March 29, 2000

BANK

THE TORONTO-DOMINION BANK

NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR

THE TORONTO-DOMINION BANK

NOTICE OF
ANNUAL MEETING OF COMMON SHAREHOLDERS

The Annual Meeting of Common Shareholders of the Bank will be held in the Park Ballroom of the Four Seasons Hotel, 791 West Georgia Street, Vancouver, British Columbia, V6C 2T4, on Wednesday, the 29th day of March, 2000 at 10:30 a.m. for the purposes of:

(a) receiving the financial statements for the year ended October 31, 1999, and the auditors' report thereon;
(b) electing directors;
(c) appointing auditors;
(d) considering and, if thought fit, approving the 2000 Stock Incentive Plan (a copy of the resolution approving this Plan is contained in the accompanying Management Proxy Circular);
(e) considering certain shareholder proposals attached as Schedule "A" to the accompanying Management Proxy Circular; and
(f) 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
C.A. MONTAGUE
Executive Vice President,
General Counsel and Secretary

Toronto, February 28, 2000.

MANAGEMENT PROXY CIRCULAR
AS OF JANUARY 25, 2000 (unless otherwise noted)

ANNUAL MEETING OF COMMON SHAREHOLDERS
TO BE HELD ON MARCH 29, 2000

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 COMMON 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. 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 "Bank Act") 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 MANAGEMENT WILL BE VOTED ON ANY POLL FOR THE ELECTION OF THE NOMINEES FOR DIRECTORS, FOR THE APPROVAL OF THE 2000 STOCK INCENTIVE PLAN 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 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 that the person appointed as proxy will vote on that other business in a manner that person then considers to be proper.

VOTING AND OWNERSHIP OF SHARES

As of the date hereof, the Bank has 621,480,853 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 February 22, 2000, 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 those shares has been transferred after February 22, 2000 and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns those shares and requests not later than 10 days before the Meeting that his or her name be included in the list of shareholders, in which case the transferee, subject to the Bank Act, shall be entitled to vote those shares. Every resolution that will be placed before the Meeting will be an ordinary resolution requiring for approval a simple majority of the votes cast in respect of the resolution by holders of common shares. Proxies should 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 outstanding 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. THAT 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 320 BAY STREET, TORONTO, CONSTITUTES 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 a shareholder's 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 those 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, requests should be forwarded to the Secretary.

STOCK DIVIDEND

On July 31, 1999, the Bank paid a stock dividend of one common share on each of its issued and outstanding common shares. The effect of this one-for-one stock dividend is the same as a two-for-one split of the common shares. All Bank common share and Bank stock option numbers have been restated to reflect the stock dividend.

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 if that occurs 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, 1999. During this period, the Board held 15 meetings. During the same period, Committees of the Board held 16 meetings, broken down as follows: Audit and Conduct Review (4), Corporate Governance (5), Executive (now an ad hoc committee) (2) and Management Resources (5). The table also sets forth for each director: age; municipality of residence; principal occupation and business; the last major position or office with the Bank, if any; the number of Bank and TD Waterhouse Group, Inc. ("TD Waterhouse") shares beneficially owned, directly or indirectly, or over which control or direction is exercised; the number of Deferred Share Units ("DSU") credited to each director; and the date each became a director of the Bank.

Director Nominee Municipality of Residence Principal Occupation	*Age*	*Director Since*	*Shares*		*Number of Meetings Attended*	
			Bank	*TD Waterhouse*	*Board*	*Committees*
(2) M. Norman Anderson Vancouver, B.C.	69	August 1979	42,000 Common		12	2
President, Norman Anderson & Associates Ltd. (management consultants).						
(2) A. Charles Baillie Toronto, Ontario	60	September 1994	187,042 Common 50,105 DSU	3,000 Common	14	2
Chairman and Chief Executive Officer of the Bank.						
(2) G. Montegu Black Toronto, Ontario	59	August 1978	6,300 Common		13	5
Chairman and President, Txibanguan Limited (holding company).						

Director Nominee *Municipality of Residence* *Principal Occupation*	*Age*	*Director Since*	*Shares* *Bank*	*Shares* *TD Waterhouse*	*Number of Meetings Attended* *Board*	*Number of Meetings Attended* *Committees*
Eleanor R. Clitheroe Toronto, Ontario	45	May 1999	1,000 Common 610 DSU		6	1
President and Chief Executive Officer, Ontario Hydro Services Company (energy transmission, distribution and service).						
(2) Marshall A. Cohen Toronto, Ontario	64	February 1992	12,291 Common 2,484 DSU		14	7
Counsel, Cassels Brock & Blackwell (barristers and solicitors).						
(1,2) Wendy K. Dobson Uxbridge, Ontario	58	October 1990	6,215 Common 945 DSU	2,000 Common	14	4
Professor and Director, Institute for International Business, Joseph L. Rotman School of Management, University of Toronto.						
(1) Henry H. Ketcham Vancouver, B.C.	50	January 1999	1,161 DSU		10	2
Chairman of the Board, President and Chief Executive Officer, West Fraser Timber Co. Ltd. (integrated forest products company).						
(1) Pierre H. Lessard Town of Mount-Royal, Quebec	57	October 1997	7,000 Common 2,095 DSU		13	4
President and Chief Executive Officer, Metro Inc. (distributor of food products).						
(1) Brian F. MacNeill Calgary, Alberta	60	August 1994	8,776 Common 1,510 DSU	1,100 Common	12	5
President and Chief Executive Officer, Enbridge Inc. (energy delivery and services company).						
Roger Phillips Regina, Saskatchewan	60	February 1994	14,000 Common 2,226 DSU	800 Common	15	5
President and Chief Executive Officer, IPSCO Inc. (steel manufacturing company).						
(2) Edward S. Rogers Toronto, Ontario	66	August 1989	23,448 Common		12	5
President and Chief Executive Officer, Rogers Communications Inc. (diversified communications).						
(1) Helen K. Sinclair Toronto, Ontario	48	June 1996	6,000 Common 508 DSU		14	4
Chief Executive Officer, BankWorks Trading Inc. (software and educational products).						
Donald R. Sobey Stellarton, N.S.	65	October 1992	327,256 Common 2,454 DSU		12	5
Chairman, Empire Company Limited (investment company).						
Michael D. Sopko Oakville, Ontario	60	August 1992	12,749 Common		13	10
Chairman and Chief Executive Officer, Inco Limited (primary metals and formed metal products).						

Director Nominee Municipality of Residence Principal Occupation	Age	Director Since	Shares		Number of Meetings Attended	
			Bank	*TD Waterhouse*	*Board*	*Committees*
[(2)]John M. Thompson Greenwich, Connecticut	57	August 1988	22,300 Common	20,000 Common	9	5
Senior Vice President and Group Executive, IBM Corporation (information technology hardware, software and services).						
[(2)]Richard M. Thomson Toronto, Ontario	66	April 1971	304,472 Common 1,334 DSU	800 Common	15	2
Former Chairman and Chief Executive Officer of the Bank.						
[(2)]George W. Watson Calgary, Alberta	52	November 1993	7,322 Common 1,116 DSU	200 Common	12	4
Principal, Northridge Canada Inc. (management and venture capital consultants and providers).						

[(1)]Member of Audit and Conduct Review Committee
(Re-named Audit and Risk Management Committee effective September 23, 1999)
[(2)]Member of Executive Committee

Ms. Eleanor R. Clitheroe was appointed a director at the board meeting held on May 27, 1999. Except as herein disclosed, all directors standing for election at the Meeting have held their positions or other executive positions with the same, predecessor 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. George W. Watson was President and Chief Executive Officer of TransCanada PipeLines Limited from April 1994 to July 1999. Mr. William T. Brock who has served as a director since September 1996 resigned effective January 31, 2000 in conjunction with his retirement from the Bank. During the twelve months ended October 31, 1999, Mr. Brock attended 14 board meetings and was not a member of any committee. Mr. Donald R. Sobey was a director of the Bank from May 1978 to January 1992.

The attendance of directors who did not stand for re-election at the last annual meeting, on March 31, 1999, is set out in the table below for the twelve months ended October 31, 1999:

	Number of Meetings Attended	
	Board	*Committees*
André Chagnon	5	1
Marsha P. Hanen	3	0
James A. Pattison	6	4
Robert J. Richardson	6	2

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, or 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.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Fiscal Salary ($)	Bonus ($)	Other Annual Compensation[1] ($)	Securities Under Options/ SARs Granted (#)	Restricted Shares or Restricted Share Units[2] ($)	LTIP Payouts ($)	All Other Compensation[3] ($)
		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
A.C. Baillie	1999	$966,164	$2,300,000*[4]	$ 658	440,000**			$3,129
Chairman & CEO	1998	$899,452	$ 950,000	$82,329	365,000			$2,916
	1997	$762,192	$1,090,000	$ 4,139	395,000			$2,471
W.T. Brock	1999	$594,110	$1,200,000*[4]	$	198,000**			$1,924
Deputy Chairman	1998	$549,452	$ 505,000		164,000			$1,782
	1997	$444,959	$ 575,000		181,000			$1,442
R.P. Kelly	1999	$497,055	$ 950,000*[4]	$ 2,530	130,000**			$1,610
Vice Chair	1998	$466,493	$ 416,000	$ 1,403	108,000			$1,512
	1997	$360,000	$ 445,000	$ 4,333	107,000			$1,166
S.D. McDonald	1999	$447,055	$1,117,825*[4][6]	$ 201	130,000***		$952,000[7]	$1,448
Vice Chair[5]	1998	$379,162	$ 436,000	$ 129	108,000			$1,223
	1997	$282,000	$ 598,000					$ 914
D.A. Wright	1999	$238,390	$6,300,000*[4]				$784,000[7]	$ 770
Vice Chair	1998	$200,000	$4,000,000					$ 746
	1997	$200,000	$3,000,000					$ 648

Notes to Summary Compensation Table

(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, except that in 1998, the amount for Mr. Baillie includes Professional Fees and Club memberships totaling $81,099. The amounts quoted in this column represent the taxable benefits on reduced rate loans.

(2) The aggregate holdings and value of restricted share units at October 31, 1999 are as follows:

	# Units	Value on October 31, 1999
D.A. Wright	6,000	$185,886

Dividend equivalents are not paid on these units. Units are redeemed on the 3rd anniversary. This represents an award granted in 1997.

(3) All figures in this column reflect premiums and applicable provincial sales taxes paid by the Bank for term life insurance for each Officer.

(4) The following Officers elected to defer a portion of their bonus into phantom share units as part of the Senior Executive Deferred Share Unit Plan and the Merchant Bank Co-investment Plan as follows:

Senior Executive Deferred Unit Plan		*Merchant Bank Co-Investment Plan*	
A.C. Baillie	$1,150,000	A.C. Baillie	$230,000
R.P. Kelly	$ 237,500	W.T. Brock	$200,000
S.D. McDonald	$ 75,000	D.A. Wright	$400,000
D.A. Wright	$2,200,000		

(5) S.D. McDonald was appointed Deputy Chair and Chief Executive Officer of TD Waterhouse on April 9, 1999. Mr. McDonald continues to serve as Vice Chair of the Bank.

(6) Includes the Canadian dollar equivalent of US$250,000. At December 9, 1999, the Bank's published rate of exchange to Canadian dollars was 1.4713.

(7) Paid under the Long Term Capital Plan awards made in 1996.

*Awarded on December 9, 1999.

**Awarded on December 10, 1998 (fiscal 1999).

***TD Bank common share options awarded on December 10, 1998 (fiscal 1999). Also, awarded 202,000 TD Waterhouse common share options, including 177,000 options awarded in December 1999 in connection with TD Waterhouse's initial public offering in June 1999.

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	*Securities Under Options/SARs Granted*	*% of Total Options/SARs Granted to Employees*	*Exercise or Base Price ($/Security)*	*Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)*	*Expiration Date of Grants*
A.C. Baillie	440,000[1]	8.9%	$25.425	$25.425	December 10, 2008
W.T. Brock	198,000[1]	4.0%	$25.425	$25.425	December 10, 2008
R.P. Kelly	130,000[1]	2.6%	$25.425	$25.425	December 10, 2008
S.D. McDonald	130,000[1]	2.6%	$25.425	$25.425	December 10, 2008
	202,000[2]	6.1%[3]	US$24.000	US$24.000	June 28, 2009
D.A. Wright	Nil				

Notes to Options/SAR Grant Table

(1) Option awards for fiscal 1999 were granted on December 10, 1998 for 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.
(2) Option awards for fiscal 1999 were granted on June 28, 1999 for TD Waterhouse 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.
(3) % granted to employees of the Bank and TD Waterhouse.

AGGREGATE OPTION/SAR EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION/SAR VALUES[1]

Name	*Securities Acquired on Exercise (#)*	*Aggregate Value Realized ($)*	*Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable*		*Value of Unexercised in-the-Money Options/SARs at FY-End[2] ($) Exercisable/Unexercisable*	
A.C. Baillie	0	$0	842,250	973,750	$16,442,017	$9,115,625
W.T. Brock	0	$0	505,000	444,000	$10,413,066	$4,223,903
R.P. Kelly	0	$0	320,500	284,500	$ 6,623,260	$2,648,190
S.D. McDonald	0	$0	151,000	211,000	$ 3,048,518	$1,337,400
	0	$0	0	202,000*	$ 0	$ 0
D.A. Wright	0	$0	5,000	0	$ 118,125	$ 0

Notes to Aggregate Options/SAR Exercises Table

(1) Options refer to options for Bank common shares unless otherwise noted.
(2) Closing price on the TSE on October 29, 1999 of Bank common shares and TD Waterhouse common shares was $33.75 and $18.80, respectively.

*TD Waterhouse common shares

LONG-TERM INCENTIVE PLANS — AWARDS IN MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	*Securities Units or Other Rights*	*Performance or Other Period Until Maturation or Payout*	*Estimated Future Payouts Under Non-Securities-Price Based Plans Threshold*	*Target*	*Maximum*
D.A. Wright	3,100[1]	[2]	n/a	n/a	n/a

Notes to Long-Term Incentive Plans Table

(1) Award is thousands of dollars of notional capital. Holder of award is entitled to payment if return on capital exceeds a specified amount and if employed at time of vesting.
(2) Award was made May 3, 1999. The award vests November 1, 2000 with the return calculated based on fiscal 2000 results; those results will be approved by the Board in November 2000.

PENSION PLAN TABLE[1]

Final Average Earnings ($)	Years of Service				
	15	20	25	30	35
$ 300,000	$ 86,134	$114,846	$143,557	$ 172,269	$ 170,980
$ 400,000	$116,134	$154,846	$193,557	$ 232,269	$ 230,980
$ 500,000	$146,134	$194,846	$243,557	$ 292,269	$ 290,980
$ 600,000	$176,134	$234,846	$293,557	$ 352,269	$ 350,980
$ 700,000	$206,134	$274,846	$343,557	$ 412,269	$ 410,980
$ 800,000	$236,134	$314,846	$393,557	$ 472,269	$ 470,980
$ 900,000	$266,134	$354,846	$443,557	$ 532,269	$ 530,980
$1,000,000	$296,134	$394,846	$493,557	$ 592,269	$ 590,980
$1,100,000	$326,134	$434,846	$543,557	$ 652,269	$ 650,980
$1,200,000	$356,134	$474,846	$593,557	$ 712,269	$ 710,980
$1,300,000	$386,134	$514,846	$643,557	$ 772,269	$ 770,980
$1,400,000	$416,134	$554,846	$693,557	$ 832,269	$ 830,980
$1,500,000	$446,134	$594,846	$743,557	$ 892,269	$ 890,980
$1,600,000	$476,134	$634,846	$793,557	$ 952,269	$ 950,980
$1,700,000	$506,134	$674,846	$843,557	$1,012,269	$1,010,980
$1,800,000	$536,134	$714,846	$893,557	$1,072,269	$1,070,980
$1,900,000	$566,134	$754,846	$943,557	$1,132,269	$1,130,980
$2,000,000	$596,134	$794,846	$993,557	$1,192,269	$1,190,980

Notes to Pension Plan Table

(1) 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 earnings/service combinations shown. The pension in the above table is based on 2% per year of service (to a maximum of 30 years) of the highest five consecutive years of the last 10 years of earnings shown 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. Baillie, Brock and McDonald have or 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. Mr. Wright does not currently participate in the Bank's Pension Plan.

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

COMPOSITION OF THE MANAGEMENT RESOURCES COMMITTEE

The following individuals served as the members of this Committee for all or part of the fiscal year that ended on October 31, 1999. None are officers, employees, or former officers or employees of the Bank or any of its subsidiaries.

M.N. Anderson
G.M. Black
B.F. MacNeill
J.A. Pattison
D.R. Sobey
M.D. Sopko
J.M. Thompson, Chair

MANAGEMENT RESOURCES COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Oversight responsibility for the Bank's executive compensation program has been delegated by the Board to the Management Resources Committee (the "Committee"), comprised of five 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. The Committee met five times in fiscal 1999.

Executive Compensation Strategy and Competitive Positioning

The Bank's executive compensation program has three components: base salary, annual incentive compensation paid in cash or deferred into share unit or co-investment plans, 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, 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 and for selected financial institutions throughout North America.

Salary

The Committee approves 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 1999 were consistent with the base salary programs approved by the Committee for all Bank employees.

Annual Incentives

The Bank provides annual incentive compensation to senior officers, including the Named Executive Officers. For the majority of senior officers it is awarded through the Incentive Compensation Plan ("ICP"). For senior officers in the integrated securities dealer it is awarded through the Performance Compensation Plan ("PCP").

Incentive Compensation Plan

Annual ICP awards are based on Bank, business unit and individual performance. The performance measures that support the Bank's business strategy are used to determine the aggregate level of ICP awards. At the beginning of each fiscal year, these performance standards are established by the Committee and approved by the Board.

A threshold level of Return on Equity ("ROE") must be achieved to qualify for payment of ICP awards 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 judgment of Bank performance relative to economic conditions and the primary comparator group performance. Individual awards are adjusted to reflect individual and business unit performance.

Performance Compensation Plan

The aggregate level of PCP awards paid under this plan to eligible senior officers is dependent on the profitability of the integrated securities dealer and individual business units, as well as on individual contribution to these results. This design reinforces the link between contribution, results and rewards.

For each business, a pool of funds for awards is determined based on market practice and the level of profitability after shareholders receive an adequate return. The pool is distributed based on individual contribution.

Deferred Share Unit Plan

The Deferred Share Unit Plan provides eligible senior officers the option to defer 0% - 100% of their incentive award into phantom share units. Each unit has a value equal to one Bank common share and accrues dividend equivalents equal to the dividends declared by the Bank each quarter which are allocated to additional phantom share units. The units mature and are paid out upon retirement.

Merchant Bank Co-Investment Plan

The Merchant Bank Co-Investment Plan provides eligible senior officers the option to defer a portion of their incentive award into a phantom plan that would be the equivalent of investing funds into a number of investments made by the Bank's merchant banking operations during the year. Payments are made as those investments mature.

Long Term Compensation

1993 Stock Option Plan

The Stock Option Plan was implemented in 1993. It is designed to align the interests of participating management employees and outside directors of the Bank with those of the shareholders and to focus management employees and outside directors of the Bank on long term value creation. Options may be exercised at the strike price, which is the closing market price of the Bank common shares on The Toronto Stock Exchange on the last trading day prior to the date of grant. 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 in the financial services industry is reviewed. 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 lifetime maximums for participating management employees, it considers an employee's current inventory of options when determining whether to issue additional option grants to that employee.

A new stock incentive plan, as described later in this Management Proxy Circular, will be presented to shareholders for approval at the Meeting.

Long Term Incentive Plan

Prior to the introduction of the 1993 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 years after issuance. Units are granted to selected high potential officers for retention and succession planning purposes.

Long Term Capital Plan

Certain officers of the Bank while working in the integrated securities dealer participate in the Bank's Long Term Capital Plan. On a phantom basis, employees are granted a percentage of the total capital invested in the business. This equity compensation focuses officers on the sustainable profitability of the business by providing the opportunity to share in the return generated. This return is based on earnings in excess of a return on equity threshold set annually. Payout of awards is deferred to provide retention. Participants are not generally eligible to participate in any other long term incentive programs which may be offered by the Bank.

Units vest two years after grant, with the redemption value based on market conditions and business unit performance in that fiscal year. Vested units can be redeemed, and the value withdrawn from the Plan, in increments of 1/3 over the course of three years.

Executive Stock Ownership Requirements

The Bank's stock ownership requirements for the executive officers, including the Named Executive Officers, 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 five times base salary are required for the CEO; two and a half times base salary for the Deputy Chairman; two times base salary for the Vice Chairs; one and a half times base salary for the Executive Vice Presidents; and one times base salary for the Senior Vice Presidents. Executives, including the Named Executive Officers, are given an appropriate amount of time to meet these requirements and progress is monitored on an ongoing basis.

CEO's Compensation and Corporate 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. As set forth above, the Committee also reviews the practices of other Canadian and North American financial institutions. Based on this review, the Committee determines changes to the CEO's compensation.

Mr. Baillie's base salary was increased in 1999 to provide a competitive market position. Mr. Baillie's ICP award is based on Bank performance relative to goals established for the fiscal year, on comparative performance of the other Canadian banks, and on personal performance. The Board retains full discretion over the award granted.

In fiscal 1999, the Bank met the ROE qualifying threshold and based on Net Income performance, comparative Net Income growth and personal performance, Mr. Baillie received an award of 235.9% of salary.

Equity-based compensation is provided under the Bank's 1993 Stock Option Plan. Mr. Baillie's 1999 grant of an option to purchase 440,000 Bank common shares is competitive with grants made by the primary comparator group of Canadian banks. 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. In addition, on December 9, 1999 (fiscal 2000) the Board granted an award to Mr. Baillie of 11,000 restricted share units under the Long Term Incentive Plan to reward him for the strategic initiatives that came to fruition in fiscal 1999.

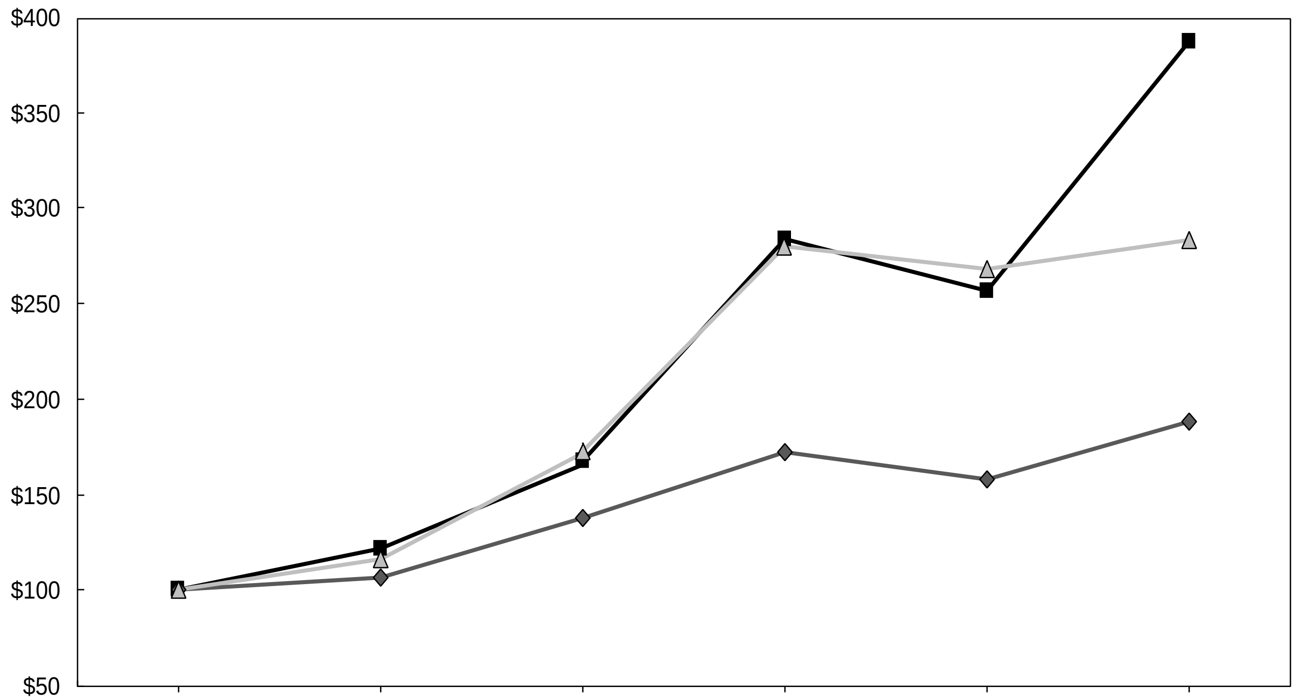
Report Presented By

G.M. Black
B.F. MacNeill
D.R. Sobey
M.D. Sopko
J.M. Thompson, Chair

FIVE YEAR TOTAL SHAREHOLDER RETURN COMPARISON

The following graph assumes that $100 was invested on October 31, 1994 in Bank common shares, 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, 1994	Oct. 31, 1995	Oct. 31, 1996	Oct. 31, 1997	Oct. 31, 1998	Oct. 31, 1999
TD Bank	100	121	166	280	255	383
TSE 300	100	106	137	170	157	186
TSE Banks and Trusts	100	116	172	276	266	281

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 each of the Audit and Risk Management, Corporate Governance, Executive, and Management Resources Committees of the Board, excluding the Chair of each of those Committees. The Chair of each of the Audit and Risk Management, Corporate Governance and the Management Resources Committees 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.

On May 27, 1999, 4,000 options were issued under the Bank's 1993 Stock Option Plan to each director who is not an employee of the Bank.

As a matter of policy, the Bank considers it appropriate that directors hold a substantial number of common shares of the Bank, further aligning their interests with those of other shareholders. As a result, the Board adopted a policy in 1998 under which directors are expected to acquire, over time, common shares of the Bank with a value equivalent to at least six times the basic director's fee.

Consistent with the Bank's policy of encouraging directors to have a substantial investment in the Bank, the Outside Director Share Plan (the "Plan") was established in 1998. Under the Plan, directors who are not employees or officers of the Bank may elect to receive any portion of their annual compensation in the form of cash, common shares of the Bank or deferred share units ("Units"), or a combination thereof. A Unit is a bookkeeping entry, equivalent in value to a common share. Units are maintained until the director retires from the Board. Units are considered the equivalent of common shares for purposes of the Bank's policy on share ownership by directors. The Bank recognized an expense of $435,262 in fiscal 1999 in connection with the Plan.

TABLE OF INDEBTEDNESS UNDER SECURITIES PURCHASE PROGRAMS

The aggregate indebtedness to the Bank and its subsidiaries 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 $1,768,854 as at December 31, 1999.

Name and Principal Position	*Involvement of Bank or Subsidiary*	*Largest Amount Outstanding During Fiscal 1999 ($)*	*Amount Outstanding as at December 31, 1999 ($)*	*Financial Assisted Securities Purchased During Fiscal 1999*
G.J. O'Mahoney	Loan from Bank	$315,135	$245,021(1)	NIL
Senior Vice President		$413,391	$387,453(2)	25,500(3)
R.L. Strickland	Loan from Bank	$517,629	$509,002(1)	NIL
Senior Vice President		$376,932	$627,378(2)	10,000(3)

Notes to Table of Indebtedness Under Securities Purchase Programs

(1) Demand Loan at an interest rate equivalent to the dividend yield on Bank common shares set quarterly in advance with a ten year term and amortization for the purchase of Bank common shares, held as evidence of good faith.

(2) Demand Loan at an interest rate equivalent to the dividend yield on Bank common shares set quarterly in advance with a ten year term and amortization for the purchase of Waterhouse common shares, held as evidence of good faith.

(3) TD Waterhouse common shares.

TABLE OF INDEBTEDNESS OTHER THAN UNDER SECURITIES PURCHASE PROGRAMS

The aggregate indebtedness to the Bank and its subsidiaries 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 $1,534,640* as at December 31, 1999.

Name and Principal Position	*Involvement of Bank or Subsidiary*	*Largest Amount Outstanding During Fiscal 1999 ($)*	*Amount Outstanding as at December 31, 1999 ($)*
S.H. Fryer Senior Vice President	Loan from Bank	US$287,238	US$287,238[(1)]
B.F. Palk Senior Vice President	Loan from Bank	$915,331	$852,331[(2)]
P. Puri Senior Vice President	Loan from Bank	$0	$264,579[(3)]

Notes to Table of Indebtedness Other Than Under Securities Purchase Programs

(1) Mortgage Loan with interest fixed at 6.25% with a one year term and a thirty year amortization secured by mortgage on principal residence.

(2) Demand Loan at a floating interest rate of TD's Prime rate amortized over five years secured by investment units purchased.

(3) Demand Loan at a floating interest rate of TD's Prime rate with a one year term and amortization secured by a collateral mortgage.

*On December 31, 1999 the Bank's published rate of exchange to Canadian dollars was 1.4543.

APPOINTMENT OF AUDITORS

The firms and/or members of Ernst & Young LLP, KPMG LLP and PricewaterhouseCoopers LLP have held appointments in accordance with the Bank Act as auditors of the Bank during the five financial years ended October 31, 1999. Unless authority to do so is withheld, the persons named in the enclosed Form of Proxy intend to vote to appoint Ernst & Young LLP and KPMG LLP to be auditors to hold office until the close of the next annual meeting of shareholders of the Bank. For fiscal 1999, fees for audit and audit-related services provided by the shareholders' auditors for the Bank and its subsidiaries were $6.7 million. Non-audit business advisory services were also provided by the shareholders' auditors to the Bank and its subsidiaries in fiscal 1999 in the amount of $3.1 million.

APPROVAL OF 2000 STOCK INCENTIVE PLAN

At the 1993 Annual Meeting, the shareholders of the Bank approved the adoption of the 1993 Stock Option Plan (the "1993 Plan"). In the ordinary course, the Bank would have presented a new form of stock option plan to the shareholders for approval at the 1999 Annual Meeting. However, the development of such a plan was deferred until after it was determined whether or not the merger with Canadian Imperial Bank of Commerce would proceed. As an interim measure, at the 1999 Annual Meeting, the shareholders of the Bank approved an increase to 21 million (pre stock dividend or 42 million post stock dividend) as the maximum number of Bank common shares to be issued under the 1993 Plan. As at December 31, 1999, options to purchase 38,828,501 Bank common shares have been issued or approved for issuance under the 1993 Plan and there were 3,171,499 options remaining. Accordingly, in order to continue our stock option program it is now necessary for the Bank to present a new form of stock incentive plan to the shareholders for approval at the Meeting.

On November 18, 1999, the Board of Directors approved the adoption, subject to shareholder and regulatory approval, of the 2000 Stock Incentive Plan (the "2000 Plan"). As with the 1993 Plan, the purposes of the 2000 Plan are: to link the interests of participating management employees with those of shareholders; to promote share ownership by participating management employees; to motivate and reward performance which is consistent with the long-term performance objectives of the Bank; to assist in the long-term retention of key employees; and, to further align the interests of non-employee directors of the Bank with those of the Bank's shareholders.

The 2000 Plan is based substantially on the 1993 Plan except that it introduces stock appreciation rights ("SARs") and other stock-based awards (such as restricted shares), which will be generally limited to participants outside Canada. Under the

2000 Plan, the Bank may select management employees of the Bank and its subsidiaries and non-employee directors of the Bank to be granted options to purchase Bank common shares, SARs and other stock-based awards (collectively, the "Awards"). The maximum number of Bank common shares available for grants of Awards under the 2000 Plan is 30,000,000, representing approximately 4.8% of the issued and outstanding Bank common shares. No single participant under the 2000 Plan will be granted Awards for more than 5% of the issued and outstanding Bank common shares. No more than 5,000 Awards will be granted annually to any non-employee director. The Management Resources Committee of the Board will determine the number of shares subject to each Award granted under the 2000 Plan and the terms of the exercise of each Award. Upon shareholder approval of the 2000 Plan, no further options, other than those previously approved for issuance, will be granted under the 1993 Plan.

The exercise price of each option granted under the 2000 Plan will be not less than the closing price of the Bank common shares on The Toronto Stock Exchange (the "TSE") on the last date such shares were traded before the grant of the option. Repricing of options granted under the 2000 Plan will be prohibited (except in connection with stock splits, consolidations and similar reorganizations). The exercise price of each SAR granted under the 2000 Plan will be not less than the greater of (a) the average of daily high and low board lot trading prices of the Bank common shares on the TSE on the last date on which such shares were traded on the TSE before the date of the grant of the SAR, or in the case of a SAR granted in conjunction with an option, not less than the closing price of the Bank common shares on the TSE on the last date such shares were traded before the grant of the SAR, and (b) any minimum amount permitted by law. Other stock-based awards will be valued based on the closing price of the Bank common shares on the TSE on the last date such shares were traded before the grant of the award. Awards granted under the 2000 Plan will be exercisable at times and in percentages determined by the Management Resources Committee at the date of the grant of each Award, but no Award will be exercisable later than 10 years after it was granted. Awards will terminate on their stated termination date or, if earlier, upon or following the termination of employment of the participating employee at dates which will vary depending upon the reasons for the termination of employment or upon the date a participating director ceases to be a director of the Bank. Awards which were not exercised prior to their termination will be available for grants to other employees and non-employee directors.

The Management Resources Committee will have the discretion to make rules and regulations to implement the 2000 Plan, to establish criteria for participation and to determine the terms of each grant of Awards. Such rules and regulations will include those necessary to ensure that the 2000 Plan and the grant of Awards under it comply with the legal and regulatory requirements applicable to the 2000 Plan and participating employees and non-employee directors.

No Awards have been granted under the 2000 Plan.

Pursuant to the terms of the 2000 Plan, the 2000 Plan will terminate unless it is approved by a majority of the votes cast at the Meeting or any adjournment thereof. Accordingly, the shareholders will be asked to consider and, if thought fit, pass the following resolution:

> "RESOLVED that the 2000 Stock Incentive Plan approved by the Board of Directors on November 18, 1999 and described in the Management Proxy Circular dated January 25, 2000 distributed to the shareholders be and the same is hereby approved."

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 common 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 enclosed Form of Proxy in the enclosed envelope at your earliest convenience.

The Bank's Annual Report containing the 144th Annual Statement of the Bank for the financial year ended October 31, 1999 is being mailed to shareholders with this Notice and Management Proxy Circular.

DIRECTORS' APPROVAL

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

C.A. Montague
Executive Vice President,
General Counsel and 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 5 have been submitted by The Association for the Protection of Quebec Savers and Investors Inc. (APEIQ), of 737 Versailles St., Montreal, Quebec H3C 1Z5. Proposal numbers 6-10 were submitted by Mr. J. Robert Verdun, of 29 Bristow Creek Drive, Elmira, Ontario N3B 3K6. The Board of Directors and management oppose these proposals for the reasons set out after each of them.

PROPOSAL NO. 1

"Shareholder Information"

It is hereby proposed that any information originating from the bank, which is likely to influence the value of shares be communicated simultaneously to shareholders.

Statement by Shareholder:

Institutional investors who manage retirement funds and mutual fund investment firms have become privileged players in today's stock market. This carries with it the risk of creating first-, second- and third-class shareholders with the small shareholder, falling into the latter category, not being privy to first hand information which may allow him to maximise his holdings or his portfolio of bank shares. The Bank Act provides that all shareholders are ***pari passu****, which is to say that they should be assured of equal treatment on the part of the bank.*

This proposal reflects the position of OMERS, of Glorianne Stromberg, of the Financial Post and of the Report of the Permanent Senatorial Committee on Banking and Business which recommends that ***"Individual investors must have timely access to information provided to analysts and institutional investors and management should invite the written press to attend its meetings."***

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

The Bank complies with securities laws and Stock Exchange rules requiring the timely disclosure of information relating to the business and affairs of a public company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's securities. These continuous disclosure rules require dissemination of information through the issuance of a press release so that all members of the investing public, including shareholders and potential shareholders, have access to the information at the same time. Consequently the Board feels it would be unnecessary and unhelpful to superimpose a similar requirement such as that set out in this proposal. It should be noted that the Bank has been among the first public companies, and was the first Canadian bank, to invite news media to listen in to its quarterly analyst conference calls, and was among the first public companies to broadcast an analyst meeting over the internet.

PROPOSAL NO. 2

"Attendance at Board of Directors meetings"

It is proposed that any member of the board of directors who shall not have attended half of the board meetings, plus one, except for serious medical reasons, be ineligible for re-election in the year following the expiration of his term of office.

Statement by Shareholder:

The Bank Act stipulates that members of the board of directors retain their position in the name of the shareholders who have entrusted them with the protection and defence of their interests. It is common sense that a board member who does not participate in a majority of board meetings does not adequately fulfil his role and this should automatically lead to his ineligibility for re-election.

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

First, it should be noted that all of the directors of the Bank attended in excess of half of the Board meetings in 1999. The Board has established a process for the annual review of the performance of each director. That process includes a review of the record of attendance of each director at Board and Committee meetings. The Board expects directors to be committed to diligent attendance at Board and Committee meetings, but does not consider any hard and fast rule on minimum attendance in any year to be in the best interest of the Bank. More important by far than a rigid attendance rule is the contribution of directors both inside and outside the boardroom. That contribution is assessed annually.

PROPOSAL NO. 3

"Publication of Auditor's Fees"

It is hereby proposed that the bank divulge, in its annual report, the fees paid to the accountant firm which performs its audit, as well as all fees paid to this firms subsidiaries or all other enterprises in which the accounting firm or firms hold a substantial interest.

Statement by Shareholder:

Mr. Claude Lamoureux, President and Chairman of the Board of Directors of the Ontario Teachers Pension Plan (OTPP) stated on April 28, 1999 in Montreal that "Several auditors receive the larger part of their fees not from the verification but from other consulting services carried out for the client. It is difficult for an auditor to be impartial when we consider that the major portion of his fees depend on the good will of management. I would suggest that all companies be required to divulge, in their annual reports, the amounts paid as consulting fees to the auditing firm. Obviously the best solution would be to prohibit companies from awarding consulting contracts to their auditors."

The OTPP is one of the largest institutional investors in Canada ($60 billion portfolio) along with the Caisse de dépôt du Québec. The aforementioned proposal will contribute to the elimination of complacent annual reports and will reinforce the independence of the auditing firm with regards to their responsibilities to shareholders who vote on their nomination and remuneration in accordance with article 314 of the Bank Act.

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

The Board has no objection to the disclosure of fees paid to its auditors, and the Bank is providing that information on page 14 of this Management Proxy Circular. The Board is comfortable with the independence of its auditors. The Bank and its auditors comply with the independence requirements set out in Section 315 of the Bank Act, and the Bank understands that its auditors comply with requirements imposed by the Canadian Institute of Chartered Accountants. The shareholders of the Bank are accorded the additional protection of receiving the report of two independent auditing firms. Both of these firms are among the leading accounting firms in Canada, and are also among the leaders in the provision of various consulting services. It would not be in the interest of the Bank to be inhibited in using their consulting services, which may be considered to be the best available in many circumstances, and their knowledge of the Bank is beneficial in providing those services.

The Bank complies with a vast array of regulatory requirements, including those applicable to public companies. While the Board strongly supports shareholder democracy, it does not support the use of shareholder proposals to superimpose on the Bank (and perhaps a select group of other companies) another layer of requirements in addition to those imposed by governments and other regulatory bodies. Any change such as that requested in this proposal would be more appropriately sought as an amendment to regulatory requirements. As such, the proposed change would be subject to appropriate public debate and scrutiny, and, if made, would be applicable to all public companies, thereby maintaining a level playing field. Consequently, although it has no objection to the substance of this particular proposal and the Bank is, in fact, making the requested disclosure, the Board recommends voting against this proposal.

PROPOSAL NO. 4

"Justification of the Remuneration of Upper Management"

It is hereby proposed that, in its report to shareholders, the Remuneration Committee justify the various amounts paid to upper management as outlined within the parameters of the remuneration policy and that the committee president be present at the shareholder meeting in order to answer questions concerning his report.

Statement by Shareholder:

The courts have ruled on the participation of the shareholders in the business of publicly traded companies. Superior Court judge Iacobucci, in Verdun vs. the Toronto Dominion Bank states the following: "It is obvious that paragraph 143 (1) of the Bank Act and federal dispositions ***constitute a commitment on the part of legislature to promote the participation of shareholders in corporate management.*** *Judge Rayle is even more precise in Yves Michaud vs. the National Bank and the Royal Bank: "A bank's shareholder will vote only on questions proposed by management? In this case, the remuneration of senior management would never be submitted to the critical examination of shareholders since it is the responsibility of the board of directors (art. 199(1)). This is a question which attracts public interest across Canada. Everyone would have the right to an opinion on this question... except for shareholder?*

Management remuneration, with its options to purchase and its golden parachutes are among the major irritants of corporate governance (Kirby Report). An in-depth debate on this question, given full information (individual performance, expert reports, questioning of the remuneration committee president, etc.), would improve shareholder confidence in management.

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

Canadian securities laws specify detailed disclosure requirements with respect to executive compensation. The requirements include a report on executive compensation describing the policies of the compensation committee of the Board (which in the case of the Bank is the Management Resources Committee). The report is required to include a discussion of emphasis on various types of compensation and the specific relationship of corporate performance to executive compensation. The report is required to include additional information about the compensation of the Chief Executive Officer. The Bank complies with these requirements and again does not consider it appropriate to superimpose a similar requirement as set forth in this proposal. It should also be noted that generally all of the directors attend the Annual Meeting of Common Shareholders.

PROPOSAL NO. 5

"Shareholder approval prior to merger proposals"

It is hereby proposed that all merger proposals be submitted to a pre-consultation of the shareholders before being presented to government authorities.

Statement by Shareholder:

It is the shareholder who owns a publicly traded company, and management are their employees. A merger is a major change in the corporation which should only be instigated or announced once it has received the approval of the owner/shareholder. A direction such as this cannot be taken behind closed doors, within a clique, and represents, at first sight, (prima facie) an overstepping of power on the part of management and the board of directors who should be acting on behalf of the shareholders. One of the causes of the failure of such projects is the lack of consultation with shareholders coupled with a poorly conceived and poorly presented public relations campaign which, at the least, is an affront to the public officials who were presented with a fait accompli. It would have been wiser had the shareholders been consulted on such a major change in the institution — it can't be said often enough — of which they are the de jure owners if not the de facto owners.

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

Merger proposals are, given their material significance, presented to the Board. In considering any such proposals, the Board is charged with representing the interests of all shareholders. Further, as a result of the Bank's share ownership requirements and incentive plans, the interests of management and the board of directors are very much aligned with those of the shareholders. Consequently, the Bank does not agree that the lack of consultation with the shareholders can be said, generally, to be one of the causes of failure of such projects.

The Board does not believe that it is practicable to present merger proposals to a preliminary shareholder vote before going to Government authorities. For a highly regulated entity such as the Bank, the reaction of Government authorities may be material to whether or not the Bank would continue with the proposal, or alternatively may have a material influence on terms or structure of the proposal. Consequently, the more typical procedure of obtaining shareholder approval after all or most material regulatory approvals are obtained continues to be the more sensible approach. By following this approach, the time and expense involved in a shareholder meeting, which might in fact be unnecessary if regulatory approvals were not forthcoming, or a second shareholder meeting if there is a material change to the proposal, is avoided.

PROPOSAL NO. 6

"Board's Voting Recommendations Shall Not Appear on the Proxy Ballot"

It shall be the policy of the Bank to respect the intelligence of Shareholders, and not indicate on the proxy ballot how the Board of Directors is recommending that Shareholders vote on any individual item. The Shareholders are entitled to know the recommendations of the Board, but such information shall be included only inside the proxy circular, where it is readily available to intelligent investors to read, consider, and decide upon."

Statement by Shareholder:

It is an insult to the intelligence of investors for them to be given a ballot that has the impact of holding the Shareholder's hand and directing him or her where to place the X. Corporate governance should be conducted with the same maturity as democratic elections, where the ballot is not allowed to include anything more than the names of the candidates or the wording of the question to be decided.

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

It goes without saying that the intelligence of shareholders should be respected. We do not understand how it is an insult to shareholders to place a reminder on the Form of Proxy as to the Board's recommendations on voting. A shareholder can choose to accept or ignore the recommendations whether those appear both in the Management Proxy Circular and on the Form of Proxy or just in the Management Proxy Circular. Further, we believe that some shareholders find it helpful to have a reminder of the Board's recommendations on the Form of Proxy.

PROPOSAL NO. 7

"Make Major Announcements at the Annual Meeting"

It shall be the policy of the Bank not to make any major announcements or disclosures during the days immediately before and after the Annual Meeting of Shareholders that could be appropriately made at the Annual Meeting. Ideally, there should be no major announcements or disclosures for a minimum of one week before and one week after the Annual Meeting. The actual length of the period in which announcements are to be restricted to the Annual Meeting is left to the discretion of Management; however, any such announcement must state the reasons for making it outside of the Annual Meeting. The purpose of this Proposal is not to restrict the flexibility of Management to deal with unforeseen circumstances, but rather to emphasize the importance of the Annual Meeting and to enhance the respect shown to Shareholders by giving them first priority for receiving significant news.

Statement by Shareholder:

The Annual Meeting is the most important date in the corporate calendar, and the time when media attention is most predictably broad and intense. It only makes sense to focus major announcements at that time, for maximum media coverage. It also shows respect for the Shareholders who attend the Annual Meeting to allow Shareholders to be the first to hear about major changes that might have impact on the value of the Bank's shares.

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

As noted above in our response to Shareholder Proposal No. 1, the Bank complies with those securities laws and Stock Exchange rules which require the timely disclosure of information relating to the business and affairs of a public company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's securities. Those laws and rules are designed to ensure that the entire investing public, not just those who are currently shareholders, have access to material news at the same time. Further, major announcements are made when, for example, a transaction occurs which triggers disclosure requirements. Many factors go into the timing of major events and the disclosure thereof. The proposal suggests orchestrating events to make an announcement coincide with the Annual Meeting, which may not be consistent with best practices in terms of compliance with regulatory disclosure requirements.

PROPOSAL NO. 8

"Allow All Shareholders to Witness Media Conference Following the Annual Meeting"

It shall be the policy of the Bank to allow all Shareholders (who choose to do so) to witness the media conference that usually follows the Annual Meeting. Following a suitable break to allow Shareholders to leave the meeting room, any media conference shall be convened in the same meeting room, and shall make use of the same audio-visual equipment as was used during the Annual Meeting, so that all Shareholders who remain can properly see and hear the questions and answers. Questions at the conference would be limited to bona fide representatives of the business media, who would be expected to use a floor microphone and clearly identify themselves.

Statement by Shareholder:

The news media are an essential part of information dissemination for the benefit of Shareholders. Reporters usually require clarification of points raised at the Annual Meeting, which necessitates a media conference after it adjourns. However, the reporters' questions often lead to disclosure of information that many Shareholders would desire to know immediately and first-hand. This policy would give all Shareholders the option to remain in the room for the media conference, and thus have equal access to what might be significant investment information.

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

The Board considers it appropriate that management have complete control over media relations. For example, the media conference following the Annual Meeting is designed to provide the media with the opportunity to pose questions which they consider may be of interest to their audiences, a wide spectrum of readers which includes both investors and non-investors. No significant investment information is disclosed at this media conference that has not been disclosed generally or directly to shareholders during the Annual Meeting, and any other comments made to the media are not material in nature, and are subsequently made available through media reports available to the general public.

PROPOSAL NO. 9

"Date and Location of Annual Meeting to be Announced as Early as Possible"

It shall be the policy of the Bank to inform Shareholders as early as possible of the planned date and location of the Annual Meeting. Without unduly restricting Management's flexibility, this information should be included, if possible, in the Third Quarter Report to Shareholders. Management retains the right to re-schedule the meeting after this interim announcement, if required by changed circumstances, but the justification for such change shall be explained to Shareholders in the amended notice.

Statement by Shareholder:

It is desirable to have as many Shareholders as possible attend the Annual Meeting in person. Since such attendance often involves major travel planning, advance notice allows Shareholders to make more convenient and economical arrangements. There is no cost to the Bank in adopting this policy, and no loss in flexibility because of the provisions in the policy allowing an amended schedule if changed circumstances require it.

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

The Bank complies with regulatory requirements with respect to notice of the date and location of the Annual Meeting. The Bank's practice has been to set the record date approximately three to four months prior to the meeting. In order to assist shareholders, in December 1999 the Bank posted the date and location of the March 29, 2000 Annual Meeting on its web site to supplement statutory notice. We believe it would inevitably lead to confusion to set a date and location and subsequently change it. We believe our shareholders are best served by our present practice.

PROPOSAL NO. 10

"Rescind the Mandatory Retirement Age for Directors"

It shall be the policy of the Bank to not apply an arbitrary retirement age in the case of a Director who has only recently joined the Board. Specifically, there shall be no arbitrary retirement imposed on any Director unless he or she has served for ten consecutive years. However, the Board must always set high standards for the performance of all Directors, and should always be ready to replace those who are no longer able to contribute meaningfully, regardless of their actual age.

Statement by Shareholder:

Mandatory retirement is currently one of the few tools that is regularly used to renew the membership of the Board of Directors. However, this tool can have undesirable results in the case of a Director who has joined the Board for a special reason. For example, if the new Director was the founder and/or CEO of a significant business that has recently been acquired by the Bank, it is probably desirable to retain that person as a Director even if he or she has reached the traditional retirement age. Mandatory retirement should not be relied upon as a "diplomatic" way of removing Directors who are no longer making a meaningful contribution.

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

The proposal would result in a different retirement age policy for directors who join the Board before or after turning 60 years old. It is difficult to understand why such directors should be treated differently. While recognizing that some boards do not have mandatory retirement policies, the Board believes that the Bank has been well served by its policies on Board composition, which include an annual review of performance as well as a mandatory retirement age. Collectively, these policies lead to a vigorous and active Board with a healthy turnover which ensures new, younger members frequently with fresh perspectives. Leaving the Board at some point is inevitable and having a purely objective trigger at a reasonable level gives us a process which is even-handed and readily accepted.

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