meeting as a forum for all shareholders. Conduct of any particular meeting must be in the discretion of the Chairman as each meeting will present particular circumstances and logistical issues which will require the Chairman’s ability to adjust proceedings to ensure the meeting is conducted in a fair and proper manner. Creation of a strictly codified procedure for meetings would lead to unproductive technical interpretations and arguments and could lead to the inappropriate consequence of special interest groups usurping the business of the meeting for purposes other than the fair conduct of business at the meeting. This would be contrary to the interests of the Bank and all other shareholders.

PROPOSAL NO. 9

“Appointment of an Ombudsman other than Bank staff and retirees”

“It is proposed that the position of Ombudsman be held by a person who is not or has not been a bank employee”

Statement by Shareholder:

“As in matters of law, justice must not only be rendered, but must also be perceived to be rendered. This elementary principle is designed to ensure that there is no appearance of conflict of interest between the person who makes the decision and the person who is the focus of the decision. Appointing a bank employee or retiree to the position of Ombudsman might create a climate of mistrust in light of the close relations that could exist between the Ombudsman and his/her current or former employer”.

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

TD’s Ombudsman is an integral part of the Bank’s dispute resolution process. The position must have detailed knowledge of and experience with the Bank’s policies, procedures and structure in order to effectively perform the function.

The structure of the position insures its independence and the preservation of the principle of fairness, both in perception and reality. For example, the position reports directly to the Chairman of the Bank and has no accountability or attachment to the management or personnel of any of the Domestic Divisions or business units within the Bank.

If customers continue to perceive a conflict of interest, or believe that they have been dealt with in a manner other than one of complete impartiality and fairness, they have the ability to appeal decisions to the Canadian Banking Ombudsman, staffed by an individual who is not an ex-Bank employee.

PROPOSAL NO. 10

Increase Number of Women Nominated for Election as Directors

“RESOLVED that the shareholders represented by proxy and/or assembled in person recommend to the Board of Directors that the Bylaws and/or Governance Policies of The Toronto-Dominion Bank be amended to systemically (sic) increase the number of women nominated for election to the Board of Directors. An interim goal shall be to have women constituting one-third of the nominated candidates for the Board of Directors at the annual meeting that takes place in the year 2000.

The search for additional female candidates shall include a variety of methods, including open invitation via the annual report and quarterly statements, asking female shareholders to express their interest in serving on the Board of Directors, as well as asking all shareholders to suggest worthy candidates for consideration by the Board’s Nominating Committee.

This Proposal relates only to the Nomination of candidates and is not intended to set quotas, nor is this Proposal to be interpreted as a mandate for affirmative action of a restrictive nature. The number of candidates nominated can obviously exceed the number of seats available, in which case it shall be a matter for the shareholders to determine which candidates can best represent them, regardless of the candidates’ sex”.

Statement by Shareholder:

“Women play many important roles in today’s economy, from managing the household budgets and investment portfolios, to successfully launching an increasing proportion of enterprises. Women in the workplace are essential to the success of every business. Women generally have different viewpoints and priorities on financial matters, so their advice and counsel as Directors of the Bank can greatly increase shareholder value.

In the interests of all shareholders, the Bank needs to have the widest possible base of representation on the Board of Directors, and an open search for more female candidates offers many benefits. By demonstrating and practicing increased sensitivity toward women, the Bank can improve its competitive position with respect to attracting and retaining customers and employees.

At the same time, I do not believe that there should be a fixed quota of Directors who are women. Let the shareholders use the democratic process to make the final decisions on which candidates are most worthy, based on the nominees’ individual qualifications, experience, and demonstrated attitudes and ideals.”

THE BOARD OF DIRECTORS RECOMMENDS VOTING AGAINST THIS PROPOSAL FOR THE FOLLOWING REASONS:

The function of identifying prospective nominees for election as directors of the Bank is carried out by the Corporate Governance Committee of the Board. The goal of this committee must be to identify those most highly qualified candidates to serve the best interests of the Bank, without regard to any single identifying characteristic. The Bank is well aware that there are qualified female candidate prospects in the business community and the Corporate Governance Committee will continue to include them in its search for candidates. Finding candidates each year is a duty of the Committee as it works to attract qualified individuals to perform the role and shoulder the responsibilities of a director of the Bank. The Board believes any quota or other method of restricting the identification process of the Corporate Governance Committee is not in the best interests of the Bank or its shareholders.

PROPOSAL NO. 11

Restrict right of Directors to fill Board vacancies or appoint new Directors

“The shareholders of The Toronto-Dominion Bank propose that the bylaws of the Bank be amended to restrict the right of the Board of Directors to fill vacancies or appoint new Directors during the period between annual general meetings.

With the exception of appointing a newly-contracted President (Chief Executive Officer) to the Board, no employee of the Bank shall be appointed to the Board except by a vote of shareholders at a general meeting.

Unless more than four vacancies occur among the outside Directors, the Board shall not appoint additional Directors between general meetings. Such appointments shall be limited to filling fifth and subsequent vacancies during any one year between annual general meetings. Nothing in this Proposal restricts the right of shareholders to elect Directors at special general meetings.”

Statement by Shareholder:

“The election of Directors is the most important action of shareholders at the annual general meeting. Directors should clearly represent the shareholders, and need to have a mandate from the owners of the company through the process of the annual general meeting. When new Directors begin their term of service by interim appointment, they appear to represent the incumbent Board and Management rather than the shareholders.

However, in unusual circumstances (more than four deaths or resignations during one year), the Board needs to have the option to bolster its ranks in order to provide sufficiently-broad (sic) representation of the nation, and to provide adequate participation by outside Directors in Board committee work and decision-making.”

THE BOARD OF DIRECTORS RECOMMENDS VOTING **AGAINST** THIS PROPOSAL FOR THE FOLLOWING REASONS:

Directors, including those of banks, have a duty to represent the best interests of the corporation, not those of management or any particular constituency of shareholders. Directors elected to fill vacancies on the board must abide by this duty in the same manner as their counterparts who were elected at an annual meeting of shareholders.

The *Bank Act*, like other corporate legislation, provides that directors may fill vacancies on the Board occurring between annual meetings, and ensure a full complement of directors is available to serve the interests of the Bank in carrying out board functions throughout the year. On a practical level, finding candidates to fill vacancies on the Board is a function of the Corporate Governance Committee and potential candidates are evaluated in the same manner, whether for election at an annual meeting of shareholders or to fill a vacancy. By the nature of their initial term, directors appointed by the Board to fill a board vacancy are considered for election by shareholders within a fairly short period, when standing for election at the annual meeting of shareholders which follows their appointment by the Board.

One of the most important functions of the Corporate Governance Committee is to identify and attract candidates to act as directors. If a vacancy exists and a well-qualified individual is identified to be added to the Board, the Board must be able to act quickly and not miss the opportunity to obtain the services of the well-qualified individual. The Board believes the current process of ensuring an adequate complement of directors is available to conduct the business of the Bank is proper, cost-effective and serves the best interests of the Bank and its shareholders.