

## THE TORONTO-DOMINION BANK

(a Canadian chartered bank)

## U.S.\$20,000,000,000

## **Programme for the Issuance of Notes**

On June 26, 2012, The Toronto-Dominion Bank (the "Bank" or the "Issuer") issued a prospectus describing its U.S.\$20,000,000,000 programme for the issuance of notes (the "Programme"). This Prospectus supersedes any previous prospectuses relating to the Programme. Any Notes (as defined below) issued on or after the date hereof are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under the Programme described in this Prospectus, the Bank may from time to time issue notes (the "Notes"), subject to compliance with all relevant laws, regulations and directives, in such currency or currencies as may be agreed with the Dealers (as defined below). Notes to be issued under the Programme may comprise (i) unsubordinated Notes which constitute deposit liabilities of the Bank ("Deposit Notes") or (ii) subordinated Notes which constitute subordinated indebtedness of the Bank as described herein ("Subordinated Notes"). The Deposit Notes will have a minimum maturity of one month from the date of issue and the Subordinated Notes will have a minimum maturity of five years, subject, in each case, to compliance with all relevant laws, regulations and directives. The maximum aggregate nominal amount of Subordinated Notes from time to time outstanding will not exceed U.S.\$5,000,000 (or its equivalent in other currencies) and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.\$20,000,000 (or its equivalent in other currencies).

The Prospectus (as defined herein) of the Issuer has been approved by the United Kingdom Financial Conduct Authority in its capacity as competent authority (the "UK Listing Authority") as a base prospectus for the Issuer for the purposes of Article 5.4 of the Prospectus Directive (as defined below).

Applications have been made to the UK Listing Authority for Notes of the Issuer issued under the Programme described in this Prospectus during the period of twelve months after the date hereof to be admitted to the official list maintained by the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's regulated market (the "Regulated Market"). The Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (the "Markets in Financial Instruments Directive"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Regulated Market and have been admitted to the Official List. Notice of the aggregate nominal amount of, the interest payable in respect of, the issue price of, and certain other information which is applicable to each Series (as defined below) of Notes will be set forth in one or more final term supplements (the "Final Terms") which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and to the London Stock Exchange on or before the date of issue of the Notes of such Series. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The minimum denomination of Notes shall be €100,000 (or its equivalent in other currencies).

See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

**Goldman Sachs International** DEALERS **BNP PARIBAS Goldman Sachs International** Citigroup **TD Securities Morgan Stanley** 

#### **UBS Investment Bank**

#### NOTES MAY BE OFFERED DIRECTLY TO ANY PERSON BY THE TORONTO-DOMINION BANK

The date of this Prospectus is September 20, 2013

**TD Securities** 

**BofA Merrill Lynch** 

ARRANGERS

Notes may be issued in bearer form or in registered form. Notes in bearer form which are stated in the applicable Final Terms to be issued in new global note ("NGN") form will be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Notes in bearer form which are stated in the applicable Final Terms not to be issued in NGN form may be deposited on or prior to the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system as agreed between the Issuer and the relevant Dealer(s). Each Tranche (as defined herein) of Notes in bearer form having an original maturity of more than one year will, unless otherwise agreed upon between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, initially be represented by a temporary Global Note in bearer form (each a "Temporary Global Note") without interest coupons. Interests in Temporary Global Notes will be exchangeable for interests in permanent Global Notes in bearer form (each a "Permanent Global Note") or, if so stated in the applicable Note and Final Terms, definitive Bearer Notes (as defined herein), on or after the Exchange Date (as defined herein) and only upon appropriate certification as to beneficial ownership or, if so stated in the applicable Note and Final Terms, global or definitive Registered Notes (as defined herein), at any time after the issue date. Each Tranche of Notes in bearer form having an original maturity of one year or less will, unless otherwise agreed upon between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, be represented by a Permanent Global Note. If so stated in the applicable Note and Final Terms, interests in a Permanent Global Note will be exchangeable for definitive Bearer Notes or definitive Registered Notes (together, "Definitive Notes") or Global Registered Notes as described herein.

Registered Notes in definitive form will be represented by Note certificates, one certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. If a Global Registered Note is held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations (the "**NSS**"), the Global Registered Note will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Registered Notes which are not held under the NSS will be deposited on or prior to the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg (or any other agreed clearing system), or a common nominee for both, or in the name of a nominee for the Common Safekeeper, as the case may be, and the respective certificate(s) will be delivered to the appropriate depositary, a common depositary or the Common Safekeeper, as the case may be.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and Notes in bearer form are obligations that are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (each as defined below) (see "Plan of Distribution").

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the "**CRA Regulation**") (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Please also refer to "Credit ratings might not reflect all risks" in the "Risk Factors" section of this Prospectus.

Each of Moody's Canada Inc. ("**Moody's Canada**"), Standard and Poor's Rating Services (Canada), a business unit of the McGraw-Hill Companies (Canada) Corporation ("**S&P Canada**"), Fitch Ratings Ltd ("**Fitch**") and DBRS Limited ("**DBRS**") has provided issuer ratings for the Bank as specified in certain documents incorporated by reference in this Prospectus referenced in the section entitled "Credit Rating Agencies" and as set out in the "The Toronto-Dominion Bank" section of this Prospectus. In addition, Moody's Canada and S&P Canada have provided Programme ratings specified in the section entitled "Credit Rating Agencies".

Fitch is established in the European Union and registered under the CRA Regulation. None of S&P Canada, Moody's Canada or DBRS (the "**non-EU CRAs**") is established in the European Union or has applied for registration under the CRA Regulation but their ratings have been endorsed by each of Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd. and DBRS Ratings Limited (the "**EU CRAs**"), as applicable, which are affiliates of S&P Canada, Moody's Canada and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (the "ESMA") on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

#### **IMPORTANT NOTICES**

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arrangers or the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer. Neither the Arrangers nor the Dealers accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer.

No person has been authorised to give any information or to make representations other than those contained in this Prospectus, any Final Terms or incorporated herein by reference and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arrangers or the Dealers. The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or with the Programme is correct as of any time subsequent to the date indicated in such document. The Arrangers and Dealers expressly do not undertake to review the financial condition or affairs of the Issuer and its subsidiaries during the currency of the Programme as described below, except in the context of participating in due diligence sessions when required for specific transactions. None of the Arrangers or Dealers undertakes to advise any investor or potential investor in or purchaser of the Notes of any information coming to the attention of any Arranger or Dealer. Investors should review, among other things, the most recent financial statements of the Issuer when evaluating an investment in the Notes.

"**Prospectus**" means this document together with all the documents incorporated herein by reference under "Documents Incorporated by Reference" (but excluding any information, documents or statements expressed to be incorporated by reference in such documents) (the "**Incorporated Documents**").

No information, documents or statements incorporated by reference in this document, other than the Incorporated Documents, shall form part of the Prospectus unless and until incorporated by reference pursuant to a supplementary prospectus approved by the UK Listing Authority.

This document supersedes the prospectus of the Bank dated June 26, 2012, except that Notes issued on or after the date of this document which are to be consolidated and form a single series with Notes issued prior to the date of this document will be subject to the Conditions (as defined herein) of the Notes applicable on the date of

issue of the first Tranche of Notes of such series. Those Conditions are incorporated by reference in, and form part of, this document.

The Issuer accepts responsibility for the information contained in the Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with any supplement hereto as may be approved by the UK Listing Authority from time to time and with all documents which are deemed to be incorporated therein by reference (see "Documents Incorporated by Reference") and shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus. In relation to any Tranche of Notes, this Prospectus should also be read and construed together with the applicable Final Terms.

Copies of Final Terms for Notes that are offered to the public or admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive and any relevant implementing measure (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus" and (ii) will be available free of charge from the executive office of the Issuer and the specified office of each Paying Agent set out at the end of this Prospectus.

Neither this Prospectus nor any financial statements of the Issuer are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Arrangers or any of the Dealers that any recipient of this Prospectus or any such financial statements should purchase the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Notes. Neither this Prospectus nor any financial statements or other information supplied in relation to the Programme constitute an offer or invitation by or on behalf of the Issuer, the Arrangers or the Dealers or any of them to any person to subscribe for or to purchase any of the Notes.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. No action has been or will be taken to permit an offer of the Notes to the public or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus (or any part of it) or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers, sales and deliveries of the Notes, see "Plan of Distribution". Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The Notes (including Subordinated Notes) do not evidence or constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

In this Prospectus, references to "C\$" and "CAD" are to Canadian dollars, to "euro" and "€" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, to "£" and "Sterling" are to Pounds sterling, to "U.S.\$" and "U.S. dollars" are to United States dollars, to "Yen" and "¥" are to Japanese yen and to "CNY", "RMB" and "Renminbi" are to the lawful currency of the People's Republic of China ("PRC" or "China") which, for the purposes of this Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

In this Prospectus references to the "**Prospectus Directive**" are to Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area).

In this Prospectus, references to the "European Economic Area" or "EEA" are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

In this Prospectus, references to the term "**branch**" mean a branch of the Bank, unless the context otherwise provides. Notes issued through any branch are obligations of the Bank.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) acting as stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilising action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager(s) and or over-allotment will be conducted by the relevant Stabilising Manager(s) and publicable laws, regulations and rules.

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW IN THE SECTION ENTITLED "RISK FACTORS" AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY, INCLUDING (WITHOUT LIMITATION) WITH THEIR OWN FINANCIAL, TAX AND LEGAL ADVISORS WITHOUT RELYING ON THE BANK OR ANY ARRANGER OR DEALER.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

 have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital guidelines or similar rules.

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#### **OVERVIEW OF THE PROGRAMME**

THE FOLLOWING OVERVIEW DOES NOT PURPORT TO BE COMPLETE AND IS TAKEN FROM, AND IS QUALIFIED IN ITS ENTIRETY BY, THE REMAINDER OF THIS PROSPECTUS AND, IN RELATION TO THE TERMS AND CONDITIONS OF ANY PARTICULAR SERIES OF NOTES, THE APPLICABLE FINAL TERMS. THE ISSUER AND ANY RELEVANT DEALER MAY AGREE THAT NOTES SHALL BE ISSUED IN A FORM OTHER THAN THAT CONTEMPLATED IN THE TERMS AND CONDITIONS, IN WHICH EVENT, IF APPROPRIATE, A NEW PROSPECTUS WILL BE PUBLISHED.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this overview.

Issuer:	The Toronto-Dominion Bank (the "Bank").
Branch of Account:	The Bank will initially issue Deposit Notes through its London or Toronto branch (as specified in the applicable Final Terms). The relevant branch is the branch of account for the purposes of the <i>Bank Act</i> (Canada).
Substitution of the Borrower:	Subject to meeting certain conditions described in Condition 13, a subsidiary or affiliate of the Bank may be substituted as the Issuer in place of the Bank.
	Subject to meeting certain conditions described in Condition 14, if the branch of account for a Series of Deposit Notes is not in Canada, the Bank may change the branch of account for such Deposit Notes.
Arrangers:	Goldman Sachs International and The Toronto-Dominion Bank, London Branch.
Dealers:	Goldman Sachs International, BNP Paribas, Citigroup Global Markets Limited, Merrill Lynch International, Morgan Stanley & Co. International plc, The Toronto-Dominion Bank, London Branch and UBS Limited.
	The Issuer may from time to time appoint additional Dealers, which appointment may be for a specific issue or on an ongoing basis.
	Notes may also be issued to third parties other than Dealers.
Distribution:	Notes may be distributed by way of private placement (subject to any applicable selling restrictions) and in each case on a non-syndicated or syndicated basis.
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated or payable in any currency or currencies as may be agreed upon by the Bank and the relevant Dealer(s) (as specified in the applicable Final Terms).
	If the Notes are payable in a currency other than U.S. dollars or Renminbi and

	such currency is unavailable on the foreign exchange markets due to circumstances beyond its control, the Bank will be entitled to satisfy its obligations in respect of such payment by making payment in U.S. dollars on the basis of the spot exchange rate.
	If the Notes are payable in Renminbi and the Bank cannot obtain Renminbi to satisfy its obligations on the Notes as a result of Inconvertibility, Non-transferability or Illiquidity (as defined in Condition 5(j)), the Bank shall be entitled to settle such payment in U.S. dollars.
Issue Agent:	Deutsche Bank AG, a corporation domiciled in Frankfurt am Main, Germany, operating in the United Kingdom under branch registration number BR000005, acting through its London branch.
Initial Programme Size:	The maximum aggregate nominal amount of Subordinated Notes from time to time outstanding will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies) and the maximum aggregate nominal amount of all Notes outstanding at any time will not exceed U.S.\$20,000,000,000 (or its equivalent in other currencies) at the time of agreement to issue.
	For this purpose, the U.S. dollar equivalent of Notes denominated in a currency other than U.S. dollars will be determined as of the time of agreement to issue (as defined herein) of such Notes on the basis of the spot rate for the sale of U.S. dollars against the purchase of that currency in the London foreign exchange market quoted by any leading bank selected by the Bank.
Description:	Continuously offered Programme for the issuance of Notes.
Issuance in Series:	Notes, denominated in the same currency as each other and having the same maturity date, bearing interest (if any) on the same basis on the same date at the same rate and the terms of which are otherwise identical are hereinafter together referred to as a "Series" of Notes, and each Note together with the other Notes of the same Series of which it forms part are hereinafter together referred to as "a Series" or the "Notes of a Series". Each Series may be issued in tranches on different issue dates (each a "Tranche") and further Notes may be issued in a separate Tranche as part of an existing Series.
	The Notes will be issued in one or more Series from time to time to one or more of the Dealers specified herein. Notes may also be issued to third parties other than Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, Notes (other than Subordinated Notes) may be issued with a maturity of one month or more, and such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency. Unless otherwise permitted by then current laws, regulations and directives, Subordinated Notes will have a maturity of not less than five years.
Issue Price:	Notes may be issued at par or at a discount or premium to par.

Type of Notes	The Notes may be Fixed Rate Notes, Floating Rate Notes, Instalment Notes or Zero Coupon Notes.
Fixed Rate Notes:	Interest on Fixed Rate Notes will be payable in arrears on the Interest Payment Dates specified in such Notes and on the Maturity Date specified in such Notes if such date does not fall on the Interest Payment Date.
Floating Rate Notes:	Floating Rate Notes will bear interest calculated at a rate determined: (i) based on the floating rate under a notional rate of interest in the Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or (ii) based on a reference rate appearing on the screen page of a commercial quoting service.
	Details of the interest rate applicable to the then current Interest Period in respect of any Floating Rate Notes will be available from each stock exchange or relevant authority on which the relevant Floating Rate Notes are for the time being listed or admitted to trading.
Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest.
Form of Notes:	The Notes may be issued in bearer form only, in bearer form exchangeable for Registered Notes (" <b>Exchangeable Bearer Notes</b> ") (both " <b>Bearer Notes</b> ") or in registered form only (" <b>Registered Notes</b> "). Each Tranche of Bearer Notes having an original maturity of more than one year will, unless otherwise agreed upon between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, initially be represented by a Temporary Global Note without interest coupons and each Tranche of Bearer Notes having an original maturity of one year or less will, unless otherwise agreed upon between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, initially be represented by a Permanent Global Note without interest coupons. No interest will be payable in respect of a Temporary Global Note except as described under "Summary of Provisions Relating to the Notes only while in Global Form".
	Interests in Temporary Global Notes will be exchangeable in whole or in part for interests in Permanent Global Notes or, if so stated in the applicable Notes and Final Terms, for definitive Bearer Notes on or after the date (the " <b>Exchange Date</b> ") falling 40 days after the completion of the distribution of the Tranche as certified in writing by the relevant Dealer and only upon certification as to non-US beneficial ownership or (in the case of Exchangeable Bearer Notes) for global or definitive Registered Notes at any time after the issue date.
	If so stated in the applicable Notes and Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) for global or definitive Registered Notes as described under "Summers of Provisions Polating to the Notes only while in

described under "Summary of Provisions Relating to the Notes only while in

Global Form".

Bearer Notes which are stated in the applicable Final Terms to be issued in NGN form will be delivered on or prior to the issue date of the relevant Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg.

Bearer Notes which are stated in the applicable Final Terms not to be issued in NGN form may be deposited on or prior to the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

Registered Notes in definitive form will be represented by certificates, one certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg will be represented by a global certificate (a "Global Registered Note") and will be registered in the name of nominees for Euroclear and/or Clearstream, Luxembourg or a common nominee for both or a nominee of the Common Safekeeper, as the case may be, and the applicable Global Registered Note will be delivered to (1) the appropriate depositary or, as the case may be, a common depositary in the case of Global Registered Notes not held under the NSS or (2) a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg in the case of Global Registered Notes held under the NSS.

Any reference herein to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and, except in relation to Notes issued in NGN form or held under the NSS for registered global securities, any additional or alternative clearing system specified in the applicable Final Terms.

Redemption:The Notes and Final Terms relating to each Series of Notes will indicate either<br/>that the Notes cannot be redeemed prior to their stated maturity (other than in<br/>specified instalments, see below if applicable) except for taxation reasons, or<br/>that the Notes will be redeemable at the option of the Issuer and/or the holder<br/>of any Notes (unless otherwise specified in the applicable Final Terms) upon<br/>giving notice to the holders of Notes or the Issuer, as the case may be, on a<br/>date or dates specified prior to such stated maturity and at a price or prices set<br/>forth in the applicable Notes and Final Terms.

Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.

Subordinated Notes may not be redeemed at the option of the Noteholders and may be redeemed at the option of the Bank prior to maturity only with the consent of the Office of the Superintendent of Financial Institutions (Canada).

**Denominations of Notes:** Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s), and as indicated on the Notes and in the applicable Final Terms, save that the minimum denomination of each Note

	will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body, however called) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Note will be $\in 100,000$ (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, in the event that the Issuer issues Notes with a minimum denomination of $\in 100,000$ (or the equivalent in other currencies at the relevant date of issue) as provided in the applicable Final Terms, the Notes shall be tradeable only in the principal amounts of at least $\in 100,000$ (or the equivalent in another currency) and higher integral multiples of at least 1,000 in the relevant currency as provided in the applicable Final Terms, notwithstanding that no definitive Notes will be issued with a denomination above 199,000 in such currency.
Taxation:	Except as required by law and subject to the obligation to pay Additional Amounts as provided or referred to in Condition 7, all payments on the Notes will be made without deduction for or on account of withholding taxes imposed in (i) Canada or (ii) the jurisdiction of the Branch of Account (as that expression is defined in Condition 14).
Status of the Notes:	Deposit Notes will constitute unsubordinated and unsecured obligations of the Bank and may be issued through such branch of the Bank as specified in the applicable Final Terms. Deposit Notes will rank <i>pari passu</i> with all deposit liabilities of the Bank (except as prescribed by law).
	Subordinated Notes will constitute direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the <i>Bank Act</i> (Canada), ranking at least equally and rateably with all subordinated indebtedness of the Bank from time to time issued and outstanding. In the event of insolvency or winding-up of the Bank, the indebtedness evidenced by subordinated indebtedness of the Bank, including Subordinated Notes, will be subordinate in right of payment to the prior payment, in full of the deposit liabilities of the Bank, including the Deposit Notes, and all other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such subordinated indebtedness.
	Notes (including Subordinated Notes) do not evidence or constitute deposits that are insured under the <i>Canada Deposit Insurance Corporation Act</i> .
Listing and Admission to Trading:	Application has been made for Notes issued under the Programme to be admitted to the Official List of the UK Listing Authority and admitted to trading on the Regulated Market. The Final Terms applicable to a Series of Notes will specify whether or not such Notes have been admitted to the Official List of the UK Listing Authority and admitted to trading on the Regulated Market.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Notes, any other clearing systems as may be specified in the applicable Final Terms.

Governing Law:	The Notes and all related contractual documentation will be governed, by and construed in accordance with, the laws of the Province of Ontario, Canada and the federal laws of Canada applicable therein.
Non–U.S. Selling Restrictions:	There will be specific restrictions on the offer and sale of the Notes and the distribution of offering materials in Canada, the European Economic Area (including the United Kingdom, France, Italy and The Netherlands), the PRC, Hong Kong, Singapore and Japan. See "Plan of Distribution" and in respect of any Tranche of Notes of a Series, as set out in the applicable Final Terms.
U.S. Selling Restrictions:	The Issuer is Category 2 for the purposes of Regulation S under the Securities Act and the Notes are not Rule 144A eligible.
	The Notes will be issued in compliance with U.S. Treas. Reg. §1.163- 5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the " <b>D Rules</b> ") unless (i) the applicable Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the " <b>C Rules</b> ") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (" <b>TEFRA</b> "), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.
Negative Pledge:	None.
Cross-default:	None.
Risk Factors:	There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand. A non-exhaustive description of such risks is set out under "Risk Factors" starting on page 14 of this Prospectus.

#### **RISK FACTORS**

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its ability to fulfil its obligations on Notes issued under the Programme.

In addition, factors which could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should consider all such risks and factors and read the detailed information set out elsewhere in this Prospectus (including information incorporated by reference) and any applicable Final Terms to reach their own views prior to making any investment decisions.

# Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Banking and financial services involve risks. Prospective investors should consider the following categories of risks to which the Bank's businesses are exposed. These are discussed in detail in the "Risk Factors and Management" section on pages 61 to 83 of the Bank's 2012 Annual Report, as updated by the "Managing Risk" section on pages 32 to 44 of the Second Quarter 2013 Report to Shareholders and the "Managing Risk" section on pages 31 to 41 of the Third Quarter 2013 Report to Shareholders, all of which is incorporated by reference in this Prospectus.

- 1. Strategic risk, being the potential for financial loss or reputational damage arising from ineffective business strategies, from improper implementation of business strategies, or from a lack of responsiveness to changes in the business environment.
- 2. Credit risk, being the risk of loss if a borrower or counterparty in a transaction fails to meet its agreed payment obligations. Credit risk is one of the most significant and pervasive risks in banking. Every loan, extension of credit or transaction that involves the transfer of payments between the Bank and other parties or financial institutions exposes the Bank to some degree of credit risk.
- 3. Market risk, being the risk of loss in financial instruments or the balance sheet due to adverse movements in market factors such as interest and exchange rates, prices, credit spreads, volatilities and correlations. The Bank is exposed to market risk in its trading and investment portfolios, as well as through its non-trading activities. In the Bank's trading and investment portfolios, the Bank is an active participant in the market, seeking to realise returns for the Bank through careful management of its positions and inventories. In the Bank's non-trading activities, it is exposed to market risk through the transactions that its customers execute with the Bank.
- 4. Interest rate risk, being the impact that changes in interest rates could have on the Bank's margins, earnings and economic value.
- 5. Foreign exchange risk, being the risk of losses that could result from changes in foreign currency exchange rates. Assets and liabilities that are denominated in foreign currencies have foreign exchange risk. The Bank is exposed to non-trading foreign exchange risk from its investments in foreign

operations, and when its foreign currency assets are greater or less than its liabilities in that currency, they create a foreign currency open position. An adverse change in foreign exchange rates can impact the Bank's reported net interest income and shareholders' equity, and also the Bank's capital ratios.

- 6. Liquidity risk, being the risk of the Bank having insufficient cash or collateral resources to meet financial obligations without raising funds at unfavourable rates or having the ability to sell assets at a reasonable price in a timely manner. Demand for cash can arise from deposit withdrawals, debt maturities, and commitments to provide credit or liquidity support.
- 7. Operational risk, being the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operating a complex financial institution exposes the Bank's businesses to a broad range of operational risks, including failed transaction processing and documentation errors, fiduciary and information breaches, technology failures, business disruption, theft and fraud, workplace injury and damage to physical assets as a result of internal or outsourced business activities. The impact can result in significant financial loss, reputational harm or regulatory censure and penalties. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List.
- 8. Insurance risk, being the risk of financial loss due to actual experience emerging differently from expectations in insurance product pricing or reserving. Unfavourable experience could emerge due to adverse fluctuations in timing, actual size and/or frequency of claims (e.g. catastrophic risk), mortality, morbidity, longevity, policyholder behaviour, or associated expenses. The Bank is exposed to insurance risk in its property and casualty insurance business, and in its life and health insurance and reinsurance businesses.
- 9. Regulatory and legal risk, being the risk of negative impact to business activities, earnings or capital, regulatory relationships or reputation as a result of failure to comply with or a failure to adapt to current and changing regulations, laws, industry codes, rules or regulatory expectations. Legal risk includes the potential for civil litigation or criminal or regulatory proceedings being commenced against the Bank that, once decided, could materially and adversely affect the Bank's business, operations or financial condition. Financial services is one of the most closely regulated industries, and the management of a financial services business such as the Bank's is expected to meet high standards in all business dealings and transactions. As a result, the Bank is exposed to regulatory and legal risk in virtually all of its activities. Failure to meet regulatory and legal requirements not only poses a risk of censure or penalty, and may lead to litigation, but also puts the Bank's reputation at risk. Financial penalties and other costs associated with legal proceedings, and unfavourable judicial or regulatory judgments may also adversely affect the Bank's business, results of operations and financial condition. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List.
- 10. Capital adequacy risk, being the risk of insufficient capital available in relation to the amount of capital required to carry out the Bank's strategy and satisfy regulatory capital requirements.
- 11. Reputational risk, being the potential that stakeholder impressions, whether true or not, regarding an institution's business practices, actions or inactions, will or may cause a decline in the institution's value, brand, liquidity or customer base.
- 12. Environmental risk, being the possibility of loss of strategic, financial, operational or reputational value resulting from the impact of environmental issues or concerns within the scope of short-term and long-term cycles.

There are numerous other factors, many beyond the Bank's control that could cause the Bank's actual results to differ materially from management's plans, objectives and estimates. These include: general business and economic conditions in Canada, the U.S. and other countries in which the Bank conducts business, as well as the effect of changes in monetary policy in those jurisdictions and changes in the foreign exchange rates for the currencies of those jurisdictions; the degree of competition in the markets in which the Bank operates, both from established competitors and new entrants; the accuracy and completeness of information the Bank receives on customers and counterparties; the development and introduction of new products and services in markets; developing new distribution channels and realising increased revenue from these channels; the Bank's ability to execute its strategies, including its integration, growth and acquisition strategies and those of its subsidiaries, particularly in the U.S.; changes in accounting policies and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; global capital market activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; the failure of third parties to comply with their obligations to the Bank or its affiliates as such obligations relate to the handling of personal information; technological changes; the use of new technologies in unprecedented ways to defraud the Bank or its customers; legislative and regulatory developments; changes in tax laws; unexpected judicial or regulatory proceedings; continued negative impact of the U.S. securities litigation environment; unexpected changes in consumer spending and saving habits; the adequacy of the Bank's risk management framework, including the risk that the Bank's risk management models do not take into account all relevant factors; the possible impact on the Bank's businesses of international conflicts and terrorism; acts of God, such as earthquakes; the effects of disease or illness on local, national or international economies; and the effects of disruptions to public infrastructure, such as transportation, communication, power or water supply. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity.

In the following discussion, the Bank explains how factors which are material for the purpose of assessing risks associated with the Bank could have an adverse effect on the Bank's actual results.

#### Factors affecting the Bank

#### **Industry factors**

#### General business and economic conditions in the regions in which the Bank conducts business

The Bank operates in Canada, the U.S. and other countries. As a result, the Bank's earnings are significantly affected by the general business and economic conditions in these regions. These conditions include short-term and long-term interest rates, inflation, fluctuations in the debt and capital markets, consumer debt levels, government spending, exchange rates, the strength of the economy, threats of terrorism, civil unrest, the effects of public health emergencies, the effects of disruptions to public infrastructure and the level of business conducted in a specific region. For example, in an economic downturn characterised by higher unemployment and lower family income, corporate earnings, business investment and consumer spending, the demand for the Bank's loan and other products would be adversely affected and the provision for credit losses would likely increase, resulting in lower earnings. Similarly, a natural disaster could cause business disruptions and/or result in a potential increase in insurance and liability claims, all of which could adversely affect the Bank's results. Also, the financial markets are generally characterised by extensive interconnections among financial institutions. As such, defaults by other financial institutions in Canada, the U.S. or other countries could adversely affect the Bank.

#### Currency rates

Currency rate movements in Canada, the U.S. and other jurisdictions in which the Bank does business impact the Bank's financial position (as a result of foreign currency translation adjustments) and its future earnings. For example, if the value of the Canadian dollar rises against the U.S. dollar, the Bank's investments and earnings in the U.S. may be negatively affected, and vice versa. Changes in the value of the Canadian dollar relative to the U.S. dollar may also affect the earnings of the Bank's small business, commercial and corporate clients in Canada.

#### Fiscal, monetary and economic policies

The Bank's earnings are affected by the fiscal, economic and monetary policies of the Bank of Canada, the Federal Reserve System in the U.S., the U.S. Treasury, the U.S. Federal Deposit Insurance Corporation and various other regulatory agencies both in these countries and internationally. The adoption of new fiscal, economic or monetary policies by such agencies, changes to existing policies or changes in the supply of money and the general level of interest rates can impact the Bank's profitability. Unintended consequences of new policies or changes to existing ones can also include the reduction of competition, increased uncertainty in markets and, in jurisdictions outside Canada, the favouring of certain domestic institutions. A change in the level of interest rates, or a prolonged low interest rate environment, affects the interest spread between the Bank's deposits and loans and as a result impacts the Bank's net interest income. Changes in fiscal, economic or monetary policies and in the financial markets, and their impact on the Bank, are beyond the Bank's control and can be difficult to predict or anticipate.

#### Level of competition

The Bank currently operates in a highly competitive industry and its performance is impacted by the level of competition. Customer retention and attraction of new customers can be influenced by many factors, such as the quality and pricing of products or services. Deterioration in these factors or a loss of market share could adversely affect the Bank's earnings. The Bank operates in a global environment and laws and regulations that apply to it may not universally apply to competitors in various jurisdictions creating an uneven playing field that may favour certain domestic institutions. In addition, other types of financial institutions, such as insurance companies, as well as non-financial institutions are increasingly offering products and services traditionally offered by banks. This type of competition could adversely impact the Bank's earnings by reducing fee revenue and net interest income.

#### Changes in laws and regulations and legal proceedings

Changes to current laws and regulations, including changes in their interpretation or implementation, and the introduction of new laws and regulations, could adversely affect the Bank, such as by limiting the products or services it can provide, impacting pricings and increasing the ability of competitors to compete with its products and services. In particular, the most recent financial crisis resulted in, and could further result in, unprecedented and considerable change to laws and regulations applicable to financial institutions and the financial industry. The Bank's failure to comply with applicable laws and regulations could result in sanctions and financial penalties that could adversely impact its earnings and damage its reputation.

The Bank, or its subsidiaries, is named as a defendant or is otherwise involved in various legal and regulatory proceedings, including class actions and other litigation or disputes with third parties. All of the Bank's material legal and regulatory proceedings are disclosed in its Consolidated Financial Statements. These material pending proceedings include both customer transaction and fraud-related litigation. There is no assurance that the volume of claims and the amount of damages and penalties claimed in litigation, arbitration and regulatory proceedings will not increase in the future. Actions currently pending against the Bank may result in judgments,

settlements, fines, penalties, disgorgements, injunctions, business improvement orders or other results adverse to the Bank, which could materially adversely affect the Bank's business, financial condition, results of operations, cash flows; require material changes in the Bank's operations; or cause serious reputational harm to the Bank. Moreover, some claims asserted against the Bank may be highly complex, and include novel or untested legal theories. The outcome of such proceedings may be difficult to predict or estimate until late in the proceedings, which may last several years. In addition, settlement or other resolution of certain types of matters are subject to external approval, which may or may not be granted. Although the Bank establishes accruals for its litigation and regulatory matters according to accounting requirements, the amount of loss ultimately incurred in relation to those matters may substantially differ from the amounts accrued. As a participant in the financial services industry, it is likely that the Bank will continue to experience significant litigation and regulatory proceedings related to its businesses and operations.

#### Accuracy and completeness of information on customers and counterparties

In deciding whether to extend credit or enter into other transactions with customers and counterparties, the Bank may rely on information furnished by or on behalf of such other parties, including financial statements and other financial information. The Bank may also rely on the representations of customers and counterparties as to the accuracy and completeness of such information. The Bank's financial condition and earnings could be negatively impacted to the extent it relies on financial statements or information that do not comply with recognized accounting standards such as IFRS or GAAP, that are materially misleading, or that do not fairly present, in all material respects, the financial condition and results of operations of the customers and counterparties.

#### Accounting policies and methods used by the Bank

The accounting policies and methods the Bank utilises determine how the Bank reports its financial condition and results of operations, and they may require management to make estimates or rely on assumptions about matters that are inherently uncertain. Such estimates and assumptions may require revisions, and these changes may materially adversely affect the Bank's results of operations and financial condition.

#### **Bank specific factors**

#### Adequacy of the Bank's risk management framework

The Bank's risk management framework is made up of various processes and strategies for managing risk exposure and includes an Enterprise Risk Appetite Framework. Types of risk to which the Bank is subject include credit, market (including equity, commodity foreign exchange and interest rate), liquidity, operational (including technology), reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. There can be no assurance that the Bank's framework to manage risk, including such framework's underlying assumptions and models, will be effective under all conditions and circumstances. If the Bank's risk management framework proves ineffective, whether because it does not keep pace with changing Bank or market circumstances or otherwise, the Bank could suffer unexpected losses and could be materially adversely affected.

#### New products and services to maintain or increase market share

The Bank's ability to maintain or increase its market share depends, in part, on its ability to innovate and adapt products and services to evolving industry standards and develop and/or expand its distribution networks. There is increasing pressure on financial services companies to provide products and services at lower prices as well as to increase the convenience features, such as longer branch hours. This can reduce the Bank's net interest income and revenues from fee-based products and services, increase the Bank's expenses and, in turn,

negatively impact net income. In addition, the widespread adoption of new technologies by the Bank could require the Bank to make substantial expenditures to modify or adapt existing products and services without any guarantee that such technologies could be deployed successfully. These new technologies could be used in unprecedented ways by the increasingly sophisticated parties who direct their attempts to defraud the Bank or its customers through many channels. The Bank might not be successful in introducing new products and services, achieving market acceptance of its products and services, developing and expanding distribution channels, and/or developing and maintaining loyal customers.

#### Acquisitions and strategic plans

The Bank regularly explores opportunities to acquire other companies, including financial services companies, or parts of their businesses directly or indirectly through the acquisition strategies of its subsidiaries. The Bank undertakes thorough due diligence before completing an acquisition, but it is possible that unanticipated factors could arise. There is no assurance that the Bank will achieve its financial or strategic objectives, including or anticipated cost savings, or revenue synergies following acquisitions and integration efforts. The Bank's, or a subsidiary's, ability to successfully complete an acquisition is often subject to regulatory and shareholder approvals, and the Bank cannot be certain when or if, or on what terms and conditions, any required approvals will be granted. The Bank's financial performance is also influenced by its ability to execute strategic plans developed by management. If these strategic plans do not meet with success or there is a change in strategic plans, there would be an impact on the Bank's financial performance and the Bank's earnings could grow more slowly or decline.

#### Ability to attract, develop and retain key executives

The Bank's future performance depends to a large extent on the availability of qualified people and the Bank's ability to attract, develop and retain key executives. There is intense competition for the best people in the financial services sector. Although it is the goal of the Bank's management resource policies and practices to attract, develop and retain key executives employed by the Bank or an entity acquired by the Bank, there is no assurance that the Bank will be able to do so.

#### Business infrastructure

Third parties provide key components of the Bank's business infrastructure such as voice and data communications and network access. Given the high volume of transactions the Bank processes on a daily basis, the Bank is reliant on such third party provided services as well as its own information technology systems to successfully deliver its products and services. Despite the Bank's technology risk management program, contingency and resiliency plans and those of its third party service providers, the Bank's information technology, internet, network access or other voice or data communication systems and services could be subject to failures or disruptions as a result of natural disasters, power or telecommunications disruptions, acts of terrorism or war, physical or electronic break-ins, or similar events or disruptions. Such failures, disruptions or breaches could adversely affect the Bank's ability to deliver products and services to customers, damage the Bank's reputation, and otherwise adversely affect the Bank's ability to conduct business.

#### Changes to the Bank's credit ratings

There can be no assurance that the Bank's credit ratings and rating outlooks from rating agencies such as Moody's Investors Service, Standard & Poor's, Fitch Ratings or DBRS Limited will not be lowered or that these rating agencies will not issue adverse commentaries about the Bank. Such changes could potentially result in higher financing costs and reduce access to capital markets. A lowering of credit ratings may also affect the Bank's ability to enter into normal course derivative or hedging transactions and impact the costs associated with such transactions. In the event that a rating assigned to the Notes or the Issuer is subsequently suspended,

lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the Bank may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the Bank to make payments under the Notes may be adversely affected.

#### Basel Committee on Banking Supervision Global Standards for Capital and Liquidity Reform (Basel III)

In response to the global financial crisis, the Basel Committee on Banking Supervision ("BCBS") has been reviewing standards for capital and liquidity. The BCBS's aim is to improve the banking sector's ability to absorb shocks from financial and economic stress through more stringent capital requirements and new liquidity standards. Banks around the world are preparing to implement the new standards commonly referred to as Basel III in accordance with prescribed timelines. Based on the Bank's current understanding and assumptions, as at July 31, 2013, the Bank's Common Equity Tier 1 ratio was 8.9% if the "all-in" methodology as set out in OSFI's proposed guidelines was applied. Under "all-in" methodology, capital is defined to include all of the regulatory adjustments that will be required by 2019 while retaining the phase-out rules for non-qualifying capital instruments. Based on the Bank's current understanding of OSFI's proposed guideline, it has met all capital adequacy requirements. As such, it is not anticipated that the Bank will need to make significant changes to its business operations or raise additional common equity to meet the Basel III requirements.

#### Dodd-Frank Wall Street Reform and Consumer Protection Act

On July 21, 2010 the President of the United States signed into law the Dodd-Frank Act that provides for widespread changes to the U.S financial industry. At over 2,300 pages in length, the Act will ultimately affect every financial institution operating in the U.S, including the Bank, and due to certain extraterritorial aspects of the Act, will impact the Bank's operations outside the U.S, including in Canada. The Dodd-Frank Act makes significant changes in areas such as banking and bank supervision, the resolution of, and enhanced prudential standards applicable to, systemically important financial companies, proprietary trading and certain fund investments, consumer protection, securities, over-the-counter derivatives, and executive compensation, among others. The Dodd-Frank Act also calls for the issuance of over 240 regulatory rulemakings as well as numerous studies and on-going reports as part of its implementation. Accordingly, while the Act will have an effect on the business of the Bank, especially its business operations in the U.S., the full impact on the Bank will not be known until such time as the implementing regulations are fully released and finalised. The Bank continues to monitor closely the Dodd-Frank Act developments and will analyse the impact that such regulatory and legislative changes may have on its businesses.

#### Dodd-Frank Act – Volcker Rule

On November 10, 2011, the Department of the Treasury, the Board of Governors of the Federal Reserve System ("FRB"), the Federal Deposit Insurance Corporation and the Securities and Exchange Commission ("SEC") jointly released a proposed rule implementing Section 619 of the Dodd-Frank Act (the "Volcker Rule" or the "Rule"). The Commodity Futures Trading Commission ("CFTC") issued a substantially similar proposal on January 13, 2012. The Bank is in the process of analysing and planning for the implementation of the proposed Volcker Rule. The Rule broadly prohibits proprietary trading and places limitations on other permitted trading activities, limits investments in and the sponsorship of hedge and private equity funds and requires robust compliance and reporting regimes surrounding permitted activities. The Rule is also expected to have an effect on certain of the funds the Bank sponsors and advises in its asset management business as well as private equity investments it currently holds. Under the current proposal, the provisions of the Rule are applicable to the banking entities, including non-U.S. banks such as the Bank which control insured depository institutions in the U.S. The proposed Rule applies to affiliates or subsidiaries of the Bank: the terms "affiliate" and "subsidiary" are defined by the rule to include those entities controlled by or under common control with the Bank. As currently

proposed, the Rule requires the implementation of a comprehensive compliance program and monitoring of certain quantitative risk metrics as well as compliance monitoring and reporting programs. On April 19, 2012, the FRB, on behalf of itself and the other agencies, issued guidance stating that full conformance with the Rule will not be required until July 21, 2014, unless that period is extended by the FRB. The agencies have not indicated when the final Rule will be published. While the Rule is expected to have an adverse effect on certain of the Bank's businesses, the extent of the impact will not be known until such time as the current proposal is finalised. At the current time, the impact is not expected to be material to the Bank.

#### Dodd-Frank Act – Durbin Amendment

The Durbin Amendment contained in the Dodd-Frank Act authorises the FRB to issue regulations that set interchange fees which are "reasonable and proportional" to the costs of processing such transactions. In June 2011, the FRB issued final rules limiting debit card interchange fees with a required implementation date of October 1, 2011 and capped the fee at 21 cents per transaction plus small amounts to cover fraud related expenses. The Durbin Amendment has impacted and is expected to continue to impact gross revenue by approximately US\$50-60 million pre-tax per quarter. For more detail on the impact of the Durbin Amendment, see the U.S. Personal and Commercial Banking Business segment disclosure in the "Business Segment Analysis" section of this document.

#### Payments System in Canada and the U.S.

Various developments may impact the payments system in Canada and the U.S. including the outcome of: challenges in Canada to certain payment card network rules (including the Honour All Cards and No Surcharge rules) before the Canadian Competition Tribunal, class actions in British Columbia, Ontario, Quebec and Saskatchewan against Canadian banks, Visa and MasterCard regarding the setting of interchange fees (and a proposed settlement of a similar multi-district class action in the United States), class actions in Quebec regarding the application of Quebec's Consumer Protection Act to credit card practices of federal banks. These developments may also negatively impact the Bank's current business practices and financial performance.

#### **Over-the-Counter Derivatives Reform**

Over-the-counter derivatives markets globally are facing profound changes in the capital regimes, national regulatory frameworks and market infrastructures in which they operate. One of the changes is that the Bank is required to clear over-the-counter derivatives through a central counterparty. Similar to the other Canadian banks' wholesale banking businesses, the impact of these changes on TD Securities' client and trading-related derivatives revenues is uncertain.

The Bank is monitoring international and Canadian developments and proposed reforms, and will take action to mitigate the impact on its business, where possible. The changes may result in significant systems changes, less flexible trading options, higher capital requirements, more stringent regulatory requirement along with some potential benefits as a result of reduced risk through central counterparty clearing.

#### **Other Factors**

Other factors that may affect future results of the Bank include:

- amendments to, and interpretations of, risk-based capital guidelines and reporting instructions may require the Bank to reallocate capital resources among its business lines, which could have a material impact on the Bank's financial results and the Bank's ability to make payments on the Notes;
- changes to accounting standards, rules and interpretations may have a material impact on the Bank's financial results;

- changes in the Bank's estimates of reserves and allowances may have a material impact on the Bank's financial results;
- changes in tax laws may have a material impact on the Bank's financial results;
- political conditions and developments may adversely impact the Bank's business and the Bank's ability to make payments on the Notes;
- the Bank's business may be adversely impacted by international conflicts and the war on terror;
- natural disasters and public health emergencies may adversely affect the financial condition of the Bank and the Bank's ability to make payments on the Notes;
- disruptions in public infrastructure and other catastrophic events may adversely affect the Bank's business and financial condition;
- technological changes may affect the Bank's ability to keep pace with competitors and/or expose the Bank to security risks that could adversely affect the Bank's financial results;
- changes in client spending habits may adversely affect the Bank's financial results;
- the failure of third parties to comply with their obligations to the Bank and its affiliates may adversely affect the Bank's financial results and financial condition;
- if the Bank is unable to anticipate and manage the risks associated with all of the above factors, there could be a material impact on the Bank's financial results and financial condition and the Bank's ability to make payment on the Notes.

# Factors that could be material for the purpose of assessing the market risks associated with Notes issued under the Programme

Each of the risks highlighted below could adversely affect the trading price of, or the ability to resell, any Notes or the rights of investors under any Notes and, as a result, investors could lose all or some of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay or deliver amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

#### Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

#### Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value and could reduce secondary market liquidity. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an

effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. If the rate converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the rate converts from a floating rate to a fixed rate may be lower than the then prevailing rates payable on the Notes.

#### Notes issued at a substantial discount or premium

The issue price of Notes specified in the applicable Final Terms may be more than the market value of such Notes as of the issue date, and the price, if any, at which a Dealer or any other person willing to purchase the Notes in secondary market transactions may be lower than the issue price.

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

#### The Bank's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated in right of payment to the prior payment in full of the deposit liabilities of the Bank, including the Deposit Notes, and all other liabilities of the Bank except those liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such subordinated indebtedness. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that investors in Subordinated Notes will lose some or all of their investment should the Bank become insolvent. Holders of Subordinated Notes have only a limited right to accelerate payment of principal on default and a default may be declared and the obligation to repay principal accelerated only in prescribed circumstances set out under "Terms and Conditions of Notes – Events of Default". Except to the extent regulatory capital requirements affect the Issuer's decisions to issue subordinated debt or more senior debt, there is no limit on the Issuer's ability to incur subordinated debt or more senior debt.

#### Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which has denominations consisting of a minimum Specified Denomination and may be tradeable in the clearing systems in the minimum Specified Denomination and one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in the clearing systems in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount that is less than the minimum Specified Denomination or is not an integral multiple of a Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and may need to purchase or sell a principal amount of Notes such that its holding amounts to a Specified Denomination or an integral multiple thereof on or before the relevant date on which definitive Notes are to be issued.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### Notes denominated in Renminbi are subject to additional risks

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible and this may adversely affect the liquidity of the Notes; the availability of RMB funds for servicing the Notes may be subject to future limitations imposed by the PRC government.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the euro, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Currently participating banks in Singapore, Hong Kong, Macau and Taiwan have been permitted to engage in the settlement of RMB trade transactions. This represents a current account activity.

On 7 April 2011, the State Administration of Foreign Exchange of the PRC (國家外匯管理局) ("SAFE") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知) (the "SAFE Circular"), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use Renminbi (including offshore Renminbi and onshore Renminbi held in the accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent from the Ministry of Commerce of the PRC (商務部) ("MOFCOM") to the relevant local branch of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the foreign guarantee provided, by an onshore entity (including a financial institution) in RMB shall, in principle, be regulated under the current PRC foreign debt and guarantee regime.

On 12 October 2011, MOFCOM promulgated the Circular on Issues in relation to Cross-border RMB Foreign Direct Investment (商務部關於跨境人民幣直接投資有關問題的通知) (the "MOFCOM RMB FDI Circular"). Pursuant to the MOFCOM RMB FDI Circular, MOFCOM and its local counterparts are authorised to approve RMB foreign direct investments ("RMB FDI") in accordance with existing PRC laws and regulations regarding foreign investment, with certain exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM. The MOFCOM RMB FDI Circular also states that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, the People's Bank of China, the central bank of the PRC (中國人民銀行) (the "**PBOC**") issued the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment (外商直接投資人民幣結算業務管理辦法) (the "**PBOC RMB FDI Measures**"), to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the PBOC Notice (as defined in "*PRC Currency Controls*") is no longer necessary. The MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures, which are new regulations, will be subject to interpretation and application by the relevant PRC authorities. See "*PRC Currency Controls*".

There is no assurance that the PRC government will continue to gradually liberalise a control over cross-border RMB remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Bank to source Renminbi to perform its obligations under the RMB Notes.

# There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the Bank's ability to source Renminbi outside the PRC to service such RMB Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong and Singapore. Each of Industrial and Commercial Bank of China, Singapore Branch, Bank of China (Hong Kong) Limited and Bank of China, Taipei Branch (each an "RMB Clearing Bank") has entered into settlement agreements with the PBOC to act as the RMB clearing bank in Singapore, Hong Kong and Taiwan, respectively.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. They are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside Singapore, Hong Kong and Taiwan that are in the same bank group of the participating bank concerned with their own trade position and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purposes of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Notes. To the extent the Bank is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Bank will be able to source such Renminbi on satisfactory terms, if at all.

If the Bank cannot obtain Reminbi to satisfy its obligation to pay interest and principal on its RMB Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each as defined in the Conditions), the Bank shall be entitled, on giving not less than five or more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, to settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

#### Investment in RMB Notes is subject to exchange rate risks

The value of the Renminbi against the euro and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Except in the limited circumstances as described in the Conditions, the Bank will make all payments of interest and principal with respect to the RMB Notes in Renminbi. As a result, the value of these Renminbi payments in euro or other applicable foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value

of Renminbi depreciates against the euro or other applicable foreign currency, the value of a Noteholder's investment in euro or other applicable foreign currency terms will have declined.

#### Investment in the RMB Notes is subject to currency risk

If the Bank is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the RMB Notes when due, in whole or in part, in Renminbi in the relevant RMB Settlement Centre as a result of Inconvertibility, Non transferability or Illiquidity (each, as defined in the Conditions), the Bank shall be entitled, on giving not less than five or more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, to settle any such payment, in whole or in part, in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal amount otherwise payable in Renminbi, as the case may be.

#### Payments with respect to the RMB Notes may be made only in the manner designated in the Renminbi Notes

Holders of beneficial interests in the RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s).

All payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Euroclear Bank SA/NV and Clearsteam Banking société anonyme or any alternative clearing system, by transfer to a Renminbi bank account maintained in the relevant RMB Settlement Centre in accordance with prevailing rules and procedures of those clearing systems or (ii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in the relevant RMB Settlement Centre in accordance with prevailing rules and regulations. Other than as described in the Conditions, the Bank cannot be required to make payment in relation to RMB Notes by any other means (including in any other currency or by transfer to a bank account in the PRC).

#### **Risks related to the Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### Modification, waivers and substitutions

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind (and to modify or waive certain Conditions of the Notes or covenants and agreements made by the Bank) all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that, subject to meeting certain conditions described in Condition 13, a subsidiary or affiliate of the Bank (as such terms are defined in the *Bank Act* (Canada)), as the case may be, may be substituted as the Issuer in place of the initial Issuer.

#### EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a

transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld unless during such period they elect otherwise. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in that other Member State with effect from the same date.

Noteholders should note that the European Commission adopted an amending proposal to the directive, which among other changes, seeks to extend the application of the directive to (i) payments channelled through certain intermediate structures and (ii) a wide range of income similar to savings income though it is not clear if and when these changes will be enacted. Any changes would impact Notes already in issue.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

# Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Euro-zone, or the potential dissolution of the euro entirely, could adversely affect the value of the Notes

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro-zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro-zone countries to establish a permanent stability mechanism, the European Stability Mechanism, which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in proving external financial assistance to Euro-zone countries after June 2013. Despite these measures, concerns persist regarding the debt burden of certain Euro-zone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

#### Foreign Account Tax Compliance Act withholding may affect payments on the Notes

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign pass thru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA

will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the clearing systems, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "Taxation – Foreign Account Tax Compliance Act."

# Notes may be subject to write-off, write-down or conversion under current and proposed Canadian resolution powers

In Canada's latest recent budget released on March 21, 2013, the Canadian government announced a proposal to implement a "bail-in" regime for domestic systemically important banks such as the Bank, which would be consistent with key international standards such as the Financial Stability Board's "Key Attributes of Effective Resolution Regimes for Financial Institutions" and would work alongside the existing regulatory capital regime. The details of Canada's bail in regime are not yet clear as the government first intends to consult stakeholders on how best to implement the regime. As a result, there is no clarity as to the scope of the bank liabilities that may be subject to the regime when implemented, including whether there will be any grandfathering provisions in respect of any outstanding liabilities of a bank issued prior to the regime's implementation.

#### Change of Law

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or administrative practice after the date of this Prospectus.

#### Change of Tax Law

Statements in this Prospectus concerning the taxation of investors are of a general nature and are based upon current tax law and published practice in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective effect, and this could adversely affect investors.

In addition, any change in the Issuer's tax status or in taxation legislation or practice in a relevant jurisdiction could adversely impact (i) the ability of the Issuer to service the Notes and (ii) the market value of the Notes.

#### Canadian usury laws

Notes will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Canada has a Criminal Code which prohibits the receipt of "interest" at a "criminal rate" (namely, an effective annual rate of interest that exceeds 60%). Accordingly, the provisions for the payment of interest or a Maturity Redemption Amount in excess of the aggregate principal amount of the Notes may not be enforceable if the provision provides for the payment of "interest" in excess of an effective annual rate of interest of 60%.

#### Bearer Notes in NGN form and Global Registered Notes held under the NSS

Bearer Notes in NGN form and Global Registered Notes held under the NSS allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

#### Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### The secondary market generally

Notes may have no established trading market when issued, and none may ever develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted to trading on a regulated market or another established securities exchange. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Accordingly, investors should be prepared to hold the Notes to maturity.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a potential lack of liquidity in the secondary market for instruments similar to the Notes. Such a lack of liquidity may result in Noteholders suffering losses in secondary market resales even if there is no decline in the performance of the assets of the Bank. The Bank cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

#### Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined herein). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

If the Notes are payable in a currency other than U.S. dollars or Renminbi and the Specified Currency is unavailable on the foreign exchange markets due to circumstances beyond its control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in U.S. dollars on the basis of the spot exchange rate (the "**U.S. FX Rate**") or, in its absence, a substitute rate determined by the Calculation Agent in its discretion. The U.S. FX Rate or any such substitute rate applied in such circumstances could result in a reduced payment to the holder and as a result, investors may receive less interest or principal than expected, or no interest or principal. See also "Notes denominated in Renminbi are subject to additional risks - There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the Bank's ability to source Renminbi outside the PRC to service such RMB Notes" above.

#### Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is disclosed on page 2 hereof and in the "Credit Rating Agencies" section.

#### Interests of Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future, engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or

publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

#### DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or published simultaneously with this Prospectus and have been approved by the UK Listing Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

- 1. the whole of the Bank's Annual Information Form dated December 5, 2012 (the "2012 Annual Information Form");
- 2. the following sections only of the Bank's 2012 Annual Report (the "2012 Annual Report") to Shareholders for the year ended October 31, 2012:
  - (a) Management's Discussion and Analysis for the year ended October 31, 2012 which is provided on pages 7 through 85;
  - (b) the Bank's audited consolidated financial statements, which comprise the balance sheet as at October 31, 2012, October 31, 2011 and November 1, 2010 and the consolidated statements of income, changes in equity, comprehensive income and cash flows for the years ended October 31, 2012 and October 31, 2011, prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board ("IFRS") together with the auditors' report thereon which are provided on pages 87 through 183 (the "2012 Audited Consolidated Financial Statements");
  - (c) information about trends for each business segment known to the Bank's management which is provided under the headings "Economic Summary and Outlook" on page 23 and "Business Outlook and Focus for 2013" on pages 26, 29, 32 and 35 and the "Caution Regarding Forward-Looking Statements" on page 7 in respect of such information;
  - (d) information concerning the Bank's principal subsidiaries which is provided on pages 184 and 185;
- 3. the following sections of the Bank's Second Quarter 2013 Report to Shareholders (the "Second Quarter 2013 Report to Shareholders") for the three- and six- month periods ended April 30, 2013:
  - (a) Management's Discussion and Analysis of Operating Performance for the three- and sixmonth periods ended April 30, 2013 which is provided on pages 4 through 48;
  - (b) the Bank's comparative unaudited interim consolidated financial statements for the three- and six- month periods ended April 30, 2013, prepared in accordance with IFRS, which are provided on pages 49 through 82; and
  - (c) information about trends for each business segment known to the Bank's management which is provided under the headings "Economic Summary and Outlook" on page 9 and "Business Outlook" on pages 16, 17, 20 and 21 and the "Caution Regarding Forward-Looking Statements" on page 3 in respect of such information; and
- the following sections of the Bank's Third Quarter 2013 Report to Shareholders (the "Third Quarter 2013 Report to Shareholders") for the three- and nine- month periods ended July 31, 2013:
  - Management's Discussion and Analysis of Operating Performance for the three- and ninemonth periods ended July 31, 2013 which is provided on pages 4 through 45;

- (b) the Bank's comparative unaudited interim consolidated financial statements for the three- and nine- month periods ended July 31, 2013, prepared in accordance with IFRS, which are provided on pages 46 through 79; and
- (c) information about trends for each business segment known to the Bank's management which is provided under the headings "Economic Summary and Outlook" on page 9 and "Business Outlook" on pages 14, 16, 19 and 20 and the "Caution Regarding Forward-Looking Statements" on page 3 in respect of such information; and
- 5. the sections entitled "Terms and Conditions of Notes" set out in the Issuer's base prospectuses dated June 27, 2007 (the "**2007 Base Prospectus**") and June 26, 2012 (the "**2012 Base Prospectus**") relating to the Programme (for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Conditions applicable to such Tranche and, unless otherwise indicated in the applicable Final Terms, the Conditions of all Notes issued after the date hereof shall be those set out in this Prospectus);

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein or in any supplement hereto filed under Article 16 of the Prospectus Directive or Section 81 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"), as the case may be, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of this Prospectus and the documents incorporated by reference herein can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus" and obtained from the principal executive office of the Issuer: c/o Corporate Secretary at TD Bank Tower, Toronto, Ontario M5K 1A2, Canada; from the office of the Issue Agent and Principal Paying Agent, Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom; and from the offices of the other Paying Agents named at the end of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, prepare a supplementary prospectus under Article 16 of the Prospectus Directive (a "**Supplement**") or publish a new Prospectus in compliance with section 87G of the FSMA which, in respect of any subsequent issue of Notes issued in circumstances requiring publication of a prospectus under the Prospectus Directive, shall constitute a supplement to the Prospectus.

THE FINANCIAL INFORMATION OF THE BANK CONTAINED IN THE 2012 ANNUAL REPORT INCORPORATED BY REFERENCE IN THIS PROSPECTUS HAS BEEN PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD ("IFRS"). THE BANK ADOPTED IFRS IN RESPECT OF THE FINANCIAL YEAR COMMENCING NOVEMBER 1, 2011. THE BANK PREPARED ITS OPENING IFRS CONSOLIDATED BALANCE SHEET AS AT NOVEMBER 1, 2010 ("IFRS OPENING CONSOLIDATED BALANCE SHEET"), THE DATE OF TRANSITION TO IFRS WHICH FORMS THE STARTING POINT FOR THE BANK'S FINANCIAL REPORTING UNDER IFRS.

#### **CREDIT RATING AGENCIES**

Deposit Notes issued under the Programme are generally rated Aa1 by Moody's Canada and AA- by S&P Canada. Subordinated Notes issued under the Programme are generally rated A1 by Moody's Canada and A by S&P Canada. A Tranche of Notes issued under the Programme may be rated or unrated. When a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Investors are cautioned to evaluate each rating independently of any other rating. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

In addition to the Programme ratings provided by Moody's Canada and S&P Canada, each of Moody's Canada, S&P Canada, Fitch and DBRS has provided issuer ratings for the Bank as specified under "The Toronto-Dominion Bank – Issuer Ratings".

In accordance with Article 4.1 of the CRA Regulation, please note that the following documents (as defined in the section entitled "Documents Incorporated by Reference") incorporated by reference in this Prospectus contain references to credit ratings:

- (i) 2012 Annual Report (page 77);
- (ii) 2012 Annual Information Form (pages 9, 10 and 11);
- (iii) Second Quarter 2013 Report to Shareholders (page 31); and
- (iv) Third Quarter 2013 Report to Shareholders (page 37).

Fitch is established in the European Union and registered under the CRA Regulation.

None of Moody's Canada, S&P Canada or DBRS (the "**non-EU CRAs**") is established in the European Union or has applied for registration under the CRA Regulation. However, Moody's Investors Service Ltd., Standard and Poor's Credit Market Services Europe Ltd. and DBRS Ratings Limited, which are affiliates of Moody's Canada, S&P Canada and DBRS, respectively, are established in the European Union and registered under the CRA Regulation and each has disclosed the intention to endorse the ratings of their affiliated non-EU CRAs.

#### TERMS AND CONDITIONS OF NOTES

Each Global Note or individual Definitive Note (if any) issued in exchange for the Temporary Global Note, Permanent Global Note or Global Registered Note representing each Series of Notes will contain the following Terms and Conditions (the "Conditions") (subject to completion in accordance with the provisions of the applicable Final Terms). In addition, the Conditions applicable to Global Notes are modified or supplemented by additional provisions. See "Summary of Provisions relating to the Notes only while in Global Form" below. The term "Note" or "Notes" when used in the Conditions refers only to Notes of the Series to which the Conditions pertain. Details of a Series will be shown in the Notes which pertain to such Series and in the applicable Final Terms. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Final Terms. These definitions will be endorsed on the Definitive Notes.

A holder of this Note shall be deemed to have notice of the provisions of the Amended and Restated Issue and Paying Agency Agreement dated September 20, 2013, which amends and restates the original Issue and Paying Agency Agreement for the Programme dated December 14, 1990 (as amended or replaced from time to time, the "**Agency Agreement**") made between The Toronto-Dominion Bank (the "**Bank**") as Issuer, Deutsche Bank AG, London Branch as issue and principal paying agent (the "**Issue Agent**", which expression shall include any successor or successors as issue and principal paying agent), Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**") and as transfer agent and the paying agents named therein (together with the Issue Agent, the "**Paying Agents**" and shall include any additional or successor paying agents) which relate to the modification or amendment of the Agency Agreement, this Note, the Receipts (as defined below) and Coupons (as defined below), if any, and the convening of meetings of holders of Notes of this Series and such provisions shall be binding on them. Copies of the Agency Agreement shall be available for inspection at the offices of the Issue Agent. All of the Notes whether in bearer or registered form from time to time issued pursuant to the Agency Agreement and for the time being outstanding are hereinafter referred to as the "**Notes**" and the term "**Note**" is to be construed accordingly unless the context requires otherwise.

The Final Terms for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on the Note which supplement these Conditions. References to the "**applicable Final Terms**" are, unless otherwise specified, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Note.

References herein to "RMB Notes" are to Notes denominated in Renminbi. References herein to "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China (the "**PRC**") which, for the purposes of these Terms and Conditions, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

#### 1. Form, Denominations and Title

The Notes are issued in the form specified in the applicable Final Terms. Notes issued in bearer form are referred to herein as "**Bearer Notes**", which expression includes Notes which are specified to be Exchangeable Bearer Notes. Notes issued in registered form are herein referred to as "**Registered Notes**". Notes issued in bearer form exchangeable for Registered Notes are referred to as "**Exchangeable Bearer Notes**". The applicable Final Terms may provide for Bearer Notes to be issued in new global note ("**NGN**") form.

The Notes of the Series of which this Note forms part, collectively the "**Notes of this Series**", are issued in the Specified Currency and in the denominations specified in the applicable Final Terms, subject to any applicable minimum amount, or such other amounts as may be determined by the Issuer and the relevant Dealers and set forth in each Note (the "**Specified Denominations**").
So long as the Bearer Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, if the Notes have a minimum Specified Denomination of  $\epsilon$ 100,000 (or the relevant equivalent in other currencies at the date of issue) as provided in the applicable Final Terms, the Notes shall be tradeable only in principal amounts of at least  $\epsilon$ 100,000 (or the relevant equivalent in another currency) and higher integral multiples of at least 1,000 in the relevant currency (the "Integral Amount") as provided in the applicable Final Terms, notwithstanding that no definitive Notes will be issued with a denomination above 199,000 in such currency. For the purposes of these Conditions, the "Definitive Amount" shall be equal to two times the lowest Specified Denomination minus the Integral Amount.

This Note is a Deposit Note or a Subordinated Note, as specified in the applicable Final Terms.

The Notes of a Series may be designated as Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, or Instalment Notes as shown in the Notes and all such expressions used herein shall bear those meanings. All payments in respect of each Note shall be made in the Specified Currency or in such other manner shown in the Note. Each Definitive Note in bearer form is issued with interest coupons ("**Coupons**") attached, unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons herein are not applicable. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of instalments of principal (other than the final instalment) attached on issue.

### (a) **Bearer Notes**

Bearer Notes are represented by certificates serially numbered. Title to the Bearer Notes, Receipts and the Coupons will pass by delivery. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Bearer Note. The holder of any Bearer Note, the holder of any Receipt (a "**Receiptholder**") and the holder of any Coupon (a "**Couponholder**") may (to the fullest extent permitted by applicable laws) be treated at all times, by all persons and for all purposes as the absolute owner of such Note, Receipt or Coupon, as the case may be, regardless of any notice of ownership, theft or loss or of any writing thereon.

### (b) **Registered Notes**

Registered Notes are represented by certificates, each certificate representing one or more Notes registered in the name of the recorded holder of such Registered Note. Registered Notes shall be issued in the Specified Denominations or an integral multiple thereof.

Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Note shall be deemed to be and may be treated as the absolute owner of such Note, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, "**the holder of a Note**" or "**Noteholder**" means the bearer of any Bearer Note in definitive form or the person in whose name a Registered Note is registered. In addition, "**holder**" (in relation to a Note or Coupon) has the corresponding meaning and capitalised terms have the meanings given to them in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

#### 2. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

#### (a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(e), an Exchangeable Bearer Note may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant holder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons relating to such Exchangeable Bearer Note, at the specified office of the Registrar or any transfer agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 5(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one denomination may not be exchanged for Bearer Notes of another denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

#### (b) Transfer of Registered Notes

Subject as provided in Condition 2(e), one or more Registered Notes may be transferred upon the surrender of such Registered Notes to be transferred, together with the form of transfer endorsed on such Registered Note duly completed and executed, at the specified office of the Registrar or any transfer agent. In the case of a transfer of part only of a holding of Registered Notes, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

#### (c) Delivery of New Registered Notes

Each new Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the transfer agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the transfer agent or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer agent or the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

#### (d) Exchange Free of Charge

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the Issuer thereof, the Registrar or the transfer agents, but on payment (or the giving of such indemnity as the Registrar or the relevant transfer agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

#### (e) Closed Periods

No holder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days prior to the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer thereof at its option pursuant to Condition 6(f) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note in respect of which the Registered Note is simultaneously surrendered not later than the relevant Record Date.

### 3. Status of the Notes

#### (a) Status of Deposit Notes

The deposits evidenced by deposit notes ("**Deposit Notes**") and the Receipts and Coupons relating to them rank *pari passu* with all deposit liabilities of the Bank (except as otherwise prescribed by law) and without any preference amongst themselves. Notes issued by a branch of the Bank will be obligations of the Bank and will be paid without the necessity of being first presented for payment at such branch. Deposit Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act*.

#### (b) Status of Subordinated Notes

Notes which are specified in the applicable Final Terms as being Subordinated Notes and the Receipts and Coupons relating to them will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) and ranking at least equally and rateably with all subordinated indebtedness of the Bank from time to time issued and outstanding. In the event of the insolvency or winding-up of the Bank, the indebtedness evidenced by subordinated indebtedness issued by the Bank, including Subordinated Notes and the Receipts and Coupons relating to them, will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank, including the Deposit Notes, and all other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such Subordinated Notes. Subordinated Notes do not evidence or constitute deposits of the Bank and will not be deposits insured under the *Canada Deposit Insurance Corporation Act*.

### 4. Interest

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, as specified in the applicable Final Terms.

#### (a) Interest on Fixed Rate Notes

If this Note is a Fixed Rate Note, this Condition 4(a) shall apply.

- (i) This Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest (in each case for the period(s) specified in the applicable Final Terms) payable in arrears on the Interest Payment Date in each year and on the Maturity Date if that does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. Except as otherwise specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified. Interest will be paid against surrender of the appropriate Coupons, subject to and in accordance with the provisions of Condition 5.
- (ii) The amount of interest payable for each period for which a Fixed Coupon Amount or Broken Amount is not specified shall be determined in accordance with Condition 4(g).

### (b) Zero Coupon Notes

If this Note is a Zero Coupon Note, this Condition 4(b) shall apply.

If any Redemption Amount in respect of any Zero Coupon Note is not paid when due, as from the Maturity Date, any overdue nominal amount of this Note shall bear interest at a rate per annum equal to the Amortisation Yield shown in the applicable Final Terms.

#### (c) Interest on Floating Rate Notes

If this Note is a Floating Rate Note, this Condition 4(c) shall apply.

### (i) Interest Payment Dates

This Note bears interest on its outstanding nominal amount from the Interest Commencement Date and such interest will be payable in arrears on each Interest Payment Date and, if a Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Business Day Convention.

### (ii) Interest Payments

Interest on this Note will be paid against surrender of the appropriate Coupons subject to and in accordance with the provisions of Condition 5.

(iii) Rate of Interest

The Rate of Interest for each Interest Period from time to time in respect of this Note will be determined by the Calculation Agent in the manner specified in this Note.

- (1) If this Note specifies that the ISDA Determination applies:
  - (A) interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer had it entered into an interest rate swap transaction governed by an agreement in the form of the ISDA Agreement and evidenced by a Confirmation (as defined in the ISDA Agreement) incorporating the 2006 ISDA Definitions (as defined in the ISDA Agreement) and as further updated and amended as at the Issue Date as published by ISDA with the holder of this Note under which:
    - the Issuer was the Floating Rate Payer;
    - the Issue Agent or the Registrar was the Calculation Agent or as otherwise specified in this Note;
    - the Interest Commencement Date was the Effective Date;
    - the nominal amount was the Notional Amount;
    - the Interest Payment Dates were the Payment Dates; and
    - all other terms were as specified in this Note.
  - (B) then in respect of each relevant Interest Payment Date:
    - (I) the amount of interest determined for such Interest Payment Date in accordance with such Condition will be the Interest Amount for

the relevant Interest Period for the purposes of these Conditions as though determined under Condition 4(c)(iv);

- (II) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the 2006 ISDA Definitions) determined by the Calculation Agent in accordance with Condition 4(c)(iv); and
- (III) the Calculation Agent will be deemed to have discharged its obligations under Condition 4(c)(iv) if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in Conditions 4(c)(iii)(1)(B)(I) and (II).
- (2) If this Note specifies that the Screen Rate Determination applies:
  - (A) the Rate of Interest for each Interest Period shall, subject as provided below, be:
    - (I) the Reference Rate; or
    - (II) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the offered rates for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (London time in the case of LIBOR or Brussels time in the case of the Euro Inter-Bank Offered Rate ("EURIBOR")) on the Interest Determination Date in question, all as determined by the Calculation Agent;
  - (B) if, in the case of (I) above, no such Reference Rate appears, or, in the case of (II) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period shall, subject as provided below, be the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the rates at which the Calculation Agent is advised by all Reference Banks as at 11:00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date, all as determined by the Calculation Agent;
  - (C) if on any Interest Determination Date to which the Screen Rate Determination applies two or three only of the Reference Banks advise the Calculation Agent of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below, be determined as in the Screen Rate Determination on the basis of the rates of those Reference Banks advising such rates; and
  - (D) if on any Interest Determination Date to which the Screen Rate Determination applies one only or none of the Reference Banks advises the Calculation Agent of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below, be whichever is the higher of:

- (I) the Rate of Interest in effect for the last preceding Interest Period to which the Screen Rate Determination shall have applied; and
- (II) the rate per annum which the Calculation Agent determines to be either (x) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the lending rates for the Specified Currency which banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro and the reference rate is EURIBOR, in the Euro-zone as selected by the Calculation Agent are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Calculation Agent, being so made, or (y) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency (or the Euro-zone if the reference rate is EURIBOR and the Specified Currency is euro) are quoting on such Interest Determination Date to leading European banks for the next Interest Period, provided that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (I) above.

#### (iv) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the relevant time on each Interest Determination Date, determine the Rate of Interest and calculate the Interest Amount in accordance with Condition 4(j) for the relevant Interest Period.

The determination of the Rate of Interest and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

#### (v) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to any relevant stock exchange or relevant authority on which Notes of this Series are for the time being listed as soon as possible after the determination thereof but in no event later than the second Business Day thereafter. The Interest Amounts and the Interest Payment Date so notified (together, if appropriate, with the relevant Maturity Date if that would not otherwise coincide with an Interest Payment Date) may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the relevant stock exchange or relevant authority on which Notes of this Series are for the time being listed. Details of the Rate of Interest for the Interest Period in respect of this Note will, so long as Notes of this Series are listed on the Official List and admitted to trading on the London Stock Exchange's Regulated Market, be available from the UK Listing Authority.

#### (vi) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note or Fixed Rate Note with other than a Fixed Coupon Amount specified remains outstanding, there shall be a Calculation Agent recognised as being able to carry out the function of the Calculation Agent to act as such and there shall have been appointed at least four Reference Banks in respect of such Notes.

## (d) Margin, Maximum/Minimum Rates/Amounts of Interest, Instalment Amounts, Final Redemption Amounts and Early Redemption Amounts

- (i) If any Margin is specified in the applicable Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next two paragraphs.
- (ii) If any Maximum or Minimum Rate/Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount is specified in the applicable Final Terms, then any Rate/Amount of Interest, Instalment Amount, Early Redemption Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be, subject to the next paragraph. For greater certainty, "Rate of Interest" here means the rate of interest after adjustment for the applicable Margin.
- (iii) In the case of a Rate of Interest/Amount of Interest determined in accordance with Condition 4(c)(iii)(2)(D)(I), where a different Margin or Maximum or Minimum Rate/Amount of Interest is to be applied to the next Interest Period from that which applied to the last preceding Interest Period, the relevant Margin or Maximum or Minimum Rate/Amount of Interest shall be that for the next Interest Period.

#### (e) Accrual of Interest

Interest will cease to accrue on this Note on the due date for redemption thereof unless payment of principal is improperly withheld or refused in which event interest will continue to accrue (as well after as before any judgment) up to, but excluding, the date on which payment in full of the principal thereof is made or (if earlier) the seventh day after notice is duly given to the holder thereof (either in accordance with Condition 11 or individually) that such payment will be made, provided that payment is in fact made.

#### (f) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each date subsequent to such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be postponed to the next day that is a Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be postponed to the next day that is a Business Day.

brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

### (g) Calculations

- (i) The amount of interest payable per Calculation Amount in respect of any Note for any Calculation Period shall be equal to the product of the Rate of Interest (adjusted as required by Condition 4(d)), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Calculation Period, unless an Interest Amount is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Calculation Period shall equal such Interest Amount.
- (ii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up) (save in the case of Yen, which shall be rounded down to the nearest Yen) or otherwise in accordance with applicable market convention.
- (*h*) In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means (unless otherwise stated in this Note) a day which is:

- (i) in the case of a Specified Currency other than euro or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the place of presentation, the principal financial centre for that Specified Currency and in any other Business Centre specified in the applicable Final Terms; or
- (ii) if this Note is denominated in euro, a day on which the TARGET System is operating credit or transfer instructions in respect of payments in euro and in any other Business Centre specified in the applicable Final Terms; or
- (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the RMB Settlement Centre(s).

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"):

- (i) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

- (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

Day Count Fraction = 
$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

" $Y_1$ " is the year, expressed as a number, in which the first day of the Calculation Period falls;

" $\mathbf{Y}_2$ " is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" $\mathbf{M}_{1}$ " is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" $\mathbf{D}_1$ " is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

" $D_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

Day Count Fraction = 
$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

" $Y_1$ " is the year, expressed as a number, in which the first day of the Calculation Period falls;

" $\mathbf{Y}_2$ " is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" $M_1$ " is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" $\mathbf{D}_1$ " is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $\mathbf{D}_1$  will be 30; and

" $\mathbf{D}_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case  $D_2$  will be 30; and

(vii) if "**30E/360** (**ISDA**)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = 
$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

" $\mathbf{Y}_{\mathbf{1}}$ " is the year, expressed as a number, in which the first day of the Calculation Period falls;

" $Y_2$ " is the year, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

" $\mathbf{M}_{\mathbf{i}}$ " is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

" $M_2$ " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" $\mathbf{D}_1$ " is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case  $D_1$  will be 30; and

" $\mathbf{D}_2$ " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case  $\mathbf{D}_2$  will be 30.

"Determination Date" means such dates as specified in the applicable Final Terms.

"**Determination Period**" means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"Interest Amount" means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(g) or as specified in the applicable Final Terms and in the case of Fixed Rate Notes, if so specified in the applicable Final Terms, shall mean the Fixed Coupon Amount(s) or Broken Amount(s).

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as specified in the applicable Final Terms.

"Interest Determination Date" means with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Final Terms or, if none is specified, the first day of such Interest Period if the Specified Currency is Sterling or in any other case, the day falling two relevant Business Days prior to the first day of such Interest Period.

"Interest Payment Date" means the date(s) as specified in the applicable Final Terms or, if no specified Interest Payment Dates are shown, an Interest Payment Date shall mean each date which falls the number of months or such other period(s) specified as the Interest Period in this Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Issue Date or the Interest Commencement Date, as the case may be, in each case subject to adjustment in accordance with the applicable Business Day Convention.

"**Interest Period**" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date, and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"**ISDA Agreement**" means the 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc. ("**ISDA**").

"**Rate of Interest**" means the rate(s) of interest payable from time to time in respect of a Note and which is either specified or calculated in accordance with the provisions thereof.

"**Reference Banks**" means (unless provided otherwise in the applicable Final Terms) four leading banks selected by the Issuer that are engaged in the relevant interbank or debt security market and which are unaffiliated with the Issuer.

"**Reference Rate**" means the benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the benchmark) equal to the Specified Duration.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified for the purpose of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

"**Representative Amount**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**"RMB Settlement Centre**" means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms, the RMB Settlement Centre shall be deemed to be Hong Kong.

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the applicable Final Terms or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment pursuant to Condition 4(f).

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

### 5. Payments

#### (a) **Bearer Notes**

Payments of principal (or, as the case may be, Final Redemption Amounts or Optional Redemption Amounts, as defined below) and interest in respect of Bearer Notes will (subject as provided below) be made against surrender of Notes or Coupons, as the case may be, at the specified office of any Paying Agent outside the United States and its possessions (except in certain limited circumstances specified in Condition 5(c) below) at the option of the bearer either by a cheque in the Specified Currency drawn on, or by transfer to an account in the Specified Currency maintained by the bearer with, a bank in the principal financial centre of the country of the Specified Currency. No payments will be made to an account located in, or by mail to an address in, the United States.

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Notes to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

- (i) Payments in respect of Bearer Notes denominated in euro, will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the holder with a bank located outside the United States and its possessions in any city that has access to the TARGET System, or at the option of the payee, by euro cheque, provided that no payment will be made by mail to an address in the United States or its possessions.
- (ii) Payments in respect of Bearer Notes denominated in U.S. dollars, will be made in U.S. dollars by a cheque drawn on a bank or trust company in New York City or by transfer to a U.S. dollar account maintained by the holder with a bank located outside the United States and its possessions and no payment will be made by mail to an address in the United States or its possessions.
- (iii) Payments in respect of Bearer Notes denominated in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in the RMB Settlement Centre in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement in Renminbi in the RMB Settlement Centre).

## (b) Registered Notes

- (i) Payments of principal in respect of Registered Notes will be made against presentation and surrender of the applicable Registered Notes at the specified office of any of the transfer agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes will be paid to the person shown on the Register at the close of business on (i) in the case of a Global Note, the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the due date for payment thereof and (ii) in the case of a Definitive Note, the fifteenth day before the due date for payment thereof (in the case of a currency other than Renminbi) or on the fifth Business Day prior to the due date for payment thereof (in the case of Renminbi) (the "Record Date"). In the case of currencies other than Renminbi, payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any transfer agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency. In the case of Renminbi, payments of interest on each Registered Note will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in the RMB Settlement Centre, the identity of which is given on the Register on the Record Date.
- (c) Notwithstanding the foregoing, if this Note is denominated in U.S. dollars then payments of interest (and original issue discount, if any) in respect of this Note may be made at the specified office of a Paying Agent in New York City if (i) payment of the full amount of such interest at the offices of all Paying Agents outside the United States and its possessions is illegal or effectively precluded because of the imposition of exchange controls or other similar restrictions in respect of the payment or receipt of such amounts in U.S. dollars, (ii) such payment is then permitted by applicable laws, and (iii) in appointing a Paying Agent in New York City, the Issuer would not suffer any fiscal or other sanction

under applicable laws or as a result of such appointment or of any payment being made through such Paying Agent.

- (d) Bearer Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which, in the case of Fixed Rate Notes only, the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time following such deduction but not later than two years from the Relevant Date (as defined in Condition 7) for the payment of such Coupon.
- (e) Upon the due date for redemption or repayment of any Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Payments in respect of interest accrued from the preceding due date for payment of a Coupon relating to such Notes, will be paid as provided in such Note only against surrender of such Note.

If the due date for redemption or repayment of any Note is not a due date for payment of a Coupon or interest relating to such Note, interest accrued in respect of such Note, from and including the last preceding due date for payment of a Coupon or interest (or from the Issue Date or Interest Commencement Date, as the case may be) shall only be payable against presentation (and surrender if appropriate) of the applicable Note.

- (f) If any date for the payment of any Note, Coupon or interest is not a Business Day in the place of presentation, in such jurisdictions as shall be specified as Financial Centres in the applicable Final Terms and the principal financial centre of the country of the Specified Currency or, in the case of a payment in euro a day on which the TARGET System is operating in the jurisdiction in which the euro account specified by the payee is located, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.
- The names of the initial Issue Agent and the other initial Paying Agents, the Registrar and the transfer (g) agent and their initial specified offices are set out at the end hereof. If any additional or other Issue Agent, Paying Agent, Registrar or transfer agent are appointed in connection with an issue, the names of any such Issue Agent, Paying Agent, Registrar or transfer agent shall be specified in Part B of the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of the Issue Agent, any Paying Agent, the Registrar and the transfer agent and to appoint additional or other Paying Agents or another Registrar or transfer agent, provided that they will, so long as any Notes are outstanding, maintain (i) an Issue Agent, (ii) a Registrar and a transfer agent in relation to Registered Notes, (iii) at least one Paying Agent having a specified office in a city in Europe which, so long as any Notes are listed on the Official List and admitted to trading on the London Stock Exchange, and for so long as the rules of the UK Listing Authority so require, shall be in London, (iv) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, provided that there is a European Union Member State in which no such obligation is imposed and the cost of maintaining such Paying Agent in such a Member State is not unreasonable or disproportionate to the amounts involved and (v) such other agents as may be required by the rules of the relevant stock exchange or relevant authority on which the Notes may be listed. Notice of any change in or addition to the Paying Agents or their specified offices will be published promptly in accordance with Condition 11.

- (h) If the Bank is due to make a payment in a currency (the "original currency") other than United States dollars or Renminbi in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Bank's control, the Bank will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars on the basis of the spot exchange rate (the "USD FX Rate") at which the original currency is offered in exchange for United States dollars in the London foreign exchange market (or, at the option of the Bank or its designated Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the USD FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Bank or by its designated Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the USD FX Rate or substitute exchange rate as aforesaid may be such that the resulting United States dollars amount is zero and in such event no amount of United States dollars or the original currency will be payable. Any payment made in United States dollars or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 10.
- (i) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.
- (j) If the Bank is due to make a payment in Renminbi in respect of any Note or Coupon, and if by reason of Inconvertibility, Non-transferability or Illiquidity, the Bank is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in Renminbi in an RMB Settlement Centre, the Bank may, on giving not less than five or more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

Any payment made in under such circumstances in U.S. dollars will not constitute an Event of Default under Condition 10 or trigger the Bank's indemnification obligation under Condition 17.

For the purpose of this Condition:

"Calculation Agent" means the Issue Agent or such other entity specified in the applicable Final Terms;

"CNY Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in the relevant RMB Settlement Centre(s);

"Governmental Authority" means, in respect of the relevant RMB Settlement Centre, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre;

"**Illiquidity**" means where the general Renminbi exchange market in the relevant RMB Settlement Centre becomes illiquid and, as a result of which, the Bank cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Bank in good faith and in a commercially reasonable manner following consultation with two CNY Dealers;

"Inconvertibility" means the occurrence of any event that makes it impossible for the Bank to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in the relevant RMB Settlement Centre, other than where such impossibility is due solely to the failure of the Bank to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the Notes and it is impossible for the Bank, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Bank to deliver Renminbi between accounts inside the relevant RMB Settlement Centre or from an account inside the relevant RMB Settlement Centre to an account outside the relevant RMB Settlement Centre, other than where such impossibility is due solely to the failure of the Bank to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of Notes and it is impossible for the Bank, due to an event beyond its control, to comply with such law, rule or regulation);

"**Rate Calculation Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in the relevant RMB Settlement Centre and in New York City;

"**Rate Calculation Date**" means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions;

"**Spot Rate**" means the spot/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (local time in the relevant RMB Settlement Centre) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (local time in the relevant RMB Settlement Centre) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official fixing rate for settlement in two Rate Calculation Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(j) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Issue Agent, the other Paying Agents and all Noteholders and Couponholders.

### 6. Redemption and Purchase

(a) **Final Redemption** 

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Final Redemption Amount on the Maturity Date shown in the Note.

### (b) **Redemption for Tax Reasons**

If in respect of a Note of any Series, the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7, then the Notes of such Series may be redeemed at the option of the Issuer, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days' notice in accordance with Condition 11 (which notice shall be irrevocable) at its Early Redemption Amount, provided that in relation to Subordinated Notes prior consent of the Office of the Superintendent of Financial Institutions (Canada) is obtained.

### (c) **Purchase**

The Issuer or any of its subsidiaries (with the consent of the Office of the Superintendent of Financial Institutions (Canada) in the case of Subordinated Notes) may at any time in any manner purchase any Notes at any price in the open market or by tender (available to all holders of Notes of the Series to be purchased alike) or otherwise (provided that all unmatured Coupons relating thereto (if any) are attached thereto or surrendered therewith). Purchased Notes may at the option of the Issuer be held, resold, or surrendered for cancellation to any Paying Agent.

### (d) Zero Coupon Notes

If this Note is a Zero Coupon Note, this Condition 6(d) shall apply.

- (i) The amount payable in respect of this Note upon its redemption pursuant to Condition 6(b) or upon its becoming due and repayable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of this Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of this Note shall be the sum of (A) the Reference Price shown in this Note and (B) the aggregate amortisation (to the time of redemption or repayment) of the difference between the Reference Price and the nominal amount of this Note from the Issue Date to the date on which this Note becomes due and repayable at a rate per annum equal to the Amortisation Yield shown in this Note compounded annually. Where such calculation is to be made for a period other than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days (based on a month of 30 days) elapsed.
- (iii) If the amount payable in respect of this Note upon its redemption pursuant to Condition 6(b) or upon it becoming due and repayable as provided in Condition 10 is not paid when due, the amount due and repayable in respect of this Note shall be the Amortised Face Amount of this Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which this Note becomes due and repayable were replaced by a reference to the date (the "**Reference Date**") which is the earlier of (A) the date on which all amounts due in respect of this Note have been paid and (B) the date on which the full amount of the moneys repayable has been received by the Issue Agent for payment to the holders of Notes of this Series and notice to that effect has been given in accordance with the provisions of Condition 11. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the

Maturity Date, in which case the amount due and repayable shall be the nominal amount of this Note together with any interest which may accrue in accordance with Condition 4(b).

#### (e) Other

Each Note shall specify the basis for calculation of the amount payable upon its redemption under Condition 6(a) or 6(b) or upon their becoming due and payable as provided in Condition 10 (the "**Final Redemption Amount**").

#### (f) **Redemption at the Option of the Issuer**

If the applicable Final Terms states that this Note may be redeemed at the option of the Issuer (the "Issuer's Option") prior to its date of final redemption under Condition 6(a), the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives, on giving irrevocable notice not more than the maximum period nor less than the minimum period of notice specified in the applicable Final Terms to the holders of Notes of this Series, redeem all or, if so stated in the applicable Final Terms, some of the Notes of this Series, on the date or dates specified in this Note at their Final Redemption Amount together with interest accrued to the date fixed for redemption. All Notes of this Series in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition. In the case of a partial redemption the notice shall also contain the Series and the serial numbers by denomination of the Notes of this Series to be redeemed, which shall have been drawn in such place as the Issue Agent may approve and in such manner as it deems appropriate. If this Series is partially redeemed, the Issuer shall, once in each year in which there has been a partial redemption of any Note of this Series, (in respect of Notes listed on the Official List and admitted to trading on the London Stock Exchange) cause to be published in a daily newspaper in London (which is expected to be *The Financial Times*) a notice specifying the aggregate amount of Notes of this Series outstanding and, if applicable, a list of the Notes of this Series drawn for redemption but not surrendered.

#### (g) **Redemption at the Option of Noteholders**

If the applicable Final Terms states that this Note may be redeemed at the option of its holder (the "**Noteholder's Option**") prior to its date of final redemption under Condition 6(a), the Issuer shall, subject to compliance by the Issuer with all relevant laws, regulations and directives, at the option of the holder of this Note, redeem this Note on the date or dates specified in this Note at its Final Redemption Amount together with interest accrued to the date fixed for redemption. To exercise such option such holder of this Note must deposit this Note with any Paying Agent or the Registrar, as the case may be, together with a duly completed notice of redemption ("**Redemption Notice**") in the form obtainable from any of the Paying Agents or the Registrar, not more than the maximum period nor less than the minimum period of notice specified in the applicable Final Terms prior to such date. This Note so delivered may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Not less than 30 nor more than 45 days' notice of the commencement of any period for the deposit of this Note for redemption pursuant to this paragraph (g) shall be given to the holders of Notes of this Series if Notes of this Series may be redeemed at the option of their holders prior to their date of final redemption under Condition 6(a).

(h) Each Series of Notes will indicate that either (i) the Notes of such Series cannot be redeemed prior to their Maturity Date (except as otherwise provided in subparagraph (b) above) or (ii) that such Notes may be redeemed at the option of the Issuer thereof and/or the holder of any such Note prior to such Maturity Date on a date or dates and at an amount or amounts set forth in the Notes.

#### (i) Cancellation

All Notes redeemed by the Issuer thereof and all unmatured Coupons attached thereto or surrendered therewith may not be re-issued or re-sold and shall be cancelled forthwith.

#### 7. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer will be made without the Issuer making any withholding of or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Canada or, where Notes are issued by a branch of the Bank located outside Canada, the country where such branch is located from time to time, or any political subdivision of any of the foregoing, or any authority in or of any of the foregoing having the power to tax (a "**Taxing Jurisdiction**"), unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required or authorised by law or the administration thereof. In that event, the Issuer will, subject to certain exemptions and limitations set forth below, pay such additional amounts ("**Additional Amounts**") to the holder of any Note as may be necessary in order that the net amounts received by such holders of Notes, Receipts and/or Coupons, as the case may be, after such withholding or deduction, shall equal the respective amounts of principal and interest which would have been receivable by them in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction. The Issuer will not, however, be required to make any payment of Additional Amounts to any holder for or on account of:

- (i) any Taxes imposed for any reason other than the mere holding or owning of such Note, Receipt or Coupon as a non-resident of the Taxing Jurisdiction imposing such Taxes, including, without limitation, any Taxes that would not have been imposed but for any connection with such Taxing Jurisdiction (and for these purposes, "connection" includes but is not limited to any present or former connection (including, without limitation, carrying on business or having a permanent establishment or fixed base) between such holder of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder, if such holder is an estate, trust, partnership, limited liability company or corporation) and the Taxing Jurisdiction other than the mere holding of or receiving payments on such Note, Receipt or Coupon); or
- (ii) any Taxes that are required to be withheld or deducted by reason of the holder of a Note, Receipt or Coupon being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (iii) any Taxes that are required to be withheld or deducted by reason of the holder of a Note, Receipt or Coupon being a person who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer; or
- (iv) any Taxes which would not have been imposed but for the presentation of a Note, Receipt or Coupon (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such 30 day period; or
- (v) where the issue has been made by the Bank acting through a branch of account for the Notes in the United Kingdom, any Taxes withheld or deducted from a payment to or for the benefit of a holder who is or was able to avoid such withholding or deduction by presenting any form

or certificate or by making a declaration of non-residence in the United Kingdom or other claim for exemption from Taxes imposed by the United Kingdom; or

- (vi) any Taxes withheld or deducted from a payment to or for the benefit of an individual or noncorporate entity required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vii) any Taxes withheld or deducted from a payment to or for the benefit of a holder who would have been able to avoid such withholding or deduction by presenting the applicable Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (viii) any Taxes that are imposed as a result of the failure of a holder of a Note, Receipt or Coupon to comply with certification, identification, declaration or similar reporting requirements concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction or entitlement to treaty benefits of the holder of such Note, Receipt or Coupon, if such compliance or status is required by statute, treaty, regulation or administrative pronouncement, as a precondition to relief or exemption from such Taxes; or
- (ix) any Taxes which are payable otherwise than by withholding from payment of principal, or interest on, such Note, Receipt or Coupon; or
- (x) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or government charge; or
- (xi) any Taxes where any combination of items (i) –(x) applies;

nor will such Additional Amounts be payable with respect to any payment on any Note, Receipt or Coupon to a holder of a Note who is a fiduciary or partnership or to any person other than the sole beneficial owner of such Note, Receipt or Coupon to the extent that the beneficiary or settlor with respect to such fiduciary, or member of such partnership or such sole beneficial owner would not have been entitled to receive a payment of such Additional Amounts had such beneficiary, settlor, member or beneficial owner held its interest in the Note directly.

### As used herein:

"**Relevant Date**" in respect of any payment relating to a Note of a Series means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount of the moneys payable in respect of all Notes of such Series has not been received by the Issue Agent on or prior to such due date, the date on which the full amount of such moneys having been so received, notice to that effect shall have been duly given to the holders of the Notes of such Series in accordance with Condition 11. Any reference in these Conditions to principal and/or interest in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under the undertakings referred to in this Condition and, in relation to Zero Coupon Notes, to the Amortised Face Amount.

### 8. Prescription

The Issuer's obligation to pay an amount in respect of Notes, Receipts and Coupons will cease unless claims in respect of principal and/or interest are made within a period of two years from the Relevant Date for the payment thereof.

### 9. Replacement of Notes and Coupons

If any Note, Receipt or Coupon shall at any time become mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Issue Agent in the case of Bearer Notes, Receipts and Coupons and the Registrar in the case of Registered Notes (subject to, in each case, payment by the holder of any applicable taxes, governmental charges and expenses incurred by the Issuer and the Issue Agent or the Registrar as the case may be) and on such terms as to evidence, indemnity and otherwise as the Issuer may require. A mutilated or defaced Note, Receipt or Coupon must be surrendered before a new Note, Receipt or Coupon will be issued.

### 10. Events of Default

The holder of any Note of a Series may give notice to the Issuer thereof that such Note is, and such Note shall immediately become, due and repayable at its Final Redemption Amount together with interest accrued to the date of payment, in any of the following events (each an "**Event of Default**"):

- (i) if the Issuer makes default in payment of any principal when due or any interest due on any Note of such Series on the due date therefor and such default shall have continued for a period of 30 days; or
- (ii) if the Issuer shall become insolvent or bankrupt or if a liquidator, receiver or receiver and manager or an examiner or any other officer with similar powers, shall be appointed;

provided however, that in the case of Subordinated Notes, notwithstanding any provision hereof to the contrary, the nominal amount of the Subordinated Notes will not be paid and may not be required to paid at any time prior to the relevant Maturity Date except in the event of the insolvency or winding-up of the Bank.

### 11. Notices

Notices to the holders of Registered Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing.

All notices to the holders of the Bearer Notes or to the holders of Bearer Notes of a Series shall be valid if published in a leading London daily newspaper (which is expected to be *The Financial Times*) or if publication as aforesaid is impracticable, publication may be made in an English language daily newspaper having general circulation in Europe. The Issuer shall ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed. Such notices shall be deemed to have been given on the date of publication or, if published on different dates, on the first date on which such publication is made in any publication in which it is required.

Except as otherwise provided, notices given by any holder of Notes shall be in writing and given by lodging the same, together with the applicable Note or Notes, with the Issue Agent.

### 12. Governing Law

The Notes, Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein and the courts of the Province of Ontario have non-exclusive jurisdiction for litigation in connection therewith.

#### 13. Substitution

The Issuer (which shall include any company which is substituted for the Issuer in accordance with this provision), may at any time (but in the case of Subordinated Notes, only with the prior consent of the Office of the Superintendent of Financial Institutions (Canada)), without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts and the Coupons any subsidiary or affiliate (as defined under the *Bank Act* (Canada)) of the Issuer (the "**Substitute**"), provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. Effective the time of the substitution, the Issuer shall be released from all its liabilities, in its capacity as issuer of the Notes, contained in the Notes, Receipts, Coupons (if applicable) and the Deed of Covenant insofar as it relates to the Notes.

The substitution shall be made pursuant to a trust indenture ("**Trust Indenture**"), and may take place only if:

- (i) the Substitute shall agree to indemnify each Noteholder, Couponholder or Receiptholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, or the Deed of Covenant as a result of any laws or regulations then in effect at the time of the substitution and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (ii) the obligations of the Substitute under the Trust Indenture, the Notes, Receipts, Coupons and Deed of Covenant shall be unconditionally guaranteed by the Issuer (in the case of Subordinated Notes on an equivalent subordination basis to the subordination described in Condition 3(b));
- (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Trust Indenture, the Notes, Receipts, Coupons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and that all action, conditions and things required to be later fulfilled are done (including the obtaining of any necessary consents) to ensure that the Trust Indenture, the Notes, Receipts, Coupons, Deed of Covenant and any guarantee provided by the Issuer represents its valid, legally binding and enforceable obligations have been taken, fulfilled and done and are in full force and effect;
- (iv) the Substitute shall be or have become party to the Agency Agreement in its capacity as Issuer, with any appropriate consequential amendments;
- (v) legal opinions addressed and reasonably acceptable to the Issue Agent and the relevant Dealers shall have been delivered to them from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in the Province of Ontario, Canada as to the matters of the preceding conditions of this Condition 13 and the other matters reasonably specified in the Trust Indenture; and
- (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be

regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

The Trust Indenture shall amend the Conditions of the Notes which the Issue Agent and the Substitute mutually deem to be necessary or desirable with the intention that such Conditions shall reflect the Conditions which could have applied had the Substitute been the original issuer of the Notes. References in Condition 8 to obligations under the Notes shall be deemed to include obligations under the Trust Indenture, and the events listed in Condition 10 shall be deemed to include any guarantee provided in connection with such substitution not being (or being claimed not to be) in full force and effect.

### 14. Branch of Account

This Condition 14 applies to Deposit Notes only:

- (i) For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Final Terms shall be the branch of account (the "**Branch of Account**") for the deposits evidenced by this Note.
- (ii) This Note will be paid without the necessity of first being presented for payment at the Branch of Account.
- (iii) If the Branch of Account is not in Canada, the Bank may change the Branch of Account for Deposit Notes, upon not less than seven days' prior notice to its holder in accordance with Condition 11 and upon and subject to the following terms and conditions:
  - (1) if this Note is denominated in Yen, the Branch of Account shall not be in Japan;
  - (2) the Bank shall indemnify and hold harmless the holders of this Note and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issue Agent in connection with such change; and
  - (3)notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments of principal and interest on Notes of this Series and Coupons relating thereto to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Bank, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "Excluded Holder" means a holder of a Note of this Series or Coupon relating thereto who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series or Coupon as a non-resident of such Relevant Jurisdiction. "Relevant Jurisdiction" means and includes Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "taxes" means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

#### 15. Additional Notes

The Issuer reserves the right to issue additional Tranches of Notes ("Additional Notes") having the same terms and conditions as the Notes of this Series and ranking *pari passu* with the Notes of this Series in all respects. In such event, the Additional Notes from and after their issue will in all respects be the same as the Notes of this Series and the holders thereof and the holders of the Coupons appertaining thereto shall have the same rights and privileges as holders of the Notes of this Series and Coupons relating thereto, respectively. From and after the date of issue of any such Additional Notes any references herein to Notes of this Series or to Notes will include such Additional Notes.

#### 16. Modification and Amendments

The Agency Agreement contains provisions for convening meetings of holders of Notes of a Series to consider any matter affecting the holders of the Notes of such Series and Coupons relating thereto, including the passing of any Extraordinary Resolution (as defined in the Agency Agreement) to modify the terms and conditions of the Notes of such Series, Receipts or Coupons relating thereto or the Agency Agreement and holders of Notes are deemed to have notice of such provisions as if set out herein. Any resolution passed at any meeting of holders of the Notes of a Series will be binding on all holders of the Notes of such Series, whether or not they are present at the meeting, and on all holders of the Receipts and Coupons relating thereto, except that without the consent and affirmative vote of the relevant holder of each Note, Receipt or Coupon affected thereby, no Extraordinary Resolution may (i) amend the Maturity Date or dates of redemption of the Notes, any Instalment Date or any Interest Payment Date thereon, (ii) reduce or cancel the nominal amount of, or Instalment Amount or any premium payable on redemption of, the Notes, (iii) reduce the amount of interest, the Rate or Rates of Interest in respect of the Notes or vary the method or basis of calculating the Rate or Rates of Interest or amount of interest in respect thereof, (iv) if there is shown on the face of the Notes a Minimum Rate of Interest and/or a Maximum Rate of Interest, reduce such Minimum Rate of Interest and/or such Maximum Rate of Interest, (v) change any method or basis of calculating the Final Redemption Amount or the Optional Redemption Amount, or in the case of Zero Coupon Notes, vary the method of calculating the Amortised Face Amount in respect thereof, (vi) change the currency or currencies of payment of the Notes, (vii) impair the right to institute a suit for the enforcement of any such payment on or with respect to any Note or Coupon, (viii) modify the provisions concerning the majority required to pass an Extraordinary Resolution or (ix) amend the provision containing these restrictions. All actions which may be taken and all powers which may be exercised by holders of the Notes of a Series at a meeting may also be taken or exercised without the necessity of a meeting by the holders of not less than 66 2/3 per cent. of the aggregate nominal amount of Notes of such Series at the time outstanding by an instrument in writing signed in one or more counterparts. The Agency Agreement provides that an "Extraordinary Resolution" means a resolution passed at a meeting of the holders of the Notes of a Series duly convened and held by a majority consisting of not less than three-fourths of the votes cast thereon (every person present at such meeting being entitled to vote on the basis of such person's proportionate share of the nominal amount of the Series of the applicable Notes held or represented by such person).

The quorum required at a meeting of holders of the Notes of a Series will be at least two persons holding or representing in the aggregate a clear majority of the nominal amount of the outstanding Notes of such Series and if no such quorum is present, the meeting shall be adjourned, except if convened on the requisition of the Noteholders, in which case the Meeting shall be dissolved. At an adjourned meeting two persons holding or representing holders of Notes of a Series in the aggregate of at least one quarter of the nominal amount of the outstanding Notes of such Series will form a quorum.

Meetings of holders of Notes of different Series may be combined and treated as the meeting of the holders of Notes of one Series where the matter to be considered does not affect such Series differently and for the purpose of determining voting entitlement all nominal amounts of the Notes outstanding shall be converted into their U.S. dollar equivalent (rounded to the nearest U.S.\$100) based on the Bank's closing exchange rates in effect on the day notice of the meeting was given to the holders of the Notes and at a meeting every person shall have one vote in respect of each U.S.\$100 of principal (so converted).

In addition, the Issue Agent and the other Paying Agents may agree, without the consent of the holders of the Notes, Receipts and Coupons, with the Issuer to modify the Notes of a Series, Receipts, Coupons or the Agency Agreement for the purpose of curing any ambiguity or correcting or supplementing any provision therein which may be defective or inconsistent with any other provision contained therein or for effecting the issue of additional Notes as contemplated by Condition 15 or in any other manner which the Issuer and the Issue Agent and Paying Agents mutually deem necessary or desirable and which shall not adversely affect the interests of the holders of the Notes, Receipts or Coupons.

### 17. Currency Indemnity

Subject to Condition 5(h) and (j), the currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the "Contractual Currency"), is the sole currency of account and payment for all sums payable by the Bank in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction) by any holder of a Note or Coupon in respect of any sum expressed to be due to it from the Bank shall only constitute a discharge to the Bank to the extent of the amount in the Contractual Currency which such holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any holder of a Note or Coupon in respect of such Note or Coupon the Bank shall indemnify such holder against any loss sustained by such holder as a result. In any event, the Bank shall indemnify each such holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Bank's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Bank.

### SUMMARY OF PROVISIONS RELATING TO THE NOTES ONLY WHILE IN GLOBAL FORM

## **Initial Issue of Notes**

Unless otherwise agreed upon between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a Temporary Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a Permanent Global Note, in each case, in bearer form without Coupons or Receipts attached.

Global Notes representing Bearer Notes which are stated in the applicable Final Terms to be issued in NGN form and Global Registered Notes held under NSS will be delivered on or prior to the issue date of the relevant Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes representing Bearer Notes which are stated in the applicable Final Terms not to be issued in NGN form or Global Registered Notes not held under the NSS may be deposited on or prior to the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or, as the case may be, the appropriate depositary for any other clearing system as agreed between the Issuer and the relevant Dealer(s).

Registered Notes which are held in Euroclear and Clearstream, Luxembourg (or any other agreed clearing system), will be represented by a Global Registered Note registered in the name of nominees for common depositaries for such systems or a common nominee for a common depositary for both systems (or any other agreed clearing system) or, as the case may be, for the Common Safekeeper.

If the Global Note representing Bearer Notes is specified in the applicable Final Terms to be issued in NGN form or the Global Note represents Registered Notes is specified in the applicable Final Terms or held under the NSS, Euroclear and/or Clearstream, Luxembourg will be notified by or on behalf of the Bank as to whether such Global Note is to be held in a manner which would allow Eurosystem eligibility.

Depositing Notes with a Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Upon the initial deposit of a Global Note representing Bearer Notes with the common depositary, or as the case may be, the appropriate depositary, or delivery to a Common Safekeeper, or in the case of Registered Notes the initial registration in the name of nominees for Euroclear and Clearstream, Luxembourg (or a common nominee for both) or, as the case may be, for the Common Safekeeper or any other agreed clearing system, and delivery of the applicable Global Registered Note to the appropriate depositaries, or a common depositary or the Common Safekeeper for Euroclear or Clearstream, Luxembourg or such other agreed clearing system, each subscriber will be credited with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the amount of the Notes shall be the aggregate nominal amount from time to time entered in the records of Clearstream, Luxembourg and Euroclear and the records of such clearing systems shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing systems at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Any reference to Euroclear or Clearstream, Luxembourg, whenever the context so permits, shall be deemed to include a reference to any additional or alternative clearing system as may be agreed between the Issuer, the relevant Dealer(s), the Issue Agent and the Registrar (if applicable), except in relation to Bearer Notes issued in NGN form or in relation to Registered Notes held under the NSS.

## Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg for his or her share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes, Global Registered Notes (each a "Global Note") and Agency Agreement contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

### 1. Payment:

So long as any Notes are represented by an interest in the Temporary Global Note, no payment of principal or interest shall be made in respect thereof unless upon due presentment (where applicable) of the Temporary Global Note for exchange, delivery of the appropriate nominal amount of the Permanent Global Note or Definitive Notes is improperly withheld or refused. Payments of principal and interest, if any, in respect of the Notes represented by a Global Note which is not a NGN, will be made against presentation and surrender of the applicable Global Note at the specified office of the Issue Agent (and only upon appropriate certification as to beneficial ownership in the case of a Temporary Global Note). A record of the payment so made will be endorsed on the Schedule to the applicable Global Note by the Issue Agent which endorsement will be prima facie evidence that such payment has been made. Global Notes do not have any Coupons attached.

In respect of Global Notes representing Bearer Notes in NGN form or Global Registered Notes held in NSS, a record of each payment shall be entered pro rata in the records of Clearstream, Luxembourg or Euroclear and, upon any such entry being made, the nominal amount of the Notes recorded in the records of Clearstream, Luxembourg or Euroclear and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled by the aggregate amount of such instalment so paid. Payments under any Notes in NGN form will be made to the holder of such Note. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

## "Business Day" means a day which is:

- (1) in the case of a Specified Currency other than euro or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the principal financial centre for that Specified Currency and in any other Business Centre specified in the applicable Final Terms; or
- (2) if this Note is denominated in euro, a day on which the TARGET System is operating credit or transfer instructions in respect of payments in euro and in any other Business Centre specified in the applicable Final Terms or

(3) if this Note is denominated in Renminbi, a day on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the RMB Settlement Centre specified in the applicable Final Terms.

Interest on Global Registered Notes will be paid to the person shown on the Register at the close of the business day (in Euroclear and Clearstream, Luxembourg) prior to the due date for payment thereof (the "**Record Date**").

## 2. Default:

If, for any actual or alleged reason which would not have been applicable had there been no exchange of a Permanent Global Note (or part of such Global Note) or in any other circumstances whatsoever, the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Definitive Notes (defined below), then any right or remedy relating in any way to the obligation(s) in question may be exercised or pursued on the basis of such Global Note despite its stated cancellation after its exchange in full, as an alternative, or in addition, to the Definitive Notes (with the Coupons appertaining to them, as appropriate). With this exception, upon exchange in full and cancellation of such Global Note for Definitive Notes, such Global Note shall become void.

### 3. Transfers:

Transfers of Notes while represented by the Global Notes may only be effected through Euroclear and Clearstream, Luxembourg or such other agreed clearing system (each a "Clearing System") in which the Global Notes are held.

### 4. Meetings:

The holder of the Global Notes will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders.

## 5. Exchange:

If the applicable Final Terms provide that the Notes will be represented on issue by a Temporary Global Note, the Issuer will undertake in the Temporary Global Note to exchange the Temporary Global Note for the Permanent Global Note or definitive Bearer Notes, as applicable, on or after the Exchange Date and only upon appropriate certification as to beneficial ownership or, if applicable, for Global Registered Notes or definitive Registered Notes at any time after the Issue Date. If provided for in the applicable Final Terms, the Permanent Global Note will be exchangeable for Global Registered Notes or definitive Registered Notes. The Permanent Global Note and/or the Global Registered Note, if applicable, will be exchangeable in whole (or in part if the Permanent Global Note or the Global Registered Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, and the rules of Euroclear and/or Clearstream, Luxembourg (as applicable) then permit) (i) if so provided in the applicable Final Terms, at the request of the holder, or (ii) if such Permanent Global Note or such Global Registered Note is held on behalf of Euroclear or Clearstream, Luxembourg and either of such Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (iii) if an event of default as described in Condition 10 occurs in relation to the Notes (represented by such Permanent Global Note or such Global Registered Note), in each case at the cost and expense of the Issuer, for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes or Global Registered Notes) definitive Registered Notes by such holder giving notice to the Issue Agent or

the Registrar, or by the Issuer giving notice to the Issue Agent or the Registrar and the Noteholders, of its intention to exchange (at the option and expense of such Issuer) such Permanent Global Note for definitive Bearer Notes or such Permanent Global Note (in the case of Exchangeable Bearer Notes) or Global Registered Notes for definitive Registered Notes on or after the exchange date specified in the notice.

If the Global Note is in NGN form or held in the NSS, on or after any due date for exchange, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant Clearing System and in respect of Registered Notes, entered into the Register.

In the event that a Permanent Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Holders who hold Notes in the relevant Clearing System in amounts that are not Specified Denominations may need to purchase or sell, on or before the relevant exchange date, a nominal amount of Notes such that their holding is a Specified Denomination.

### 6. Deed of Covenant:

The Issuer has entered into an amended and restated Deed of Covenant dated as of September 20, 2013, (as amended, supplemented or restated as at the Issue Date of any Series of Notes the "Deed of Covenant") in favour of account holders of the relevant clearing system(s) (each a "Relevant Account Holder"). A notice given to the Issue Agent or Registrar, as the case may be, on behalf of the Issuer by the holder of a Global Note while an event of default in accordance with Condition 10 has occurred and is continuing specifying such occurrence and electing either (i) to have the Deed of Covenant of the Issuer apply to the whole or a portion of the nominal amount of the Global Note before the Global Note or more Definitive Notes or Registered Notes, as the case may be, or (ii) that Definitive Notes or Registered Notes be issued, may be given with either respect to the whole of the Global Note as may be specified in such notice (the whole or such part, as the case may be, being referred to as the "Relevant Amount").

Upon notice being given pursuant to (i) above, the Global Note will become void (to the extent of an aggregate nominal amount equal to the Relevant Amount) upon the seventh day after the date on which such written notice is given to the Issue Agent, unless prior to the expiry of such seven day period, all events of default in respect of the Notes shall have been cured or waived, and the holder will have no further rights under it to such extent but without prejudice to the rights which the holder or any other person might have under the Deed of Covenant.

The Deed of Covenant provides that if a Global Note becomes void in accordance with its terms (other than by reason of expiration of the prescription period) each Relevant Account Holder shall acquire against the Issuer all those rights which such Relevant Account Holder would have acquired had, prior to such Global Note becoming void, bearer or registered Notes in definitive form ("Definitive Notes"), as the case may be, been delivered to it in exchange for its interest in such Global Note and the Issuer will (subject to certain exemptions set out in the Deed of Covenant) pay on demand to each Relevant Account Holder the aggregate amount due immediately prior to the time such Global Note becomes void, in respect of those Notes represented by such Global Note which as at the opening of business on the day specified in the Deed of Covenant are credited to such Relevant Account Holder's securities account with the relevant Clearing Systems, all as more particularly set out in the relevant Deed of Covenant.

Copies of the Deed of Covenant are available for inspection at the specified office of the Issue Agent.

### 7. Noteholder Options:

To exercise a right of early redemption in favour of a Noteholder while the Notes are represented in global form, a person holding an interest in a Global Note must deliver the Redemption Notice together with an authority to the Clearing System in which such person's interest is recorded to debit such person's account in respect of the interest being redeemed by him. No such authority so delivered may be withdrawn (except as provided for in the Agency Agreement) without the prior consent of the Issuer.

### 8. Notices:

Until such time as Definitive Notes are issued, there may, so long as the Global Notes in respect of a Series are held in their entirety on behalf of one or more Clearing Systems, be substituted for the publication of notices the delivery of the relevant notice to such Clearing Systems for communication by them to the persons who are recorded in the records of such Clearing Systems as holding an interest in one or more of such Global Notes (which notice shall be deemed to have been given to such persons on the day on which the said notice was given to such Clearing Systems) provided that in respect of Notes of a Series which are listed on the Official List and admitted to trading on the Regulated Market, the requirements of the stock exchange or authority with respect to publication of notices and notification of holders of Notes have been complied with.

## 9. NGN Nominal Amount:

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes or issue of a Tranche of Notes to be consolidated and form a single Series with an existing Series, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, exchange, redemption or cancellation or further issues, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

### 10. Specified Denominations:

So long as the Bearer Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, if the Notes have a minimum Specified Denomination of  $\epsilon$ 100,000 (or the respective equivalent in other currencies at the date of issue) and if so provided in the applicable Final Terms the Notes may be tradeable only in principal amounts of at least  $\epsilon$ 100,000 (or the respective equivalent in another currency) and higher integral multiples of at least 1,000 in the relevant currency (the "Integral Amount") as provided in the applicable Final Terms, notwithstanding that no definitive Notes will be issued with a denomination above 199,000 in such currency. For the purposes of the Conditions, the "Definitive Amount" shall be equal to two times the lowest Specified Denomination minus the Integral Amount.

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be added to the general funds of the Issuer.

#### PRO FORMA FINAL TERMS

#### Final Terms dated •

#### **The Toronto-Dominion Bank**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the U.S.\$20,000,000,000 Programme for the issuance of Notes

#### PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Prospectus dated September 20, 2013 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**2010 PD Amending Directive**") (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. [The Prospectus [and the supplemental Prospectuses]] [is] [are] available for viewing at and copies may be obtained from the registered office of the Issuer at TD Bank Tower, King Street West and Bay Street, Toronto, Ontario, M5K 1A2, Canada and at the offices of the Paying Agents, Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad-Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg and can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus".

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Prospectus dated [original date] which are incorporated by reference in the Prospectus dated September 20, 2013. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Directive 2003/71/EC as amended by Directive 2010/73/EU (the "2010 PD Amending Directive") (the "Prospectus Directive")] and must be read in conjunction with the Prospectus dated September 20, 2013 [and the supplemental Prospectus[es] dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] [and the supplemental Prospectus[es] dated [•] and [•]]. [The Prospectus dated [current date][and the supplemental Prospectus[es]] [is] [are] available for viewing at and copies may be obtained from the registered office of the Issuer at TD Bank Tower, King Street West and Bay Street, Toronto, Ontario, M5K 1A2, Canada and at the offices of the Paying Agents, Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad-Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg and can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Issuer and the headline "Publication of Prospectus".

Issuer:The Toronto-Dominion BankBranch of Account:[Toronto branch][London branch][Not applicable]

1.

2.	[(a)]	Series Number:	[ ]
	[(b)	Tranche Number:	[ ]]
	[(c)]	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with $[\bullet]$ on [the Issue Date][exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph $[\bullet]$ below, which is expected to occur on or about $[\bullet]$ ] [Not Applicable]
3.	Specifi	ed Currency or Currencies:	[ ]
4.	Aggreg	gate Nominal Amount:	[ ]
	[(i) Sei	ries:	[ ]]
	[(ii) Tr	ranche:	[ ]]
5.	Issue P	Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6.	(i)	Specified Denomination(s):	[ ] [and integral multiples of [ ] in excess thereof [up to and including [ ]. No Notes in definitive form will be issued with a denomination above [ ].
			[So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of at least [ ], notwithstanding that no Definitive Notes will be issued with denominations above [ ].]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[•][Issue Date][Not Applicable]
8.	Maturi	ty Date:	[•]
9.	Interest Basis:		[•% Fixed Rate] [[]] month [LIBOR/EURIBOR/] +/- • % Floating Rate]] [Zero Coupon] [See paragraph [15][16][17] below]
10.	Redem	ption/Payment Basis:	[Redemption at par]
[11.	Change	e of Interest Basis:	[•] [Not Applicable]]

12.	Put/Call Options:		[Issuer Call Option] [Noteholder Put Option] [(See paragraph [18] [and] [19] below)]	
13.	[(i)]	Status of the Notes:	[Deposit Notes][Subordinated Notes]	
	[(a)]	[Date [Board] approval for issuance of Notes obtained:]	[]	

14.	Method of distribution:	[Syndicated][Non-syndicated]
1.1		[Synaicalea][11011 Synaicalea]

# PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions		[Applicable][Not Applicable]			
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date			
	(ii)	Interest Payment Date(s):	[ ] in each year			
	(iii)	Business Day Convention:	[Floating Rate Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention] [Not Applicable]			
	(iv)	Fixed Coupon Amount[(s)]:	[[ ] per [ ] Calculation Amount] [Not Applicable]			
	(v)	Broken Amount(s):	[[ ] per [ ] Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]].[Not Applicable]			
	(vi)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]			
	(vii)	Determination Dates:	[[ ] in each year] [Not Applicable]			
	(viii)	Name and address of person responsible for calculating Basis of Interest and Interest Amount:	[ ][Not applicable]]			
	(ix)	Business Centre(s):	[ ]			
16.	Floati	ng Rate Note Provisions	[Applicable][Not Applicable]			
	(i)	Interest Period(s):	[ ]			
	(ii)	Interest Payment Dates:	[ ]			

(iii)	Business Day Convention:	[Floating Rate Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention] [Not Applicable]
(iv)	Business Centre(s):	[ ]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination][ISDA Determination]
(vi)	Name and address of party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issue Agent):	[ ]
(vii)	Screen Rate Determination:	[Applicable][Not Applicable]
	- Reference Rate/Reference Basis:	[[ ] month [LIBOR][EURIBOR]
	- Interest Determination Date(s):	[ ]
	- Relevant Screen Page:	[ ]
(viii)	ISDA Determination:	[Applicable][Not Applicable]
	<ul><li>Floating Rate Option:</li><li>Designated Maturity:</li><li>Reset Date:</li></ul>	[ ] [ ] [ ]
(ix)	Margin(s):	[+/-] [ ] per cent. per annum
(x)	Minimum Rate of Interest:	[ ] per cent. per annum
(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
(xii)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
(xiii)	Relevant Time:	[ ]
(xiv)	Effective Date:	[ ]

17. Zero Coupon Note Provisions [Applicable][Not Applicable]

(i)	Amortisation Yield:	[	] per cent. per annum
(ii)	Reference Price:	[	]

## PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call Option		[A	[Applicable][Not Applicable]	
	(i)	Option	al Redemption Date(s):	[	]
	(ii)	-	al Redemption tt(s) of each Note:	[	] per Calculation Amount
	(iii)	If redee	If redeemable in part:		
		(a)	Minimum Redemption Amount:	[	] per Calculation Amount
		(b)	Maximum Redemption Amount:	[	] per Calculation Amount
	(iv)	Notice	period:		inimum period: [ ] days aximum period: [ ] days
19.	Noteho	older Put	Option	[A	pplicable][Not Applicable]
	(i)	Option	al Redemption	Da	ate(s): [ ]
	(ii)	Option: Amoun	al Redemption tt(s) of each Note:	[	] per Calculation Amount
	(iii)	Notice	period:		inimum period: [ ] days aximum period: [ ] days
20.	Final Redemption Amount		[[	] per Calculation Amount]	
21.	Early 1	Redempt	ion Amount		
	Early F	Redemptio	on Amount(s) payable on	[[	] per Calculation Amount][Con

Early Redemption Amount(s) payable on [[ ] per Calculation Amount][Condition [6(d)] applies] redemption for taxation reasons or on event of default:

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Bearer Notes][Exchangeable Bearer Notes]:
		[Temporary Global Note exchangeable for a Permanent
		Global Note which is exchangeable for [Definitive Notes
		on [ ] days' notice/at any time/in the limited
		circumstances specified in the Permanent Global Note]

[and/or Registered Notes]]

[Temporary Global Note exchangeable for [Definitive Notes on [ ] days' notice] [and/or Registered Notes]]

[Permanent Global Note exchangeable for [Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [and/or Registered Notes]]

### [Registered Notes]

[Global Registered Notes registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg / a Common Safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under NSS)]]

23.	New Global Note:	[Yes][No]	
24.	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable][●]	
25.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 Coupon Payments, Talons may be required if, on exchange into definitive form, more than 27 Coupon Payments are still to be made][No.]	
26.	<b>RMB</b> Settlement Centre(s):	[ ] [Hong Kong] [Not Applicable]	
27.	Calculation Agent for purposes of Condition 5(j):	[[ ] shall be the Calculation Agent]]	

Signed on behalf of the Issuer:

By:\_\_\_\_

Duly authorised
#### **PART B – OTHER INFORMATION**

#### LISTING 1.

- [Application has been made by the Issuer (or on its behalf) (i) Listing/Admission to trading: for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market. No assurance can be given as to whether or not, or when, such application will be granted.] [ ]
- (ii) Estimate of total expenses related to admission to trading:

#### 2. RATINGS

Ratings:

The [[Deposit/Subordinated] Notes to be issued] [have/has been/expected to be] been rated: [Standard and Poor's Rating Services (Canada), a business unit of the McGraw-Hill Companies (Canada) Corporation: [ 11 [Moody's Canada Inc.: [ ]] [[Other Rating Agency]: []]

#### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

["Save as discussed in "Plan of Distribution", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business"][•][Not applicable]

#### 4. [Fixed Rate Notes only – YIELD

Indication of yield: [].

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

#### 5. **OPERATIONAL INFORMATION**

- ISIN Code: [ ]
- Common Code: [ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, their addresses and the relevant [Not Applicable/give name(s) and address(es) and number(s)]

identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of additional [ ] Paying Agent(s) (if any):

# PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the RMB Notes. Prospective holders of RMB Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

## **Current Account Items**

Under the applicable PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Since July 2009, the PRC has commenced a pilot scheme, pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (關於擴大跨境貿易 人民幣結算試點有關問題的通知) (the "Pilot Programme of Renminbi Settlement Circular"), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover 20 provinces and cities, and (iii) the restriction on designated offshore districts has been uplifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. Renminibi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. In August 2011, the PRC government further expanded Renminbi cross-border trade settlement nationwide.

As a new regulation, the Pilot Programme of Renminbi Settlement Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Pilot Programme of Renminbi Settlement Circular and impose conditions for settlement of current account items.

## **Capital Account Items**

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by

it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, SAFE promulgated the SAFE Circular, which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent of the relevant MOFCOM to the relevant local branch of SAFE of such onshore enterprise and register for foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the foreign guarantee provided by, an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign guarantee regime.

On 12 October 2011, MOFCOM promulgated the MOFCOM RMB FDI Circular. In accordance with the MOFCOM RMB FDI Circular, MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in the real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, the PBOC promulgated the PBOC RMB FDI Measures, pursuant to which, PBOC special approval for RMB FDI and shareholder loans which is required by the PBOC Notice concerning Clarification of Certain Issues Cross-border RMB Settlement on (《中國人民銀行關於明確跨境人民幣業務相關問題的通知》)(the "PBOC Notice") promulgated on 3 June 2011 is no longer necessary. The PBOC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of the PBOC within 10 working days after obtaining the business licences for the purpose of Renminbi settlement, a foreign investor is allowed to open Renminbi special accounts for designated usage in relation to making equity investment in a PRC enterprise or receiving Reminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries. The PBOC RMB FDI Measures also state that Renminbi debt and foreign currency debt of a foreign invested enterprise from its offshore shareholders, offshore affiliates and offshore financial institutions constitute its foreign debt quota, and a foreign invested enterprise may open a Renminbi account (人民幣一般存款賬戶) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

As new regulations, the SAFE Circular, the PBOC Notice, the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

#### CERTAIN TAX LEGISLATION AFFECTING THE NOTES

#### Canada

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations promulgated thereunder (collectively, the "**Canadian Tax Act**") generally applicable to a holder who acquires beneficial ownership of a Note pursuant to this Prospectus and who, for the purposes of the Canadian Tax Act and at all relevant times: (a) is not (and is not deemed to be) resident in Canada; (b) deals at arm's length with the Bank and any Canadian resident (or deemed Canadian resident) to whom the holder assigns or otherwise transfers the Note; (c) is entitled to receive all payments (including any interest and principal) made on the Note; (d) is not, and deals at arm's length with each person who is, a "specified shareholder" of the Bank for purposes of the thin capitalization rules in the Canadian Tax Act; (e) does not use or hold and is not deemed to use or hold the Note in or in the course of carrying on a business in Canada; and (f) is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-resident Holder**"). A "**specified shareholder**" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length) owns or has the right to acquire or control 25% or more of the Bank's shares determined on a votes or fair market value basis.

This summary reflects the legal advice received by the Bank and is based upon the current provisions of the Canadian Tax Act in force as of the date hereof, all specific proposals to amend the Canadian Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by the CRA prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations relevant to an investment in the Notes, and, except for the Tax Proposals, does not take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurance can be given that this will be the case, and no assurance can be given that judicial, legislative or administrative changes will not modify or change the statements below.

The following is only a general summary of certain Canadian non-resident withholding and other tax provisions which may affect a Non-resident Holder of the Notes described in this Prospectus. This summary is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Non-resident Holder and no representation with respect to the income tax consequences to any particular Non-resident Holder is made. Persons considering investing in Notes should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Notes having regard to their own particular circumstances.

The Canadian federal income tax considerations applicable to Notes may be described particularly in the Final Terms related thereto when such Notes are offered. In the event the Canadian federal income tax considerations are described in the Final Terms, the following description will be superseded by the description in the Final Terms to the extent indicated therein.

Interest (including amounts on account or in lieu of payment of, or in satisfaction of, interest) paid or credited, or deemed to be paid or credited, on a Note to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any part of such interest is participating debt interest. "**Participating debt** interest" is defined generally as interest (other than on a "prescribed obligation" described below) all or any portion of which is contingent or dependent on the use of or production from property in Canada or is computed

by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A "**prescribed obligation**" for this purpose is an "indexed debt obligation", as defined in the Canadian Tax Act, in respect of which no amount payable is: (a) contingent or dependent upon the use of, or production from, property in Canada, or (b) computed by reference to: (i) revenue, profit, cash flow, commodity price or any other similar criterion, other than a change in the purchasing power of money, or (ii) dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. An "**indexed debt obligation**" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money.

In the event that a Note is redeemed, cancelled, repurchased or purchased by the Bank or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may, in certain circumstances, be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Note to that time, be subject to Canadian non-resident withholding tax if all or any part of such interest is participating debt interest. Notwithstanding the previous sentence, such excess will not be subject to Canadian non-resident withholding tax if the Note is not an indexed debt obligation (described above) and was issued for an amount not less than 97% of its principal amount (as defined in the Canadian Tax Act), and the yield from the Note, expressed in terms of an annual rate (determined in accordance with the Canadian Tax Act) on the amount for which the Note was issued, does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

If a subsidiary or affiliate of the Bank that is a resident of Canada or carries on business in Canada for purposes of the Canadian Tax Act were to be substituted in the place of the Issuer, interest paid or credited, or deemed to be paid or credited, by such subsidiary or affiliate on a Note to a Non-resident Holder with whom such subsidiary or affiliate deals at arm's length will not be subject to Canadian non-resident withholding tax to the extent such interest would be free of Canadian non-resident withholding tax, as discussed above, if references to the Bank in the discussion above were instead references to the relevant subsidiary or affiliate.

Generally, there are no other Canadian taxes on income (including taxable capital gains) payable by a Nonresident Holder under the Canadian Tax Act solely as a consequence of the acquisition, ownership or disposition of a Note by the Non-resident Holder.

# **United Kingdom**

The comments below are of a general nature and are based upon the provisions of United Kingdom tax laws and the practice of Her Majesty's Revenue and Customs ("HMRC") as of the date hereof each of which is subject to change possibly with retrospective effect. They relate only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers in securities or persons connected to the Issuer. Unless otherwise stated below, it is assumed for these purposes that the Issuer will not be resident in the United Kingdom for United Kingdom tax purposes. In addition the particular terms of issue of any Notes, as specified in the applicable Final Terms, may affect the tax treatment of that series of Notes. Prospective holders of Notes who are in any doubt whatsoever as to their taxation position or may be subject to tax in a jurisdiction other than the United Kingdom should consult their own professional adviser. The comments below assume there is no substitution of the Issuer as debtor under the Notes. 1. HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

- 2. If any interest paid on the Notes constitutes interest with a United Kingdom "source" (within the meaning of that term in the United Kingdom tax law) then, subject to the exceptions set out at paragraphs 3 to 7 below, such interest may be subject to withholding or deduction for or on account of United Kingdom income tax (currently at the basic rate of 20%).
- 3. Interest on Notes issued by the Bank acting through its London branch or where the interest otherwise has a UK "source" ("**UK Notes**") may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Bank is a "**bank**" for the purposes of section 991 of the Income Tax Act 2007 (the "**Act**") and so long as such payments are made by it in the ordinary course of its business within the meaning of section 878 of the Act. Interest will not be regarded as being paid in the ordinary course of business where the borrowing relates to the capital structure of the Issuer. The borrowing will be regarded as relating to the capital structure of the Issuer if it conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Prudential Regulation Authority ("**PRA**"), whether or not the borrowing actually counts towards tier 1, 2 or 3 capital for regulatory purposes.
- 4. Interest on Notes which are issued by a company and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Act can be paid without withholding or deduction on account of UK tax. The London Stock Exchange is a recognised stock exchange for this purpose and Notes will be treated as listed if they are admitted to trading on the Regulated Market and are admitted to the Official List. Notes admitted to trading on a recognised stock exchange outside the United Kingdom will be treated as "**listed**" on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed in accordance with provisions corresponding to those generally applicable in European Economic Area. Provided the notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United

Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

- 5. UK withholding tax obligations apply to yearly interest which is generally understood to arise on debts with a maturity of one year or more. Therefore, Notes carrying a right to interest with a United Kingdom source with a maturity date less than one year from the date of issue (and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more) will generally not be subject to withholding or deduction on account of tax regardless of whether such Notes are listed on a recognised stock exchange or not.
- 6. Interest on the Notes will be payable without withholding or deduction for or on account of UK tax where:
  - (a) the Noteholder receiving the interest is a company that is beneficially entitled to, and is within the charge to UK corporation tax as regards, that interest;
  - (b) the Issuer reasonably believes that (a) is the case; and
  - (c) HMRC has not issued a direction that the interest should be paid subject to deduction of tax.
- 7. Notes may be issued at an issue price of less than 100% of their nominal amount. Any discount element on any such Notes will not be subject to any United Kingdom withholding tax. Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and may be subject to withholding tax as described at paragraph 2 above.
- 8. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.
- 9. The references to "**interest**" in this "United Kingdom" section mean "interest" as understood in United Kingdom tax law (which may, for example, include some or all of a premium paid on redemption). The statements do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions of the Notes or any related documentation.
- 10. United Kingdom Corporation Tax Payers

UK resident corporate Noteholders, and corporate Noteholders trading in the UK through a permanent establishment to which the Notes are attributable are subject to a particular UK legislative regime relating to "loan relationships".

Such companies will generally be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with certain accounting standards, though depending on the Final Terms the treatment may differ.

#### 11. United Kingdom Individuals

#### Taxation of Income

Individual holders of Notes who are resident in the United Kingdom or who carry on a trade in the United Kingdom though a branch or agency to which the Notes are attributable will, generally, be subject to income tax on interest arising in respect of the Notes on a receipts basis.

#### Taxation of Chargeable Gains

Individual holders of Notes may be subject to United Kingdom taxation on capital gains on a disposal or redemption of Notes if they are resident in the United Kingdom or if they carry on a trade in the United Kingdom through a branch or agency to which the Notes are attributable or in some cases if they are generally UK tax resident except for a period of less than 5 years unless the Notes are "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. For individual Noteholders, under current United Kingdom tax law, the Notes will generally not constitute "qualifying corporate bonds" if they are not denominated in Sterling and accordingly a disposal may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. However, any Notes constituting "deeply discounted securities" (as mentioned below) will be treated as "qualifying corporate bonds" (even where they are not denominated in Sterling) and thus no chargeable gain and no allowable loss will arise on a disposal of such Notes.

#### Taxation of Discount and Premium

Where Notes are issued at an issue price of less than 100% of their nominal amount they may constitute "deeply discounted securities" for the purpose of Chapter 8 Part 4 Income Tax (Trading and Other Income) Act 2005, depending on the level of the discount. Where Notes constitute "deeply discounted securities", a holder of such Notes who is within the scope of United Kingdom income tax may be liable to United Kingdom income tax on any profit (the amount by which any sum payable on the transfer or redemption of the Note exceeds its acquisition price less certain costs) made on the sale or other disposal (including redemption) of such Notes. A loss on a "deeply discounted security" is not allowable for UK tax purposes.

Where Notes are issued at a redemption premium, as opposed to being issued at a discount, then where such premium does not constitute a payment of interest then such Notes may constitute "deeply discounted securities" (as mentioned above).

Notwithstanding that they may satisfy the above requirements, Notes which are "excluded indexed securities" will not be treated as deeply discounted securities and therefore, subject to the Noteholder's personal circumstances, any gain will be within the charge to UK tax on capital gains. A security will only be an excluded indexed security for these purposes if certain strict conditions are met including the amount payable on redemption being determined exactly by applying the amount for which the Notes were issued by the percentage change (if any) over the Notes' redemption period in (a) the value of chargeable assets of a particular description, or (b) an index of the value of such assets. The fact that the Notes provide for a minimum amount payable on redemption not exceeding 10 per cent of the issue price will not prevent it from satisfying this requirement, and any interest payable on redemption is ignored in determining the amount payable on redemption for these purposes.

#### Accrued Income Scheme

The provisions of the accrued income scheme (the "Scheme") may apply to individuals transferring Notes that bear interest or to individuals to whom such Notes are transferred. The charge to tax on

income that may arise under the Scheme will be in respect of an amount representing interest on the Notes which has accrued since the preceding interest payment date. This amount will be taken into account in determining any chargeable gain or loss arising on the disposal of the Note.

However, where a Note constitutes a variable rate security for the purposes of the Scheme, the amount of accrued interest deemed to be received as income by a holder of such a Note upon transfer will be such amount as HMRC decides is just and reasonable and the transferee will not be entitled to any credit under the Scheme to set against any actual or deemed interest that is received or is deemed received. Generally, persons who are not resident in the United Kingdom and who do not carry on a trade in the United Kingdom through a branch or agency to which the Notes are attributable will not be subject to the provisions of the Scheme. The Scheme does not apply to "deeply discounted securities" (see above).

#### **United States Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary", "withholding foreign partnership", or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Canada have announced an intention to enter into an IGA. The United States and the United Kingdom have entered into an IGA based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to an applicable IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA

Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent or the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

## **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld, unless during such period they elect otherwise. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in that other Member State with effect from the same date.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(C) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

#### PLAN OF DISTRIBUTION

The Issuer has entered into an amended and restated programme agreement dated September 20, 2013 (such agreement, as amended from time to time, the "**Programme Agreement**") with The Toronto-Dominion Bank, London Branch, BNP Paribas, Citigroup Global Markets Limited, Goldman Sachs International, Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited (each a "**Dealer**" and together the "**Dealers**"), and with Goldman Sachs International and The Toronto-Dominion Bank, London Branch, as Arrangers, pursuant to which the Dealers may purchase Notes on and subject to the terms and conditions thereof. The Issuer has agreed to pay the Dealers a commission depending upon the maturity of Notes purchased by it. The Issuer has agreed to reimburse the Dealers for their reasonable expenses incurred in connection with the establishment and update of the Programme contemplated hereby and the Dealers' activities in connection with such offering.

The Programme Agreement also provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph below headed "General".

The Issuer reserves the right to sell Notes to any person directly on its own behalf and in respect of any such sales have agreed to be bound by the same selling restrictions as if it were a Dealer. The Dealers have agreed that in respect of any Notes so sold any requirements of the Programme Agreement or provided for herein that require the Dealers or any of them agree to any of the terms and conditions of such Series of Notes shall not apply.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and the Issuer only, by any Dealer at any time on giving not less than 30 days' notice.

## **United States of America**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to United States federal income tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by United States federal income tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and the regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any Tranche (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of the Notes of such Tranche (as certified to the Issue Agent by the lead Dealer for the Notes of such Tranche) within the United States or to, or for the account or benefit of, U.S. persons, it will not engage in any directed selling efforts with respect to the Notes of any Tranche, and it will send to each dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes of any Tranche, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

# Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the publication by the Issuer or any Dealer of a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive 2010/73/EU.

# Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### Canada

No prospectus in relation to the Notes has been filed with the securities regulatory authority in any province or territory of Canada. The Notes have not been and will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, and will not offer, sell or deliver any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada. Each Dealer has agreed not to distribute or deliver this Prospectus, or any other offering material or advertisement relating to the Notes, in Canada in contravention of the securities laws of any province or territory of Canada.

### Japan

Each Dealer understands that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or re-sale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

#### Italy

The Issuer is not licensed to "collect deposits and other funds with the obligation to reimburse" in the Republic of Italy and therefore, the Issuer and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that is has not offered, sold or delivered Notes, nor has it distributed copies of the Prospectus or any other document relating to the Notes in the Republic of Italy and that no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy unless such license has been obtained.

Upon the issuance of the license to "collect deposits and other funds with the obligation to reimburse" in the Republic of Italy, the following selling restrictions shall apply:

The offering of any Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed

that it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes in the Republic of Italy ("**Italy**") in a solicitation to the public, and that sales of the Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of the Prospectus or any other document relating to the Notes in Italy except:

- to "Qualified Investors" (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58") and as defined under Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("CONSOB Regulation No. 11971"); or
- (ii) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under Article 100 of Decree No. 58 or CONSOB Regulation No. 11971.

Any offer, sale or delivery of any Notes or distribution of copies of the Prospectus and any supplement thereto or any other document relating to the Notes in Italy must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (the "Banking Act"), Decree No. 58 and, CONSOB Regulation No. 16190 of 29 October 2007 (in each case, as amended) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Please note that in accordance with Article 100-bis of the Consolidated Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Services Act and CONSOB Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

The Prospectus and the information contained therein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

# The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any Notes will only be offered in The Netherlands to Qualified Investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

# Hong Kong

Each Dealer has represented and agreed, and each other Dealer will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" within the meaning of the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## The People's Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

## Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of the Singapore Statutes (the "Securities and Futures Act"). Each Dealer has represented, warranted and agreed and each other Purchaser will be required to represent, warrant and agree, that the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) pursuant to Section 276(7) of the Securities and Futures Act.

## General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

### THE TORONTO-DOMINION BANK

#### Information about the Issuer

The Toronto-Dominion Bank (the "**Bank**"), collectively with its subsidiaries known as TD Bank Group, is a Canadian chartered bank subject to the provisions of the *Bank Act* (Canada). The Bank was formed through the amalgamation on February 1, 1955 of The Bank of Toronto (chartered in 1855) and The Dominion Bank (chartered in 1869). The Bank's registered office is at TD Bank Tower, Toronto, Ontario, M5K 1A2, Canada. The telephone number of the Bank is (416) 982-8222.

TD Bank Group is the sixth largest bank in North America by branches and serves approximately 22 million customers in four key businesses operating in a number of locations in key financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Auto Finance Canada; Wealth and Insurance, including TD Wealth, TD Direct Investing, an investment in TD Ameritrade, and TD Insurance; U.S. Personal and Commercial Banking, including TD Bank, America's Most Convenient Bank and TD Auto Finance U.S.; and Wholesale Banking, including TD Securities. TD Bank Group also ranks among the world's leading online financial services firms, with more than 8 million active online and mobile customers.

As at July 31, 2013, the Bank had total assets of approximately C\$835 billion and total equity of C\$50,918 million.

#### **Business Overview**

Canadian Personal and Commercial Banking comprises the Bank's Canadian personal and business banking, TD Auto Finance Canada, as well as the Canadian credit card business. Under the TD Canada Trust brand, the retail operations provide a full range of financial products and services to nearly 13 million customers through its network of 1,169 branches, more than 2,800 automated banking machines, telephone and internet banking. TD Commercial Banking serves the unique needs of medium and large Canadian businesses by offering a broad range of customized products and services to help business owners meet their financing, investment, cash management, international trade and day-to-day banking needs. TD Auto Finance provides flexible financing options to customers at point-of-sale for automotive and recreational vehicle purchases through the Bank's auto dealer network. TD Credit Card businesses, which includes VISA and the credit card portfolio of MBNA Canada, provides an attractive line-up of credit cards including co-branded and affinity credit card programs to meet the unique needs of the customers.

Wealth and Insurance comprises TD Wealth Management and Insurance businesses globally, including operations in Canada, the U.S. and Europe. TD Wealth offers a wide range of wealth products and services to a large and diverse set of retail and institutional clients in Canada, the U.S. and Europe. TD Wealth consists of Direct Investing, Advice-based, and Asset Management businesses. Each of these businesses is focused on providing an exceptional client experience aligned with the Bank's brand. In the global Direct Investing business, TD has a leading market share, providing a full set of offerings to personal and institutional clients in Canada and the U.K. In the U.S., TD has an investment in TD Ameritrade, which is the industry-leader in direct investing as measured by average trades per day. TD's North American Advice-based business includes financial planning, full service brokerage, private banking and private investment counsel. In each case, TD's Advice-based business is focused on delivering a value proposition that is matched to the Bank's client's needs and delivered in an integrated fashion. TD Asset Management is a leading North American investment manager comprising both retail (e.g. mutual fund) and institutional capabilities. Institutional clients include leading pension funds, corporations, endowments and foundations in Canada. TD Insurance offers a broad range of insurance products to Canadians exclusively through growing direct to consumer distribution channels such as phone and online. TD Insurance has a significant home and auto insurance business and enjoys the number one

direct writer position and number two position in the personal lines market in Canada. TD Insurance offers authorised credit protection products to over 3 million TD Canada Trust lending customers, and also sells travel, life and health insurance. TD Insurance also has a niche international reinsurance business.

U.S. Personal and Commercial Banking comprises the Bank's retail and commercial banking operations in the U.S. operating under the brand TD Bank, America's Most Convenient Bank. The retail operations provide a full range of financial products and services through multiple delivery channels, including a network of 1,312 stores located along the east coast from Maine to Florida, telephone, mobile and internet banking and automated banking machines, allowing customers to have banking access virtually anywhere and anytime. U.S. Personal and Commercial Banking also serves the needs of businesses, customising a broad range of products and services to meet their financing, investment, cash management, international trade, and day-to-day banking needs.

Wholesale Banking provides a wide range of capital markets and investment banking products and services including underwriting and distribution of new debt and equity issues, providing advice on strategic acquisitions and divestitures, and meeting the daily trading, funding and investment needs of the Bank's clients. Operating under the TD Securities brand, the Bank's clients include highly-rated companies, governments, and institutions in key financial markets around the world. Wholesale Banking is an integrated part of the Bank's strategy, providing market access to the Bank's wealth and retail operations and providing wholesale banking solutions to the Bank's partners and their customers.

# **Issuer Ratings**

Each of the Bank's debt securities ratings as at August 29, 2013 received from a rating agency with which it cooperated are listed below

Rating Agency	Long-term Senior Debt	Bank Subordinated Debt	Short-term Debt	Outlook
Moody's Canada	Aal	A2 (Tier 2A)	P-1	Stable
		A1 (Tier 2B)		
S&P Canada	AA-	A- (Tier 2A)	A-1+	Stable
		A (Tier 2B)		
Fitch	AA-	A+	F1+	Stable
DBRS	AA	AA (low)	R-1 (high)	Stable

See pages 9 to 11 of the 2012 Annual Information Form incorporated by reference into this Prospectus for a definition of the categories of each of the credit ratings referred to above.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

# **Major Shareholders**

Under the *Bank Act* (Canada), the ownership by one person or entity of more than 10% of the common shares of the Bank is prohibited without approval in accordance with the provisions of the *Bank Act* (Canada). To the

knowledge of the directors and officers of the Bank, no person owns or exercises control over more than 10% of the common shares of the Bank. A person may, with the approval of the Minister of Finance, beneficially own up to 20% of a class of voting shares and up to 30% of a class of non-voting shares of the Bank, subject to a "fit and proper" test based on the character and integrity of the applicant. In addition, the holder of such a significant interest could not have "control in fact" of the Bank.

# Competition

The Bank currently operates in a highly competitive industry and its performance is impacted by the level of competition. Customer retention and attraction of new customers can be influenced by many factors, such as the quality and pricing of products or services. Deterioration in these factors or a loss of market share could adversely affect the Bank's earnings. The Bank operates in a global environment and laws and regulations that apply to it may not universally apply to competitors in various jurisdictions creating an uneven playing field that may favour certain domestic institutions. In addition, other types of financial institutions, such as insurance companies, as well as non-financial institutions are increasingly offering products and services traditionally offered by banks. This type of competition could adversely impact the Bank's earnings by reducing fee revenue and net interest income.

## **Material Contracts**

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank other than, with respect to any Notes, the contracts described in "Plan of Distribution".

## Directors

As at the date of this Prospectus, the Directors of the Bank, their function in the Bank and their other principal activities (if any) outside the Bank of significance to the Bank are as follows:

<u>Name</u>	<b>Function</b>	<b>Other Principal Activities Outside the Bank</b>
William E. Bennett	Director	-
Hugh J. Bolton	Director	Non-Executive Chair of the Board of Directors, EPCOR Utilities Inc.
John L. Bragg	Director	Chairman, President and Co-Chief Executive Officer, Oxford Frozen Foods Limited
Amy W. Brinkley	Director	Consultant, AWB Consulting, LLC
W. Edmund Clark	Group President and Chief Executive Officer of the Bank	-
Colleen A. Goggins	Director	-
Henry H. Ketcham	Director	Executive Chairman, West Fraser Timber Co. Ltd.
Brian M. Levitt	Chairman of the Board of the Bank	Non-Executive Co-Chair, Osler, Hoskin & Harcourt LLP

Harold H. MacKay	Director	Counsel, MacPherson Leslie & Tyerman LLP
Karen E. Maidment	Director	-
Irene R. Miller	Director	Chief Executive Officer, Akim, Inc.
Nadir H. Mohamed	Director	President and Chief Executive Officer, Rogers Communications Inc.
Wilbur J. Prezzano	Director	-
Helen K. Sinclair	Director	Founder and Chief Executive Officer, BankWorks Trading Inc.

The business address at which each of the Directors may be contacted is as follows: The Toronto-Dominion Bank, c/o Corporate Secretary, P.O. Box 1, TD Bank Tower, Toronto, Ontario M5K 1A2, Canada.

## **Conflicts of Interest**

As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Bank by the Directors and their private interests and/or external duties owed by these individuals. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

The Bank makes loans to its officers and directors and their affiliates. Loans to directors and certain officers are on market terms. In addition, the Bank offers deferred share and other plans to non-employee directors, executives and certain other key employees.

## Auditor

Ernst & Young LLP, independent chartered accountants, Ernst & Young Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7, Canada audited the consolidated financial statements of the Bank for the fiscal years 2012 and 2011 in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). The reports of the auditor for the fiscal years 2012 and 2011 did not contain any qualifications.

Ernst & Young LLP is registered as a participating audit firm with the Canadian Public Accountability Board and is registered with the Public Company Accounting Oversight Board (U.S.). Ernst & Young LLP is registered in the Register of Third Country Auditors maintained by the Professional Oversight Board of the United Kingdom in accordance with the European Commission Decision of January 19, 2011 (Decision 2011/30/EU). Ernst & Young LLP is independent of the Bank within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and has no material interest in the Bank.

### **GENERAL INFORMATION**

- 1. The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). Any Tranche of Notes which is to be listed on the Official List and admitted to trading on the Regulated Market will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the applicable Notes. Prior to official listing and admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.
- 2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue and performance of the Notes. The Programme and the issue of Deposit Notes and Subordinated Notes thereunder has been authorised by a resolution of its Board of Directors dated May 28, 2008.
- 3. Notes may be issued pursuant to the Programme which will not be listed on the Official List or admitted to trading on the Regulated Market.
- 4. The listing of the Programme on the Official List and admission to trading on the Regulated Market in respect of the Notes is expected to become effective on or about September 26, 2013.
- 5. There are no, and have not been, any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this Prospectus a significant effect on the financial position or profitability of the Issuer and its subsidiaries, taken as a whole, nor is the Issuer aware that any such proceedings are pending or threatened.
- 6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Notes. The appropriate common code and International Securities Identification Number for the applicable Notes will be contained in the Final Terms relating thereto. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.
- 7. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
- 8. Settlement arrangements will be agreed between the Issuer, the relevant Dealer(s) and the Issue and Principal Paying Agent in relation to each Tranche of Notes.
- 9. Each Bearer Note and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to provide that a United States person who holds a Bearer Note or Coupon will not be allowed to deduct any loss realised on a sale, exchange or redemption of such Note or Coupon, and any gain (which otherwise might have been characterised as a capital gain) recognised on a sale, exchange or redemption of a Note or Coupon will be treated as ordinary income.
- 10. Since July 31, 2013, the last day of the financial period in respect of which the most recent unaudited interim consolidated financial statements of the Bank were published, there has been no significant change in the financial position of the Bank and its subsidiaries taken as a whole and since October 31,

2012, the last day of the financial period in respect of which the most recent audited consolidated financial statements of the Bank were published, there has been no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole.

- 11. Throughout the life of the Programme and so long as any of the Notes remain outstanding the following documents (to the extent still relevant) may be inspected during usual business hours on any week day (Saturdays, Sundays and holidays excepted) at the head office of the Bank and at the offices of the Issue Agent, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom:
  - a. the charter (which is the *Bank Act* (Canada)) and by-laws of the Bank;
  - b. the Agency Agreement incorporating the forms of the Notes;
  - c. the Deed of Covenant;
  - d. the Programme Agreement;
  - e. the audited consolidated financial statements of the Bank and the auditors' report thereon and Management's Discussion and Analysis for the year then ended and for the two most recently completed fiscal years;
  - f. the most recent quarterly Report to Shareholders, which includes the unaudited interim consolidated financial statements of the Bank;
  - g. each Final Terms for a Tranche of Notes that is offered to the public or admitted to trading on a regulated market;
  - h. a copy of the Prospectus together with any supplementary Prospectus or further Prospectus relating to the Programme or any issue of Notes; and
  - i. a copy of the subscription agreement for Notes issued on a syndicated basis which are admitted to trading on a stock exchange.

Copies of some of the foregoing documents may also be available for viewing under the name of the Issuer on SEDAR at www.sedar.com.

## THE TORONTO-DOMINION BANK

Registered Office and Head Office TD Bank Tower Toronto, Ontario M5K 1A2 Canada

# DEALERS

# **BNP PARIBAS**

10 Harewood Avenue London NW1 6AA United Kingdom

### **Citigroup Global Markets Limited**

Citigroup Centre Canada Square, Canary Wharf London E14 5LB United Kingdom

# **Goldman Sachs International**

Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom

### **Merrill Lynch International**

2 King Edward Street London EC1A 1HQ United Kingdom

## Morgan Stanley & Co. International plc

25 Cabot Square Canary Wharf London E14 4QA United Kingdom

#### The Toronto-Dominion Bank,

London Branch 60 Threadneedle Street London EC2R 8AP United Kingdom

# **UBS Limited**

1 Finsbury Avenue London EC2M 2PP United Kingdom

# LEGAL ADVISERS

to the Issuer as to Canadian Law McCarthy Tétrault LLP Box 48, Suite 4700 Toronto Dominion Bank Tower Toronto, Ontario, M5K 1E6 Canada to the Issuer as to English Law Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom

to the Dealers as to Canadian Law Norton Rose Fulbright Canada LLP 3 More London Riverside London SE1 2AQ United Kingdom

# ISSUE AGENT, PAYING AGENTS, REGISTRAR AND TRANSFER AGENT

Issuing Agent and Principal Paying Agent Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom Registrar, Transfer Agent and Paying Agent Deutsche Bank Luxembourg S.A. 2 boulevard Konrad-Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg

# ARRANGERS

# **Goldman Sachs International**

Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom The Toronto-Dominion Bank, London Branch

60 Threadneedle Street London EC2R 8AP United Kingdom

