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Short Form Prospectus

Initial Public Offering

January 15, 2009



TD Capital Trust IV™

(a trust established under the laws of Ontario)

\$550,000,000

**9.523% TD Capital Trust IV Notes—Series 1 Due June 30, 2108
(TD CaTS IV – Series 1)**

and

\$450,000,000

**10.00% TD Capital Trust IV Notes—Series 2 Due June 30, 2108
(TD CaTS IV – Series 2)**

TD Capital Trust IV™ (the "Trust") is a trust established under the laws of Ontario pursuant to a declaration of trust dated as of January 7, 2009, as amended and restated from time to time (the "Declaration of Trust"). The Trust proposes to issue and sell to investors pursuant to this short form prospectus (the "Offering") \$550,000,000 principal amount of 9.523% TD Capital Trust IV Notes – Series 1 due June 30, 2108 (the "TD CaTS IV-Series 1") and \$450,000,000 principal amount of 10.00% TD Capital Trust IV Notes – Series 2 due June 30, 2108 (the "TD CaTS IV-Series 2"), each representing a series of subordinated unsecured debt obligations of the Trust (the "TD CaTS IV Notes"). The Trust's objective is to acquire and hold the Trust Assets (as defined herein), initially comprised primarily of two senior deposit notes (the "Bank Deposit Notes") issued by The Toronto-Dominion Bank (the "Bank"), in order to generate income for payment of the principal, interest, the redemption price, if any, and any other amounts, in respect of its debt securities, including the TD CaTS IV Notes. The Offering will provide the Bank with a cost-effective means of raising capital for Canadian bank regulatory purposes. The Trust will also issue voting trust units (the "Voting Trust Units" and, collectively with the TD CaTS IV Notes, the "Trust Securities") to the Bank, or affiliates of the Bank. The Bank will at all times own, directly or indirectly, all of the Voting Trust Units. See "Description of the Trust Securities". **The Trust may, at any time and from time to time, issue additional Voting Trust Units or subordinated notes of any series without the authorization of holders of TD CaTS IV Notes. See "Description of the Trust Securities – TD CaTS IV Notes – Issue of Additional Trust Securities".**

The TD CaTS IV Notes will be issued only in denominations of \$1,000 and integral multiples thereof.

^(TM) Trade mark of The Toronto-Dominion Bank used under license by the Trustee.

From the date of issue until June 30, 2108, the Trust will pay interest on each Series of TD CaTS IV Notes in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009, subject to any applicable withholding tax. Notwithstanding the foregoing, assuming the TD CaTS IV Notes are issued on January 26, 2009, the first interest payment on the TD CaTS IV Notes on June 30, 2009 will be in the amount of \$40.44013699 per \$1,000 principal amount of TD CaTS IV-Series 1 and \$42.46575342 per \$1,000 principal amount of TD CaTS IV-Series 2.

From the date of issue to, but excluding, June 30, 2019 the interest rate on the TD CaTS IV-Series 1 will be fixed at 9.523% per annum. Starting on June 30, 2019 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a “Series 1 Interest Reset Date”), the interest rate on the TD CaTS IV-Series 1 will be reset at an interest rate per annum equal to the Government of Canada Yield (as defined herein) plus 10.125%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the TD CaTS IV-Series 2 will be fixed at 10.00% per annum. Starting on June 30, 2039 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a “Series 2 Interest Reset Date”), the interest rate on the TD CaTS IV-Series 2 will be reset at an interest rate per annum equal to the Government of Canada Yield plus 9.735%.

The TD CaTS IV Notes will mature on June 30, 2108. Holders of TD CaTS IV Notes may, in certain circumstances, be required to invest interest paid on the TD CaTS IV Notes in a new series of non-cumulative Class A First Preferred Shares of the Bank (the “Bank Class A Preferred Shares”) (each such series is referred to as “Bank Deferral Preferred Shares”). See “Description of the Trust Securities – TD CaTS IV Notes – Deferral Right”.

Each Bank Deposit Note will be dated the Closing Date (as defined herein) and will mature on June 30, 2108. From the Closing Date until June 30, 2108, the Bank will pay interest on each Bank Deposit Note in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009. Notwithstanding the foregoing, assuming the Bank Deposit Notes are issued on January 26, 2009, the first interest payment on the Bank Deposit Notes on June 30, 2009 will be in the amount of \$41.28945205 per \$1,000 principal amount of the Series 1 Bank Deposit Note (as defined herein) and \$43.31506849 per \$1,000 principal amount of the Series 2 Bank Deposit Note (as defined herein). From the date of issue to, but excluding, June 30, 2019 the interest rate on the Series 1 Bank Deposit Note will be fixed at 9.723% per annum. Starting on June 30, 2019 and on every Series 1 Interest Reset Date, the interest rate on the Series 1 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.425%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the Series 2 Bank Deposit Note will be fixed at 10.20% per annum. Starting on June 30, 2039 and on every Series 2 Interest Reset Date, the interest rate on the Series 2 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.035%. See “Description of the Bank Deposit Notes”.

The Bank will covenant for the benefit of holders of a Series of TD CaTS IV Notes (the “Dividend Stopper Undertaking”) that, in the event of an Other Deferral Event (as defined herein), the Bank will not declare dividends of any kind on any preferred shares or common shares of the Bank (the “Bank Common Shares”, and collectively with the preferred shares, the “Dividend Restricted Shares”) until the 6th month (the “Dividend Declaration Resumption Month”) following the relevant Deferral Date (as defined herein). **It is in the interest of the Bank to ensure, to the extent within its control, that the Trust pays the interest on the TD CaTS IV Notes in cash on each Interest Payment Date (as defined herein) so as to avoid triggering the Dividend Stopper Undertaking.** See “Description of the Trust Securities –TD CaTS IV Notes — Bank Dividend Stopper Undertaking” and “Risk Factors”.

The TD CaTS IV Notes, including accrued and unpaid interest thereon, will be exchanged automatically (the “Automatic Exchange”), without the consent of the holder thereof, for newly-issued Bank Exchange Preferred Shares (as defined herein) if: (i) an application for a winding-up order in respect of the Bank pursuant to the *Winding-Up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to that Act is granted by a court; (ii) the Superintendent of Financial Institutions (Canada) (the “Superintendent”) advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the *Bank Act* (Canada) (the “Bank Act”); (iii) the Superintendent advises the Bank in writing that the Superintendent is of the opinion that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors (as defined herein) advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank pursuant to the Bank Act to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the

satisfaction of the Superintendent within the time specified therein (each, a “Loss Absorption Event”). Following the Automatic Exchange, holders of TD CaTS IV Notes immediately prior to the Automatic Exchange will cease to have any claim or entitlement for interest or principal against the Trust. **If the Automatic Exchange were to occur and Bank Exchange Preferred Shares were issued in exchange for TD CaTS IV Notes, the cost-effective nature of the consolidated capital raised by the Bank through the issuance of the TD CaTS IV Notes would be lost. Accordingly, it is in the interest of the Bank to ensure that an Automatic Exchange does not occur, although the events that could give rise to an Automatic Exchange, namely the occurrence of a Loss Absorption Event, may be beyond the control of the Bank.** See “Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange” and “Description of Bank Exchange and Deferral Preferred Shares”.

On each Interest Payment Date in respect of which a Deferral Event (as defined herein) has occurred (each a “Deferral Date”), holders of TD CaTS IV Notes will be required to invest interest paid on such TD CaTS IV Notes in a new series of Bank Deferral Preferred Shares. A new series of Bank Deferral Preferred Shares will be issued in respect of each Deferral Event. The subscription amount of each Bank Deferral Preferred Share will be an amount equal to the face amount of the share, and the number of Bank Deferral Preferred Shares subscribed for on each Deferral Date will be calculated by dividing the amount of the interest payment on the applicable Series of TD CaTS IV Notes that has not been paid in cash on the applicable Deferral Date by the face amount of each Bank Deferral Preferred Share. See “Description of the Trust Securities — TD CaTS IV Notes — Deferral Right”.

On or after June 30, 2014 the Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days’ notice to the holders of the TD CaTS IV Notes, redeem the TD CaTS IV Notes, in whole or in part. The redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any day that is not an Interest Reset Date (as defined herein) will be equal to the greater of par and the Canada Yield Price (as defined herein), and the redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any Interest Reset Date will be par, together in either case with accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash. See “Description of the Trust Securities — TD CaTS IV Notes — Trust Redemption Right”.

Upon the occurrence of a Regulatory Event (as defined herein) or a Tax Event (as defined herein), the Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days’ notice to the holders of the applicable Series of TD CaTS IV Notes, redeem all (but not less than all) of the applicable Series of TD CaTS IV Notes at a redemption price per \$1,000 principal amount of such Series of TD CaTS IV Notes equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash. See “Description of the Trust Securities — TD CaTS IV Notes — Redemption on Tax or Regulatory Event”.

It is expected that the Trust Assets will be purchased primarily from the Bank and/or its affiliates. The Bank will act as Administrative Agent (as defined herein) to the Trust. See “The Trust — The Administrative Agent”.

The TD CaTS IV Notes have been structured with the intention of achieving Tier 1 regulatory capital for the Bank for purposes of the guidelines of the Superintendent and as such, have, in certain circumstances, features similar to those of equity securities. Application has been made to the Superintendent to confirm Tier 1 Capital treatment for the TD CaTS IV Notes. On each Interest Payment Date in respect of which a Deferral Event has occurred, holders of TD CaTS IV Notes will be required to invest interest paid thereon in a new series of Bank Deferral Preferred Shares. This investment will be effected by the Indenture Trustee (as defined herein) subscribing for such shares for and on behalf of the holders of the applicable Series of TD CaTS IV Notes. See “Description of the Trust Securities — TD CaTS IV Notes – Deferral Right”. In addition, upon the occurrence of a Loss Absorption Event, the TD CaTS IV Notes will be exchanged automatically for newly-issued Bank Exchange Preferred Shares. In such event, former holders of TD CaTS IV Notes would rank as preferred shareholders of the Bank in a liquidation of the Bank. See “Description of the Trust Securities — TD CaTS IV Notes – Automatic Exchange”.

An investment in TD CaTS IV Notes could be replaced in certain circumstances, without the consent of the holder, by an investment in Bank Exchange Preferred Shares and holders of TD CaTS IV Notes may be required in certain circumstances to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares. Investors should therefore carefully consider the disclosure with respect to the Bank, the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares included and incorporated by reference in this short

form prospectus. An investment in TD CaTS IV Notes is subject to certain risks. See “Risk Factors”. The Trust is a newly-formed entity and, accordingly, it is not possible to determine earnings coverage with respect to the TD CaTS IV Notes.

It is not expected that the TD CaTS IV Notes will be listed on any stock exchange. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this short form prospectus. This may affect pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.

Provided the TD CaTS IV Notes, at the time of their acquisition on the closing of the Offering, have an investment grade rating from a prescribed credit rating agency, the TD CaTS IV Notes generally will be qualified investments under the *Income Tax Act* (Canada) (the “Tax Act”) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax free savings accounts. See “Eligibility for Investment”.

The Underwriters (as defined herein), as principals, conditionally offer the TD CaTS IV Notes, subject to prior sale if, as and when issued by the Trust and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” subject to the approval of certain legal matters on behalf of the Trust and the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. **TD Securities Inc. is a wholly-owned subsidiary of the Bank. Each of the Trust and the Bank is a related and connected issuer of TD Securities Inc. under applicable securities legislation by virtue of the Bank’s interest in the Trust and TD Securities Inc. See “Plan of Distribution”.** This short form prospectus also qualifies for distribution the Automatic Exchange, the Deferral Event Subscription (as defined herein) and the Subscription Right (as defined herein).

	Price to the Public	Underwriters’ Fee	Net Proceeds to Trust⁽¹⁾
Per \$1,000 principal amount of TD CaTS IV Notes.....	\$1,000	\$10	\$990
Total.....	\$1,000,000,000	\$10,000,000	\$990,000,000

(1) The Offering expenses of the Trust, other than the Underwriters’ fee, are estimated to be \$750,000 and will be paid by the Trust from the proceeds of issue of the Voting Trust Units and funds borrowed under the Credit Facility (as defined herein). See “The Trust – Liquidity”.

Subscriptions for the TD CaTS IV Notes will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing date (the “Closing Date”) will be on or about January 26, 2009 or such later date as the Trust, the Bank and the Underwriters may agree, but in any event not later than March 2, 2009. The TD CaTS IV Notes will be issued in “book-entry only” form and, accordingly, physical certificates representing TD CaTS IV Notes will not be available except in limited circumstances. See “Description of the Trust Securities — TD CaTS IV Notes — Book-Entry Only Form”.

The Trust’s head and registered office is located at c/o The Toronto-Dominion Bank, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2.

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ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Trust and the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, provided the TD CaTS IV Notes, at the time of their acquisition on the closing of the Offering, have an investment grade rating from a prescribed credit rating agency for purposes of the Tax Act (which include DBRS, S&P and Moody's), the TD CaTS IV Notes to be issued by the Trust pursuant to this short form prospectus, if issued as of the date of this short form prospectus, would be, on such date, qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Trust) and tax free savings accounts. Prospective investors should consult and rely on their own tax advisors.

THE TD CaTS IV NOTES, WHILE THEY MAY BE EXCHANGED IN CERTAIN CIRCUMSTANCES FOR BANK CLASS A PREFERRED SHARES, DO NOT REPRESENT OBLIGATIONS OF OR INTERESTS IN AND ARE NOT GUARANTEED OR INSURED BY, THE TORONTO-DOMINION BANK, MONTREAL TRUST COMPANY OF CANADA OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES. THE TD CaTS IV NOTES ARE NOT “DEPOSITS” WITHIN THE MEANING OF THE CANADA DEPOSIT INSURANCE CORPORATION ACT AND ARE NOT INSURED UNDER THE PROVISIONS OF THAT ACT OR ANY OTHER LEGISLATION.

FORWARD-LOOKING STATEMENTS

This short form prospectus, including those documents incorporated by reference, may contain forward-looking statements. All such statements are made pursuant to the “safe harbour” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, among others, statements regarding the Bank’s objectives and targets for 2009 and beyond, and strategies to achieve them, the outlook for the Bank’s business lines, and the Bank’s anticipated financial performance. The economic assumptions for 2009 for the Bank are set out in the Bank’s Management Discussion and Analysis (the “2008 MD&A”) as contained in the Bank’s Annual Report to Shareholders for the year ended October 31, 2008 (the “2008 Annual Report”) under the heading “Economic Summary and Outlook” and for each of the Bank’s business segments, under the heading “Business Outlook and Focus for 2009”. Forward-looking statements are typically identified by words such as “will”, “should”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “may” and “could”. By their very nature, these statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. Some of the factors – many of which are beyond the Bank’s control – that could cause such differences include: credit, market (including equity and commodity), liquidity, interest rate, operational, reputational, insurance, strategic, foreign exchange, regulatory, legal and other risks discussed in the Bank’s 2008 MD&A and in other regulatory filings made in Canada and with the U.S. Securities and Exchange Commission; 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 existing and the introduction of new monetary and economic policies 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; defaults by other financial institutions in Canada, the U.S. and other countries; 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 realizing 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 (including future accounting changes) and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; changes to the Bank’s credit ratings; global capital market activity; increased funding costs for credit due to market illiquidity and increased competition for funding; 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; change 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. The preceding list is not exhaustive of all possible factors. Other factors could also adversely affect the Bank's results. For more information, see the discussion starting on page 64 of the Bank's 2008 MD&A. All such factors should be considered carefully when making decisions with respect to the Bank and the Trust, and undue reliance should not be placed on the Bank's forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation. See "Risk Factors".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed by the Bank with the Superintendent and the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

- (i) the Bank's consolidated audited financial statements for the fiscal year ended October 31, 2008 with comparative consolidated financial statements for the fiscal year ended October 31, 2007, together with the auditors' report thereon and 2008 MD&A as contained in the Bank's 2008 Annual Report;
- (ii) the Bank's Annual Information Form dated December 3, 2008 (the "Annual Information Form");
- (iii) the Bank's Management Proxy Circular dated as of January 24, 2008; and
- (iv) the material change report of the Bank dated November 24, 2008 filed in connection with the press release of the Bank dated November 20, 2008 announcing the Bank's expected financial results for the fourth quarter ended October 31, 2008.

Any documents of the type referred to in items (i) through (iv) above (excluding confidential material change reports), any unaudited interim financial statements, any business acquisition reports and any other disclosure documents filed by the Bank or the Trust with the various securities commissions or any similar authorities in Canada pursuant to the requirements of applicable securities legislation, after the date of this short form prospectus and prior to the completion or termination of the Offering, shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of the Bank, The Toronto-Dominion Bank, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2 (telephone: (416) 308-6963) and are also available electronically at www.sedar.com.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by and should be read in conjunction with the more detailed information appearing elsewhere in this short form prospectus. Reference is made to the Glossary section for the meaning of certain defined terms.

THE OFFERING

Issuer:	TD Capital Trust IV TM , a trust (the “Trust”) established under the laws of the Province of Ontario pursuant to the Declaration of Trust.
Offering:	9.523% TD Capital Trust IV Notes–Series 1 due June 30, 2108 of the Trust (the “TD CaTS IV-Series 1”); and 10.00% TD Capital Trust IV Notes–Series 2 due June 30, 2108 of the Trust (the “TD CaTS IV-Series 2”) The TD CaTS IV Notes will be issued under a trust indenture (the “Trust Indenture”) to be entered into on the Closing Date between the Trust, The Toronto-Dominion Bank (the “Bank”) and Computershare Trust Company of Canada, as trustee for the holders of TD CaTS IV Notes (the “Indenture Trustee”). The TD CaTS IV-Series 1 and TD CaTS IV-Series 2 will each constitute a separate series of notes under the Trust Indenture.
Principal Amount of Offering:	\$550,000,000 TD CaTS IV – Series 1 \$450,000,000 TD CaTS IV – Series 2
Issue Price:	\$1,000 per \$1,000 principal amount of TD CaTS IV Notes.
Issue Date:	On or about January 26, 2009
Maturity Date:	June 30, 2108
Specified Denominations:	\$1,000 and integral multiples thereof
Ratings:	The TD CaTS IV Notes are provisionally rated A (high) with a stable trend by DBRS Limited (“DBRS”), Aa2 by Moody’s Investors Service, Inc. (“Moody’s”) and P-1(Low) on its Canadian preferred share rating scale and A on its global preferred share rating scale by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies Inc. (“S&P”). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. See “Ratings”.
Use of Proceeds:	The gross proceeds to the Trust from the Offering of \$1,000,000,000 will be used to acquire the Bank Deposit Notes from the Bank. The Bank, in turn, intends to use the proceeds from the issue of the Bank Deposit Notes for general corporate purposes. The Bank expects that the proceeds from the sale of the TD CaTS IV Notes will qualify as Tier 1 Capital of the Bank. See “Use of Proceeds”.

Interest:

From the date of issue until June 30, 2108, the Trust will pay interest on each Series of TD CaTS IV Notes in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009, subject to any applicable withholding tax. Notwithstanding the foregoing, assuming the TD CaTS IV Notes are issued on January 26, 2009, the first interest payment on the TD CaTS IV Notes on June 30, 2009 will be in the amount of \$40.44013699 per \$1,000 principal amount of TD CaTS IV-Series 1 and \$42.46575342 per \$1,000 principal amount of TD CaTS IV-Series 2.

From the date of issue to, but excluding, June 30, 2019 the interest rate on the TD CaTS IV-Series 1 will be fixed at 9.523% per annum. Starting on June 30, 2019 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a "Series 1 Interest Reset Date"), the interest rate on the TD CaTS IV-Series 1 will be reset at an interest rate per annum equal to the Government of Canada Yield (as defined herein) plus 10.125%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the TD CaTS IV-Series 2 will be fixed at 10.00% per annum. Starting on June 30, 2039 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a "Series 2 Interest Reset Date"), the interest rate on the TD CaTS IV-Series 2 will be reset at an interest rate per annum equal to the Government of Canada Yield plus 9.735%.

The TD CaTS IV Notes will mature on June 30, 2108. Holders of TD CaTS IV Notes may, in certain circumstances, be required to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares. See "Deferral Right" below.

Bank Deposit Notes:

Each Bank Deposit Note will be dated the Closing Date and will mature on June 30, 2108. From the Closing Date until June 30, 2108, the Bank will pay interest on each Bank Deposit Note in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009. Notwithstanding the foregoing, assuming the Bank Deposit Notes are issued on January 26, 2009, the first interest payment on the Bank Deposit Notes on June 30, 2009 will be in the amount of \$41.28945205 per \$1,000 principal amount of the Series 1 Bank Deposit Note and \$43.31506849 per \$1,000 principal amount of the Series 2 Bank Deposit Note.

From the date of issue to, but excluding, June 30, 2019 the interest rate on the Series 1 Bank Deposit Note will be fixed at 9.723% per annum. Starting on June 30, 2019 and on every Series 1 Interest Reset Date, the interest rate on the Series 1 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.425%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the Series 2 Bank Deposit Note will be fixed at 10.20% per annum. Starting on June 30, 2039 and on every Series 2 Interest Reset Date, the interest rate on the Series 2 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.035%. See "Description of the Bank Deposit Notes".

Each Bank Deposit Note will be a senior unsecured obligation of the Bank that will rank on a parity with all other deposit and unsubordinated liabilities of the Bank. In addition to the Bank Deposit Notes, the Trust may acquire other Eligible Trust Assets (as defined herein) from time to time including, without limitation, an interest bearing deposit note from the Bank (the "Funding Note"). The proceeds from the subscription by the Bank, directly or indirectly, for Voting Trust Units of \$2,000,000 pursuant to an agreement between the Bank and the Trust (the "Subscription Agreement") will be used by the Trust to pay its expenses of the Offering. To the extent there is a funding shortfall, the Trust will borrow the necessary amount from the Bank under the Credit Facility.

**Bank Dividend
Stopper Undertaking:**

Pursuant to the terms of the Assignment and Set-Off Agreement (as defined herein), the Bank will covenant for the benefit of holders of a Series of TD CaTS IV Notes that, in the event of an Other Deferral Event, in the period commencing on the relevant Deferral Date until the Dividend Declaration Resumption Month: (i) the Bank will not declare dividends of any kind on any of the Dividend Restricted Shares; and (ii) no subsidiary of the Bank may make any payment to holders of Dividend Restricted Shares in respect of dividends not declared or paid by the Bank, and no subsidiary of the Bank may purchase any Dividend Restricted Shares, provided that any subsidiary of the Bank whose primary business is dealing in securities may purchase shares of the Bank in certain limited circumstances as permitted by the Bank Act or the regulations thereunder. **It is in the interest of the Bank to ensure, to the extent within its control, that the Trust pays the interest in cash on the TD CaTS IV Notes on each Interest Payment Date so as to avoid triggering the Dividend Stopper Undertaking.** See “Description of the Trust Securities — TD CaTS IV Notes — Bank Dividend Stopper Undertaking” and “Risk Factors”.

Deferral Right:

Pursuant to the terms of the Assignment and Set-Off Agreement, on each Interest Payment Date in respect of which a Deferral Event has occurred (each a “Deferral Date”), holders of TD CaTS IV Notes will be required to invest interest paid on such TD CaTS IV Notes in Bank Deferral Preferred Shares. A new series of Bank Deferral Preferred Shares will be issued in respect of each Deferral Event. The subscription amount of each Bank Deferral Preferred Share will be an amount equal to the face amount of the share, and the number of Bank Deferral Preferred Shares subscribed for in respect of each Series of TD CaTS IV Notes on each Deferral Date will be calculated by dividing the amount of the interest payment on the applicable Series of TD CaTS IV Notes that has not been paid in cash on the applicable Deferral Date by the face amount of each Bank Deferral Preferred Share. For greater certainty, whether or not a Deferral Event has occurred in respect of a particular Interest Payment Date will be determined prior to the commencement of the Interest Period (as defined herein) ending on the day immediately preceding such Interest Payment Date, except in the case of an Other Deferral Event described in clause (ii) of the definition of “Other Deferral Event” below, in which case the determination will be made on the applicable Interest Payment Date but the Deferral Event will be considered to have occurred on the day immediately preceding such Interest Payment Date.

A Deferral Event will occur in circumstances where (i) the Bank has failed to declare cash dividends on all of its outstanding preferred shares, or failing any preferred shares being outstanding, on all of the outstanding Bank Common Shares (other than a failure to declare dividends on such shares during a Dividend Restricted Period), in accordance with the Bank’s ordinary dividend practice in effect from time to time, in each case in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date (a “Missed Dividend Deferral Event”); (ii) for whatever reason, interest is not paid in full in cash on the TD CaTS IV Notes on any Interest Payment Date (or the next following Business Day if the relevant Interest Payment Date is not a Business Day); or (iii) the Bank elects, at its sole option, prior to the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date, that holders of TD CaTS IV Notes invest interest paid on such TD CaTS IV Notes on the relevant Interest Payment Date in Bank Deferral Preferred Shares (in the case of either (ii) or (iii), an “Other Deferral Event”).

There is no limit on the number of Deferral Events that may occur. See “Description of the Trust Securities – TD CaTS IV Notes – Deferral Right”.

Bank Deferral Preferred Shares:

The Bank Deferral Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, at the Perpetual Preferred Share Rate (as defined herein), subject to any applicable withholding tax. See “Description of Bank Exchange and Deferral Preferred Shares”.

Automatic Exchange:

The TD CaTS IV Notes, including accrued and unpaid interest thereon, will be exchanged automatically (the “Automatic Exchange”), without the consent of the holder thereof, for newly-issued Bank Exchange Preferred Shares if: (i) an application for a winding-up order in respect of the Bank pursuant to the *Winding-up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to that Act is granted by a court; (ii) the Superintendent advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the Bank Act; (iii) the Superintendent advises the Bank in writing that the Superintendent is of the opinion that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank pursuant to the Bank Act to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the satisfaction of the Superintendent within the time specified therein (each, a “Loss Absorption Event”). The Automatic Exchange shall occur as of 8:00 a.m. (Eastern time) (the “Exchange Time”) on the date that a Loss Absorption Event occurs. On the exchange, holders of each Series of TD CaTS IV Notes will receive 40 Bank Exchange Preferred Shares for each \$1,000 principal amount of such Series of TD CaTS IV Notes, together with the number of Bank Exchange Preferred Shares calculated by dividing the amount of accrued and unpaid interest, if any, on the applicable Series of TD CaTS IV Notes to, but excluding, the date the Loss Absorption Event occurs, by the face amount of the Bank Exchange Preferred Shares. Following the Automatic Exchange, holders of TD CaTS IV Notes immediately prior to the Automatic Exchange will cease to have any claim or entitlement to interest or principal against the Trust.

If, for any reason, the Automatic Exchange does not result in the exchange of all TD CaTS IV Notes then outstanding for Bank Exchange Preferred Shares, the Trust will redeem each \$1,000 principal amount of each Series of TD CaTS IV Notes not so exchanged for consideration consisting of 40 Bank Exchange Preferred Shares together with the number of Bank Exchange Preferred Shares calculated by dividing the amount of accrued and unpaid interest, if any, on the applicable Series of TD CaTS IV Notes to, but excluding, the date the Loss Absorption Event occurs, by the face amount of the Bank Exchange Preferred Shares. **If the Automatic Exchange were to occur and Bank Exchange Preferred Shares were issued in exchange for the TD CaTS IV Notes, the cost-effective nature of the consolidated capital raised by the Bank through the issuance of the TD CaTS IV Notes would be lost. Accordingly, it is in the interests of the Bank to ensure that an Automatic Exchange does not occur, although the events that could give rise to an Automatic Exchange, namely the occurrence of a Loss Absorption Event, may be beyond the Bank’s control.** See “Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange” and “Description of the Bank Exchange and Deferral Preferred Shares”.

Bank Exchange Preferred Shares:

The Bank Exchange Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, at the Perpetual Preferred Share Rate, subject to any applicable withholding tax. See “Description of Bank Exchange and Deferral Preferred Shares”.

**Status as Tier 1
Capital:**

The TD CaTS IV Notes have been structured with the intention of achieving Tier 1 regulatory capital for purposes of the guidelines of the Superintendent and as such, have, in certain circumstances, features similar to those of equity securities. Application has been made to the Superintendent to confirm Tier 1 Capital treatment for the TD CaTS IV Notes. On each Interest Payment Date in respect of which a Deferral Event (which includes the failure by the Bank to declare cash dividends on all of its outstanding preferred shares, or failing any preferred shares being outstanding, on all of the outstanding Bank Common Shares, in accordance with the Bank's ordinary dividend practice) has occurred, holders of TD CaTS IV Notes will be required to invest interest paid thereon in a new series of Bank Deferral Preferred Shares. This investment will be effected by the Indenture Trustee subscribing for such shares for and on behalf of the holders of each Series of TD CaTS IV Notes. See "Description of the Trust Securities – TD CaTS IV Notes – Deferral Right". In addition, upon the occurrence of a Loss Absorption Event, the TD CaTS IV Notes will be exchanged automatically for newly-issued Bank Exchange Preferred Shares. In such event, former holders of TD CaTS IV Notes would rank as preferred shareholders of the Bank in a liquidation of the Bank. See "Description of the Trust Securities – TD CaTS IV Notes – Automatic Exchange".

**Trust Redemption
Right:**

On or after June 30, 2014 the Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the TD CaTS IV Notes, redeem the TD CaTS IV Notes, in whole or in part. The redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any day that is not an Interest Reset Date in respect of a Series of TD CaTS IV Notes will be equal to the greater of par and the Canada Yield Price, and the redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any Interest Reset Date in respect of a Series of TD CaTS IV Notes will be par, together in either case with accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash. See "Description of the Trust Securities — TD CaTS IV Notes — Trust Redemption Right".

TD CaTS IV Notes redeemed by the Trust shall be cancelled and shall not be reissued.

**Redemption on Tax or
Regulatory Event:**

The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the applicable Series of TD CaTS IV Notes, redeem all (but not less than all) of such Series of TD CaTS IV Notes upon the occurrence of a Regulatory Event or a Tax Event. The redemption price per \$1,000 principal amount of each Series of TD CaTS IV Notes will be equal to par, together with any accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash. See "Description of the Trust Securities — TD CaTS IV Notes — Redemption on Tax or Regulatory Event".

TD CaTS IV Notes redeemed by the Trust shall be cancelled and shall not be reissued.

**Purchase for
Cancellation:**

On or after the date that is five years after the Closing Date, the TD CaTS IV Notes may be purchased, in whole or in part, by the Trust, at the direction of the Bank as the holder, directly or indirectly, of the Voting Trust Units and with prior approval of the Superintendent, in the open market or by tender or private contract at any price. TD CaTS IV Notes purchased by the Trust shall be cancelled and shall not be reissued.

Additional Bank Covenants:

In addition to the Dividend Stopper Undertaking, the Bank will covenant for the benefit of the holders of TD CaTS IV Notes, pursuant to the Bank Share Exchange Agreement (as defined herein) or the Assignment and Set-Off Agreement, as the case may be, that:

- (i) all of the outstanding Voting Trust Units will be held at all times, directly or indirectly, by the Bank;
- (ii) as long as any TD CaTS IV Notes are outstanding and held by any person other than the Bank, the Bank will not take any action to cause the termination of the Trust except as set forth under “Description of the Trust Securities — TD CaTS IV Notes — Rights on Termination of the Trust” and only with prior approval of the Superintendent;
- (iii) the Bank will not create or issue any preferred shares of the Bank which, in the event of insolvency or winding-up of the Bank, would rank in right of payment in priority to the Bank Exchange Preferred Shares or the Bank Deferral Preferred Shares;
- (iv) the Bank will not assign or otherwise transfer its obligations under the Bank Share Exchange Agreement or the Assignment and Set-Off Agreement, except in the case of a merger, consolidation, amalgamation or reorganization or a sale of substantially all of the assets of the Bank;
- (v) if the TD CaTS IV Notes have not been exchanged for Bank Exchange Preferred Shares pursuant to the Automatic Exchange, the Bank will not, without the approval of the holders of the TD CaTS IV Notes, amend any terms attaching to the Bank Exchange Preferred Shares other than any amendments relating to the Bank Class A Preferred Shares as a class; and
- (vi) prior to the issuance of any Bank Deferral Preferred Shares in respect of a Deferral Event, the Bank will not, without the approval of the holders of TD CaTS IV Notes, amend any terms attaching to such Bank Deferral Preferred Shares other than any amendments relating to the Bank Class A Preferred Shares as a class.

Subordination and Events of Default:

The TD CaTS IV Notes will be direct unsecured obligations of the Trust, ranking at least equally with other subordinated indebtedness of the Trust from time to time issued and outstanding. In the event of the insolvency or winding-up of the Trust, the indebtedness evidenced by TD CaTS IV Notes, will be subordinate in right of payment to the prior payment in full of all other liabilities of the Trust except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such TD CaTS IV Notes.

An event of default in respect of the TD CaTS IV Notes will occur only if the Trust or the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated.

The subordination provisions and the event of default provisions of the TD CaTS IV Notes as described herein are not likely to be relevant to the holders of the TD CaTS IV Notes in their capacity as creditors of the Trust since the Automatic Exchange provisions of the TD CaTS IV Notes will result in the TD CaTS IV Notes being exchanged for Bank Exchange Preferred Shares effective as of the Exchange Time. See “Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange” and “Risk Factors”.

If an event of default has occurred and is continuing, and the TD CaTS IV Notes have not already been automatically exchanged for Bank Exchange Preferred Shares, the Indenture Trustee may, in its discretion and shall upon the request of holders of not less than one-quarter of the principal amount of TD CaTS IV Notes then outstanding under the Trust Indenture, declare the principal of and interest on all outstanding TD CaTS IV Notes to be immediately due and payable. There will be no right of acceleration in the case of a default in the performance of any covenant of the Trust or the Bank in the Trust Indenture, although a legal action could be brought to enforce such covenant.

Book-Entry Only Form:

The TD CaTS IV Notes will be issued under the book-entry only system operated by CDS Clearing and Depository Services Inc. or its nominees (“CDS”) and must be purchased or transferred through participants (collectively, “Participants”) in the depository service of CDS. Participants include securities brokers and dealers, banks and trust companies. Accordingly, physical certificates representing the TD CaTS IV Notes will not be available except in the limited circumstances described under “Description of the Trust Securities — TD CaTS IV Notes — Book-Entry Only Form”.

Voting Trust Units:

On or prior to the closing of the Offering, the Bank, or one or more affiliates of the Bank, will subscribe for Voting Trust Units. See “Description of the Trust Securities — The Voting Trust Units”.

THE TRUST

The Trust is a trust established under the laws of Ontario pursuant to the Declaration of Trust. The trustee of the Trust is Montreal Trust Company of Canada (the “Trustee”). The Trust has been formed for the purpose of issuing debt securities, including the TD CaTS IV Notes, and to acquire and hold the Trust Assets that will generate income for payment of principal, interest, the redemption price, if any, and any other amounts, in respect of its debt securities, including the TD CaTS IV Notes. Immediately after the issuance by the Trust of the TD CaTS IV Notes pursuant to the Offering, the subscription by the Bank or its affiliates for the Voting Trust Units and the purchase by the Trust of the Bank Deposit Notes, the Trust will have approximately \$1,002,000,000 in Trust Assets, \$1,000,000,000 of capital attributable to the TD CaTS IV Notes and \$2,000,000 of capital attributable to the Voting Trust Units.

RISK FACTORS

The purchase of TD CaTS IV Notes is subject to certain risks including the following: (i) an investment in TD CaTS IV Notes could be replaced in certain circumstances without the consent of the holder, by an investment in Bank Exchange Preferred Shares; (ii) prevailing yields on similar securities will affect the market value of the TD CaTS IV Notes, the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares and the interest rate payable on the TD CaTS IV Notes will reset periodically; (iii) holders of TD CaTS IV Notes may in certain circumstances be required to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares, which may give rise to certain tax or other implications for such holders; (iv) real or anticipated changes to the credit ratings on the TD CaTS IV Notes, the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares may affect the market value of such securities; (v) the Trust may, in certain circumstances, redeem the TD CaTS IV Notes of a Series; (vi) there can be no assurance that an active trading market in the TD CaTS IV Notes, the Bank Exchange Preferred Shares or the Bank Deferral Preferred Shares will develop or be sustained; (vii) the TD CaTS IV Notes are unsecured, subordinate obligations of the Trust; (viii) the Trust will be dependent upon the diligence and skill of the employees of the Bank as Administrative Agent and potential conflicts of interest may arise between the Trust, the Bank and its affiliates; (ix) the redemption and purchase by the Bank of Bank Exchange and Deferral Preferred Shares is subject to certain restrictions, which may limit a holder's ability to liquidate such shares; (x) the ownership of shares of the Bank is subject to certain restrictions; and (xi) the Trust Indenture does not contain any provision limiting the ability of the Trust to incur indebtedness generally. See "Risk Factors".

GLOSSARY

In this short form prospectus, unless the context otherwise requires:

2008 MD&A means the Bank's Management Discussion and Analysis as contained in the 2008 Annual Report.

2008 Annual Report means the Bank's Annual Report to Shareholders for the year ended October 31, 2008.

Administration Agreement means the agreement between the Trust and the Bank pursuant to which the Bank, or any successor thereto, will serve as Administrative Agent to the Trust, as amended and restated from time to time.

Administrative Agent means the Bank, or any successor thereto, in its capacity as administrative agent to the Trust pursuant to the Administration Agreement.

Annual Information Form means the Bank's annual information form dated December 3, 2008.

Assignment and Set-Off Agreement means each Assignment, Set-Off and Trust Agreement to be entered into between the Bank, the Trust and the Indenture Trustee, as bare trustee and nominee on behalf of holders of a Series of TD CaTS IV Notes, on the Closing Date pursuant to which, among other things, the Deferral Event Subscription is granted.

Automatic Exchange means the automatic exchange of the TD CaTS IV Notes for newly-issued Bank Exchange Preferred Shares upon the occurrence of a Loss Absorption Event.

Bank means The Toronto-Dominion Bank.

Bank Act means the *Bank Act* (Canada), as amended from time to time.

Bank Class A Preferred Shares means the Class A First Preferred Shares of the Bank (including the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares).

Bank Common Shares means the common shares of the Bank.

Bank Deferral Preferred Shares means each series of Bank Class A Preferred Shares to be issued to holders of TD CaTS IV Notes in respect of each Deferral Event.

Bank Deposit Note Canada Yield Price means the price per \$1,000 principal amount of the Series 1 Bank Deposit Note or the Series 2 Bank Deposit Note, as applicable, calculated by the Bank to provide an annual yield thereon from the applicable date of redemption to, but excluding, the next applicable Interest Reset Date equal to the GOC Redemption Yield plus (i) in respect of the Series 1 Bank Deposit Note, (A) 1.7375% if the redemption date is any time prior to June 30, 2019, or (B) 3.475% if the redemption date is any time on or after June 30, 2019; and (ii) in respect of the Series 2 Bank Deposit Note, (A) 1.67% if the redemption date is any time prior to June 30, 2039, or (B) 3.34% if the redemption date is any time on or after June 30, 2039.

Bank Deposit Notes means, collectively, the Series 1 Bank Deposit Note and the Series 2 Bank Deposit Note and "Bank Deposit Note" means either one of such Bank Deposit Notes.

Bank Exchange and Deferral Preferred Shares means, collectively, the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares.

Bank Exchange Preferred Shares means the Class A First Preferred Shares, Series A10 of the Bank.

Bank Share Exchange Agreement means each Bank Share Exchange Agreement to be entered into between the Bank, the Trust and the Exchange Trustee on the Closing Date providing for, among other things, certain covenants of the Bank as well as the respective rights and obligations of the Bank, the Trust and the holders of a Series of TD CaTS IV Notes with respect to the exchange of that Series of TD CaTS IV Notes for Bank Exchange Preferred Shares in connection with an Automatic Exchange.

Board of Directors means the board of directors of the Bank.

Business Day means a day on which Canadian chartered banks are open for business in the City of Toronto and which is not a Saturday or Sunday.

Canada Yield Price means the price per \$1,000 principal amount of TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, calculated by the Bank to provide an annual yield thereon from the applicable date of redemption to, but excluding, the next applicable Interest Reset Date equal to the GOC Redemption Yield plus (i) in respect of the TD CaTS IV-Series 1, (A) 1.6875% if the redemption date is any time prior to June 30, 2019, or (B) 3.375% if the redemption date is any time on or after June 30, 2019; and (ii) in respect of the TD CaTS IV-Series 2, (A) 1.62% if the redemption date is any time prior to June 30, 2039, or (B) 3.24% if the redemption date is any time on or after June 30, 2039.

Capital Guidelines means the Canadian bank regulatory guidelines issued by the Superintendent or other governmental authority in Canada concerning the maintenance of adequate capital reserves by Canadian chartered banks, including the Bank, from time to time.

Capital Trust Securities has the meaning ascribed thereto under “The Bank – Limitations Affecting Holders of Bank Shares”.

CDS means CDS Clearing and Depository Services Inc. and its nominees, or any successor thereto carrying on the business of a depository.

CDS Procedures mean the customary practices and procedures of CDS.

Closing Date means the date of closing of the Offering, which date is expected to be on or about January 26, 2009, or such later date as the Trust, the Bank and the Underwriters may agree, but in any event not later than March 2, 2009.

Commissions means the securities regulatory authorities in each of the provinces and territories of Canada.

CRA means the Canada Revenue Agency.

Credit Facility means the unsecured credit facility to be provided by the Bank to the Trust.

DBRS means DBRS Limited.

Declaration of Trust means the declaration of trust by the Trustee dated January 7, 2009 establishing the Trust and the rights, privileges, restrictions and conditions attached to the Trust Securities, as amended and restated from time to time.

Deferral Date in respect of a Series of TD CaTS IV Notes means an Interest Payment Date in respect of which a Deferral Event has occurred.

Deferral Event in respect of an Interest Payment Date means either a Missed Dividend Deferral Event or an Other Deferral Event.

Deferral Event Subscription means the right and obligation of holders of a Series of TD CaTS IV Notes, pursuant to the Assignment and Set-Off Agreement, to subscribe for Bank Deferral Preferred Shares using interest paid on the applicable Series of TD CaTS IV Notes upon the occurrence of a Deferral Event.

Deferral Event Subscription Proceeds has the meaning ascribed thereto under “Description of the Trust Securities — TD CaTS IV Notes — Deferral Right”.

Deferral Event Subscription Proceeds Assignment has the meaning ascribed thereto under “Description of the Trust Securities — TD CaTS IV Notes — Deferral Right”.

Deposit Note Purchase Agreement means each purchase agreement to be entered into between the Bank and the Trust on the Closing Date providing for the purchase by the Trust of each Bank Deposit Note.

Dividend Declaration Resumption Month in respect of a Series of TD CaTS IV Notes means the month that is the 6th month following the relevant Deferral Date in respect of which an Other Deferral Event has occurred, being the month in which the Bank may resume declaring dividends on the Dividend Restricted Shares.

Dividend Restricted Period in respect of a Series of TD CaTS IV Notes means the period from and including a Deferral Date in respect of which an Other Deferral Event has occurred to, but excluding, the first day of the applicable Dividend Declaration Resumption Month.

Dividend Restricted Shares means, collectively, any preferred shares of the Bank, whether ranking junior to, on a parity with, or in priority to, the Bank Class A Preferred Shares and the Bank Common Shares, being the shares of the Bank that are subject to the Dividend Stopper Undertaking.

Dividend Stopper Undertaking means the covenant of the Bank set out in the Assignment and Set-Off Agreement, for the benefit of the holders of the applicable Series of TD CaTS IV Notes, to refrain from declaring dividends of any kind on the Dividend Restricted Shares commencing on the applicable Deferral Date in respect of which an Other Deferral Event has occurred until the Dividend Declaration Resumption Month.

Early Release Date means, with respect to Bank Deferral Preferred Shares held in escrow in respect of a Series of TD CaTS IV Notes, the date of: (i) an Automatic Exchange; (ii) maturity of the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable; or (iii) redemption of all of the outstanding TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, in any case, prior to the next following Release Date for such Bank Deferral Preferred Shares.

Eligible Trust Assets means money, senior indebtedness of the Bank, other debt obligations and contractual rights in respect of the activities and operations of the Trust.

Exchange Time means the time at which the Automatic Exchange will be effective, being 8:00 a.m. (Eastern Time) on the date that a Loss Absorption Event occurs.

Exchange Trustee means Computershare Trust Company of Canada, as trustee for the holders of TD CaTS IV Notes pursuant to the Bank Share Exchange Agreement.

Funding Note means an interest bearing deposit note that may be acquired by the Trust from the Bank which, if acquired, would constitute an Eligible Trust Asset.

Funding Note Purchase Agreement means the purchase agreement to be entered into between the Bank and the Trust on the Closing Date providing for the purchase by the Trust of the Funding Note, if applicable.

GOC Redemption Yield means, on any date, the average of the annual yields at 12:00 p.m. (Eastern time) on the Business Day immediately preceding the date on which the Trust gives notice of the redemption of the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, the Bank and the Trust, as being the annual yield from the applicable date of redemption to, but excluding, the next Interest Reset Date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars at 100% of its principal amount on the date of redemption and maturing on the next Interest Reset Date.

Government of Canada Yield means, on any Interest Reset Date, the average of the annual yields as at 12:00 p.m. (Eastern time) on the third Business Day prior to the applicable Interest Reset Date as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, the Bank and the Trust, as being the annual yield to maturity on such date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity of five years.

Indenture Trustee means Computershare Trust Company of Canada, as trustee for the holders of TD CaTS IV Notes pursuant to the Trust Indenture.

Ineligible Person means any person whose address is in, or whom the Bank or the Trust or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that the issuance or delivery by the Bank or the Trust to such person, upon an Automatic Exchange or Deferral Event, of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable, (i) would require the Bank or the Trust to take any action to comply with securities, banking or analogous laws of such jurisdiction, or (ii) would give rise to a liability for withholding tax in connection with such issuance or delivery.

Initial Trust Assets means the Bank Deposit Notes to be acquired by the Trust on the Closing Date pursuant to the Deposit Note Purchase Agreement and the Funding Note that may be acquired by the Trust on such date pursuant to the Funding Note Purchase Agreement.

Interest Payment Date means the last day in June and December of each year during which the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, are outstanding.

Interest Period means, initially, the period from and including the Closing Date to, but excluding, June 30, 2009 and thereafter from and including each Interest Payment Date to, but excluding, the next following Interest Payment Date.

Interest Reset Date means, in respect of the TD CaTS IV-Series 1 and the Series 1 Bank Deposit Note, each Series 1 Interest Reset Date, and in respect of the TD CaTS IV-Series 2 and the Series 2 Bank Deposit Note, each Series 2 Interest Reset Date.

Loss Absorption Event means an event giving rise to the Automatic Exchange, being the occurrence of any one of the following: (i) an application for a winding-up order in respect of the Bank pursuant to the *Winding-up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to that Act is granted by a court; (ii) the Superintendent advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the Bank Act; (iii) the Superintendent advises the Bank in writing that the Superintendent is of the opinion that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank pursuant to the Bank Act to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the satisfaction of the Superintendent within the time specified therein.

Missed Dividend Deferral Event means the failure of the Bank to declare cash dividends on all of its outstanding preferred shares, or failing any preferred shares being outstanding, on all of the outstanding Bank Common Shares (other than a failure to declare such dividends during a Dividend Restricted Period), in accordance with the Bank's ordinary dividend practice in effect from time to time, in each case in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date.

Moody's means Moody's Investors Service, Inc.

New Bank Preferred Shares means the Bank Class A Preferred Shares of a new series that may be created by the Bank as contemplated by the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable.

Offering means the offering of TD CaTS IV Notes by the Trust pursuant to this short form prospectus.

Other Deferral Event means (i) the election by the Bank, at its sole option, prior to the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date, that holders of TD CaTS IV Notes invest interest paid on the applicable Series of TD CaTS IV Notes on the relevant Interest Payment Date in Bank Deferral Preferred Shares; or (ii) for whatever reason, interest is not paid in full in cash on the TD CaTS IV Notes on any Interest Payment Date (or the next following Business Day if the relevant Interest Payment Date is not a Business Day).

Participants means the participants in the depository service of CDS.

Perpetual Preferred Share Rate means the rate per annum equal to the Thirty Year Canada Yield prevailing: (i) in the case of the Bank Exchange Preferred Shares, at the Exchange Time; or (ii) in the case of the Bank Deferral Preferred Shares, on the date of issuance of each series of Bank Deferral Preferred Shares, plus, in each case, 3.53%.

Regulatory Event in respect of a Series of TD CaTS IV Notes and the corresponding Series of Bank Deposit Notes means the receipt by the Bank of notice or advice from the Superintendent that the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, no longer qualify as eligible Tier 1 Capital or are no longer eligible to be included as risk-based Total Capital on a consolidated basis, in either case under the Capital Guidelines.

Release Date in respect of a Series of TD CaTS IV Notes means the date on which the Bank Deferral Preferred Shares issued in connection with a Deferral Event are to be released from escrow, being the next following Interest Payment Date that is not a Deferral Date.

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc.

Series means a series of TD CaTS IV Notes or Bank Deposit Notes, as the context requires.

Series 1 Bank Deposit Note means the senior deposit note to be issued by the Bank to the Trust on the Closing Date in order to generate income for payment of the principal, interest, the redemption price, if any, and any other amounts, in respect of the Trust's debt securities, including the TD CaTS IV-Series 1.

Series 1 Interest Reset Date means June 30, 2019 and every fifth anniversary of such date until June 30, 2104 on which dates the interest rate on the TD CaTS IV-Series 1 and the Series 1 Bank Deposit Note will be reset as described in this short form prospectus.

Series 2 Bank Deposit Note means the senior deposit note to be issued by the Bank to the Trust on the Closing Date in order to generate income for payment of the principal, interest, the redemption price, if any, and any other amounts, in respect of the Trust's debt securities, including the TD CaTS IV-Series 2.

Series 2 Interest Reset Date means June 30, 2039 and every fifth anniversary of such date until June 30, 2104 on which dates the interest rate on the TD CaTS IV-Series 2 and the Series 2 Bank Deposit Note will be reset as described in this short form prospectus.

Significant Shareholder means any person who beneficially owns, directly or indirectly, through entities controlled by such person or persons associated with or acting jointly or in concert with such person, shares of any class of the Bank in excess of 10% of the total number of outstanding shares of that class.

Subscription Agreement means each agreement to be entered into between the Bank and the Trust on the Closing Date pursuant to which the Bank directly or indirectly will subscribe for Voting Trust Units.

Subscription Right in respect of a Series of TD CaTS IV Notes means the right granted by the Bank to the Trust pursuant to the Bank Share Exchange Agreement to subscribe for Bank Exchange Preferred Shares for the sole benefit of holders of that Series of TD CaTS IV Notes so as to enable the Trust to redeem TD CaTS IV Notes, if any, remaining outstanding following the Automatic Exchange for Bank Exchange Preferred Shares.

Superintendent means the Superintendent of Financial Institutions (Canada).

Tax Act means the *Income Tax Act* (Canada).

Tax Event in respect of a Series of TD CaTS IV Notes and the corresponding Series of Bank Deposit Notes means the Trust or the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank or the Trust) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “administrative action”); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of issue of that Series of TD CaTS IV Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) that (A) the Trust or the Bank is, or may be, subject to more than a *de minimus* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to that Series of TD CaTS IV Notes (including the treatment by the Bank or the Trust of interest on the corresponding Series of Bank Deposit Notes or that Series of TD CaTS IV Notes) or the treatment of the corresponding Series of Bank Deposit Notes or other property of the Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Trust is, or will be, subject to more than a *de minimus* amount of taxes, duties or other governmental charges or civil liabilities.

TD CaTS IV Notes means the TD CaTS IV-Series 1 and the TD CaTS IV-Series 2 either collectively or individually as the context requires.

TD CaTS IV-Series 1 means the 9.523% TD Capital Trust IV Notes-Series 1 due June 30, 2108 to be issued by the Trust to investors in Canada pursuant to the Offering.

TD CaTS IV-Series 2 means the 10.00% TD Capital Trust IV Notes-Series 2 due June 30, 2108 to be issued by the Trust to investors in Canada pursuant to the Offering.

Thirty Year Canada Yield means, on the relevant date, the average of the annual yields as at 12:00 p.m. (Eastern time) as determined by two Canadian registered investment dealers, each of which will be selected by and must be independent of, the Bank and the Trust, as being the annual yield to maturity on such date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars in Canada at 100% of its principal amount with a term to maturity of thirty years.

Trust means TD Capital Trust IVTM, the issuer of the Trust Securities.

Trust Assets means the Eligible Trust Assets held by the Trust from time to time.

Trust Indenture means the trust indenture to be entered into on the Closing Date between the Trust, the Bank and the Indenture Trustee, as amended, restated or supplemented from time to time.

Trust Securities means, collectively, the TD CaTS IV Notes and the Voting Trust Units.

Trustee means Montreal Trust Company of Canada, or any successor thereto, in its capacity as trustee of the Trust.

U.S. Person has the meaning set out under the U.S. Securities Act.

U.S. Securities Act means the United States Securities Act of 1933, as amended.

Underwriters means, collectively, TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., Desjardins Securities Inc. and Merrill Lynch Canada Inc.

Underwriting Agreement means the agreement dated January 15, 2009 between the Trust, the Bank and the Underwriters.

Voting Trust Units mean the voting trust units to be issued by the Trust to the Bank or affiliates of the Bank.

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars.

THE TRUST

General

The Trust is a trust established under the laws of Ontario pursuant to the Declaration of Trust. The Trust has been formed for the purpose of issuing debt securities, including the TD CaTS IV Notes, and acquiring and holding the Trust Assets in order to generate income for payment of principal, interest, the redemption price, if any, and any other amounts, in respect of its debt securities, including the TD CaTS IV Notes. The Offering will provide the Bank with a cost-effective means of raising capital for Canadian bank regulatory purposes. As a result of the Offering, the Trust will become a reporting issuer for the purposes of applicable securities laws in Canada and will be required, among other things, to make continuous disclosure filings with applicable securities regulatory authorities. See “– Exemptions from Certain Continuous Disclosure Requirements”.

The head and registered office of the Trust is located at c/o The Toronto-Dominion Bank, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2.

The Trust is not a trust company and does not carry on business as a trust company and, accordingly, the Trust is not registered under the trust company legislation of any jurisdiction. The TD CaTS IV Notes are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that act or any other legislation.

Activities of the Trust

The Trust’s objective is to acquire and hold the Trust Assets that will generate income for payment of principal, interest, the redemption price, if any, and any other amounts, in respect of its debt securities, including the TD CaTS IV Notes. The Initial Trust Assets will consist primarily of the Bank Deposit Notes, which are to be purchased pursuant to one or more agreements between the Trust and the Bank (each, a “Deposit Note Purchase Agreement”), as well as the Funding Note, which may be purchased pursuant to an agreement between the Trust and the Bank (the “Funding Note Purchase Agreement”). Each Bank Deposit Note will be a senior unsecured obligation of the Bank that will rank on a parity with all other deposit and unsubordinated liabilities of the Bank. The Trust may also acquire and hold other assets, including money, senior indebtedness of the Bank, other debt obligations and contractual rights in respect of the activities and operations of the Trust (collectively, “Eligible Trust Assets”) from time to time.

Capitalization

As a newly-formed entity, the Trust has no prior operating history. Immediately after the issuance by the Trust of the TD CaTS IV Notes pursuant to the Offering, the subscription by the Bank, directly or indirectly, for the Voting Trust Units, the purchase by the Trust of the Bank Deposit Notes and the purchase by the Trust of the Funding Note, if applicable, the Trust will have approximately \$1,002,000,000 of Trust Assets, \$1,000,000,000 of capital attributable to the TD CaTS IV Notes and \$2,000,000 of capital attributable to the Voting Trust Units. See “Capitalization of the Trust” and “Risk Factors”.

Conflicts of Interest

Due to the nature of the Trust’s relationship with the Bank and its affiliates, it is possible that conflicts of interest will arise with respect to certain transactions including, without limitation, the Trust’s acquisition of Trust Assets from the Bank and/or its affiliates. See “Interests of the Bank and its Affiliates in Material Transactions” and “Principal Holders of Securities”. It will be the Trust’s policy that the terms of any financial dealings with the Bank or any of its affiliates will be consistent with those available from third parties.

Conflicts of interest between the Trust and the Bank and its affiliates may also arise in connection with actions taken by the Bank, as direct or indirect holder of the Voting Trust Units. It is intended that any transactions between the Trust, on the one hand, and the Bank and its affiliates, on the other hand, including under the Administration Agreement, the Assignment and Set-Off Agreement and the Bank Share Exchange Agreement, will be fair to the parties and

consistent with market terms for such types of transactions. However, there can be no assurance that any such transaction will be on terms as favourable to the Trust as would have been obtained from unaffiliated third parties.

The Administrative Agent

The Trustee has entered into an agreement (the “Administration Agreement”) with the Bank, pursuant to which the Trustee has delegated to the Bank certain of its obligations in relation to the administration of the Trust. The Bank, in its role as administrative agent under the Administration Agreement (the “Administrative Agent”) will, at the request of the Trustee, administer the day-to-day operations of the Trust and perform such other matters as may be requested by the Trustee from time to time. The Administrative Agent may, from time to time, delegate or sub-contract all or a portion of its obligations under the Administration Agreement to one or more of its qualified affiliates. The Administrative Agent will not, in connection with the delegation or sub-contracting of any of such obligations, be discharged or relieved in any respect from its obligations under the Administration Agreement. The Administrative Agent will be entitled to receive an annual administration fee.

The Administration Agreement has an initial 30-year term and will be automatically renewed each year thereafter subject to the right of the Trustee to terminate the Administration Agreement at any time upon 90 days’ prior written notice upon the occurrence of one or more events generally related to the failure of the Administrative Agent to perform its obligations under the Administration Agreement in a proper and timely manner.

Liquidity

The Trust will only borrow funds from the Bank or its affiliates pursuant to an unsecured credit facility extended by such entity to the Trust (the “Credit Facility”) and will use borrowed funds only for the purposes of ensuring liquidity in the normal course of the Trust’s activities and to facilitate the payment by the Trust of the expenses of the Offering.

Exemptions from Certain Continuous Disclosure Requirements

As a result of the Offering, the Trust will become a reporting issuer in each of the provinces and territories of Canada and will be required, among other things, to make continuous disclosure filings with applicable securities regulatory authorities; however, the Trust intends to apply to the securities regulatory authorities in those provinces and territories (the “Commissions”), as appropriate, for exemptions from certain continuous disclosure requirements prescribed by applicable securities legislation for reporting issuers.

If granted, the exemptions will likely be conditional on holders of TD CaTS IV Notes receiving the interim unaudited and annual audited financial statements of the Bank, and the Bank continuing to file with the Commissions its interim unaudited and annual audited financial statements, annual information form, management proxy circular and other continuous disclosure documents required to be filed by the Bank from time to time. If these exemptions are granted, the Trust will not be required to file with the Commissions interim unaudited and annual audited financial statements, including management’s discussion and analysis of the financial condition and results of operation of the Trust, interim and annual certificates signed by the Chief Financial Officer and Chief Executive Officer, an information circular or an annual information form of the Trust, and holders of TD CaTS IV Notes will not receive such financial statements and other continuous disclosure documents of the Trust. It is expected, however, that the Trust will remain subject to the requirement to file material change reports in the event of any material change in the affairs of the Trust.

Exemptive relief will be sought by the Trust based on the following terms and conditions of the TD CaTS IV Notes and for the following reasons. The operating activity of the Trust will consist of acquiring and holding Trust Assets for the purpose of generating income for payment of principal, interest and the redemption price, if any, and any other amounts on its debt securities, including the TD CaTS IV Notes. Accordingly, the information relating to the financial condition and operations of a reporting issuer that is contained in an annual information form or other continuous disclosure documents will not, in respect of the Trust, be meaningful to holders of TD CaTS IV Notes. In certain circumstances, including at a time when the Bank’s financial condition is deteriorating or proceedings for the winding-up of the Bank have been commenced (See “Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange”), the TD CaTS IV Notes will be automatically exchanged for Bank Exchange Preferred Shares. In

addition, holders of TD CaTS IV Notes may, in certain circumstances, be required to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares. As a result of the foregoing, details of the Bank's financial condition (as opposed to that of the Trust) will be of interest to holders of TD CaTS IV Notes.

CAPITALIZATION OF THE TRUST

The following table sets forth the capitalization of the Trust as of the date of this short form prospectus and as adjusted to reflect the closing of the Offering and the issuance of Voting Trust Units.

	Outstanding as at January 15, 2009 (\$ '000)	Outstanding as at January 15, 2009 after giving effect to the Offering ⁽¹⁾ (\$ '000)
TD CaTS IV – Series 1	\$ 0	\$ 550,000
TD CaTS IV – Series 2	\$ 0	\$ 450,000
Voting Trust Units	\$ 0	\$ 2,000
Original Settlement Amount ⁽²⁾	\$ 1	\$ —
Trust Capital	<u>\$ 1</u>	<u>\$ 1,002,000</u>

(1) Issue costs, including the Underwriters' fee, are estimated to be \$10,750,000.

(2) Amounts settled on the Trust's formation subsequently applied as part of the subscription price for the Voting Trust Units.

THE BANK

General

The Bank is a Canadian chartered bank subject to the provisions of the Bank Act and was formed on February 1, 1955 through the amalgamation of The Bank of Toronto (established in 1855) and The Dominion Bank (established in 1869). The Bank and its subsidiaries are collectively known as TD Bank Financial Group. TD Bank Financial Group is the sixth largest bank in North America by branches and serves approximately 17 million customers in four key businesses operating in a number of locations in financial centres around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust and TD Insurance; Wealth Management, including TD Waterhouse and an investment in TD Ameritrade; U.S. Personal and Commercial Banking through TD Banknorth and TD Bank, America's Most Convenient Bank; and Wholesale Banking, including TD Securities. TD Bank Financial Group also ranks among the world's leading on-line financial services firms, with more than 5.5 million on-line customers.

The Bank's head office and registered office are located in the Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2.

The ownership by the Bank, either directly or through its subsidiaries, of the voting and non-voting securities of its principal subsidiaries is set out in Appendix A of the Annual Information Form.

Additional information regarding the Bank is incorporated by reference into this short form prospectus. See "Documents Incorporated by Reference".

Changes in Capitalization

On November 5, 2008, the Bank issued 8,800,000 Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares, Series AC of the Bank (the "Series AC Shares") for aggregate gross proceeds of \$220 million. The Series AC Shares are redeemable by the Bank for cash, subject to regulatory consent, after approximately five years and are convertible in certain circumstances into Non-Cumulative Floating Rate Class A First Preferred Shares, Series AD of the Bank and vice versa. The Series AC Shares qualify as Tier 1 regulatory capital of the Bank.

On December 5, 2008, the Bank issued 34,960,000 Bank Common Shares for aggregate gross proceeds of \$1.38 billion. The Bank Common Shares issued qualify as Tier 1 regulatory capital of the Bank.

On January 14, 2009, the Bank issued 12,000,000 Non-Cumulative 5-Year Rate Reset Class A First Preferred Shares, Series AE of the Bank (the “Series AE Shares”) for aggregate gross proceeds of \$300 million. The Series AE Shares are redeemable by the Bank for cash, subject to regulatory consent, after approximately five years and are convertible in certain circumstances into Non-Cumulative Floating Rate Class A First Preferred Shares, Series AF of the Bank and vice versa. The Series AE Shares qualify as Tier 1 regulatory capital of the Bank.

Limitations Affecting Holders of Bank Shares

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. For example, no person shall be a major shareholder of a bank if the bank has equity of \$8 billion or more (which would include the Bank). A person is a major shareholder of a bank where: (i) the aggregate number of shares of any class of voting shares owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate number of shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares. No person shall have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person (a “Significant Shareholder”) has a significant interest in a class of shares of a bank where the aggregate of any shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all of the outstanding shares of that class of shares of such bank. Purchasers of securities of the Bank (and Participants) may be required to furnish declarations relating to ownership (and ownership by clients of such Participants) in a form prescribed by the Bank.

Under the Bank Act, the Bank cannot redeem or purchase any of its shares, including the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares, unless the consent of the Superintendent has been obtained. In addition, the Bank Act prohibits a payment to purchase or redeem any shares or the declaration of a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of the capital adequacy and liquidity regulations of the Bank Act or directions of the Superintendent.

The Bank’s ability to pay dividends is also restricted in the event that TD Capital Trust, TD Capital Trust II or TD Capital Trust III (each a subsidiary of the Bank) fails to pay semi-annual distributions in full to holders of trust securities (collectively, the “Capital Trust Securities”) issued by those entities. In addition, the ability to pay dividends on the Bank Common Shares without the approval of the holders of the Bank’s outstanding preferred shares is restricted unless all dividends on the preferred shares of the Bank have been declared and paid or set apart for payment.

Capital Adequacy Requirements

The Bank Act requires the Bank to maintain adequate capital in relation to its operations. The Superintendent has established risk-based capital targets for Canadian chartered banks of 7% (Tier 1 Capital) and 10% (Total Capital). The Superintendent has issued guidelines concerning the maintenance of adequate capital (the “Capital Guidelines”) and has statutory authority pursuant to subsection 485(3) of the Bank Act to direct the Bank to increase its capital even if the Bank is in compliance with the Capital Guidelines. The Bank has no reason to believe that the Superintendent intends to direct the Bank to increase its capital beyond that contemplated by the Bank’s announced financing plans. Pursuant to the Capital Guidelines, requirements are applied to the Bank on a consolidated basis including all subsidiaries except insurance subsidiaries or other regulated financial institutions whose leverage is inappropriate for a deposit-taking institution and which, because of their size, would have a material impact on the leverage of the consolidated entity.

The following table sets forth the risk-based Tier 1 Capital ratios and risk-based Total Capital ratios of the Bank as at the dates indicated:

	Risk-Based Tier 1 Capital ratio	Risk-Based Total Capital ratio
October 31, 2008 ⁽¹⁾	9.8%	12.0%
October 31, 2007	10.3%	13.0%
October 31, 2006	12.0%	13.1%
October 31, 2005	10.1%	13.2%
October 31, 2004	12.6%	16.9%
October 31, 2003	10.5%	15.6%
October 31, 2002	8.1%	11.6%
October 31, 2001	8.4%	11.9%
October 31, 2000	7.2%	10.8%
October 31, 1999	10.1%	13.3%

- (1) Effective the first quarter of 2008, capital ratios are calculated using guidelines issued by the Office of the Superintendent of Financial Institutions under the new Basel II framework. Comparative capital ratios are calculated using guidelines issued under the Basel I framework. For further information about Basel II, please refer to the Managing Risk section of the Bank's 2008 Annual Report.

DESCRIPTION OF THE TRUST SECURITIES

TD CaTS IV Notes

The following is a summary of the rights, privileges, restrictions and conditions attaching to the TD CaTS IV Notes and certain provisions of the Trust Indenture. The TD CaTS IV-Series 1 and TD CaTS IV-Series 2 will each constitute a separate series of notes under the Trust Indenture. This summary is qualified in its entirety by the provisions of the Trust Indenture. A copy of the Trust Indenture may be inspected during normal business hours at the principal office of the Indenture Trustee in Toronto, Ontario, during the course of the distribution of the TD CaTS IV Notes. Following closing of the Offering, a copy of the Trust Indenture will be available on SEDAR at www.sedar.com. Holders of TD CaTS IV Notes shall have no recourse to the assets of the Trustee in connection with any payments in respect of the TD CaTS IV Notes. For information concerning the Bank Exchange Preferred Shares into which the TD CaTS IV Notes are, in certain circumstances, exchangeable as described under “—Automatic Exchange” below, see “Description of Bank Exchange and Deferral Preferred Shares”. For information concerning the Bank Deferral Preferred Shares, which in certain circumstances holders of TD CaTS IV Notes will be required to purchase with interest paid on the TD CaTS IV Notes as described under “—Deferral Right” below, see “Description of Bank Exchange and Deferral Preferred Shares”.

Interest and Maturity

From the date of issue until June 30, 2108, the Trust will pay interest on each Series of TD CaTS IV Notes in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009, subject to any withholding tax. Notwithstanding the foregoing, assuming the TD CaTS IV Notes are issued on January 26, 2009, the first interest payment on the TD CaTS IV Notes on June 30, 2009 will be in the amount of \$40.44013699 per \$1,000 principal amount of TD CaTS IV-Series 1 and \$42.46575342 per \$1,000 principal amount of TD CaTS IV-Series 2. From the date of issue to, but excluding, June 30, 2019 the interest rate on the TD CaTS IV-Series 1 will be fixed at 9.523% per annum. Starting on June 30, 2019 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a “Series 1 Interest Reset Date”), the interest rate on the TD CaTS IV-Series 1 will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.125%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the TD CaTS IV-Series 2 will be fixed at 10.00% per annum. Starting on June 30, 2039 and on every fifth anniversary of such date thereafter until June 30, 2104 (each such date, a “Series 2 Interest Reset Date”), the interest rate on the TD CaTS IV-Series 2 will be reset at an interest rate per annum equal to the Government of Canada Yield plus 9.735%.

The TD CaTS IV Notes will mature on June 30, 2108. Holders of TD CaTS IV Notes may, in certain circumstances, be required to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares. See “—Deferral Right” below.

If an Interest Payment Date falls on a day that is not a Business Day, the Interest Payment Date will be postponed to the next Business Day, and no further interest will accrue in respect of such postponement.

Specified Denominations

The TD CaTS IV Notes will be issued only in minimum denominations of \$1,000 and integral multiples thereof.

Bank Dividend Stopper Undertaking

The Bank will covenant for the benefit of holders of a Series of TD CaTS IV Notes in the Assignment and Set-Off Agreement that, in the event of an Other Deferral Event, in the period commencing on the relevant Deferral Date until the Dividend Declaration Resumption Month: (i) it will not declare dividends of any kind on any of the Dividend Restricted Shares; and (ii) no subsidiary of the Bank may make any payment to holders of any Dividend Restricted Shares in respect of dividends not declared or paid by the Bank, and no subsidiary of the Bank may purchase any Dividend Restricted Shares, provided that any subsidiary of the Bank whose primary business is dealing in securities

may purchase shares of the Bank in certain limited circumstances as permitted by the Bank Act or the regulations thereunder. The first dividend in respect of the Dividend Restricted Shares declared by the Bank in or following the Dividend Declaration Resumption Month shall be paid by the Bank no earlier than would ordinarily be the case. **It is in the interest of the Bank to ensure, to the extent within its control, that the Trust pays the interest on the TD CaTS IV Notes in cash on each Interest Payment Date so as to avoid triggering the Dividend Stopper Undertaking.**

Deferral Right

On each Interest Payment Date in respect of which a Deferral Event has occurred (each a “Deferral Date”), holders of TD CaTS IV Notes will be required to invest interest paid on such TD CaTS IV Notes in Bank Deferral Preferred Shares. A new series of Bank Deferral Preferred Shares will be issued in respect of each Deferral Event. The subscription amount of each Bank Deferral Preferred Share will be an amount equal to the face amount of the share, and the number of Bank Deferral Preferred Shares subscribed for in respect of each Series of TD CaTS IV Notes on each Deferral Date (which may include fractional shares) will be calculated by dividing the amount of the interest payment on the applicable Series of TD CaTS IV Notes that has not been paid in cash on the applicable Deferral Date by the face amount of each Bank Deferral Preferred Share. A Deferral Event will occur in circumstances where (i) the Bank has failed to declare cash dividends on all of its outstanding preferred shares, or failing any preferred shares being outstanding, on all of the outstanding Bank Common Shares (other than a failure to declare dividends on such shares during a Dividend Restricted Period), in accordance with the Bank’s ordinary dividend practice in effect from time to time, in each case in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date; (ii) for whatever reason, interest is not paid in full in cash on the TD CaTS IV Notes on any Interest Payment Date (or the next following Business Day if the relevant Interest Payment Date is not a Business Day); or (iii) the Bank elects, at its sole option, prior to the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date, that holders of TD CaTS IV Notes invest interest paid on such TD CaTS IV Notes on the relevant Interest Payment Date in Bank Deferral Preferred Shares. There is no limit on the number of Deferral Events that may occur. For greater certainty, whether or not a Deferral Event has occurred in respect of a particular Interest Payment Date will be determined prior to the commencement of the Interest Period ending on the day immediately preceding such Interest Payment Date, except in the case of (ii) above, which will only be determined on the applicable Interest Payment Date but the Deferral Event will be considered to have occurred on the day immediately preceding such Interest Payment Date.

The issuance of Bank Deferral Preferred Shares upon the occurrence of any Deferral Event will be effected pursuant to the terms of the Assignment and Set-Off Agreement, whereby: (i) the Bank assigns to the Trust all of its right, title and interest in the subscription proceeds (the “Deferral Event Subscription Proceeds”) payable to the Bank in connection with the Deferral Event Subscription (the “Deferral Event Subscription Proceeds Assignment”); (ii) the Trust agrees that on each Interest Payment Date that is a Deferral Date, the interest payable to the Trust by the Bank on such Interest Payment Date pursuant to the Series 1 Bank Deposit Note or Series 2 Bank Deposit Note, as applicable, shall have been satisfied to the extent of an amount equal to the aggregate Deferral Event Subscription Proceeds payable in connection with the Bank Deferral Preferred Shares issued on such Interest Payment Date pursuant to the Deferral Event Subscription Proceeds Assignment and the Bank shall only be required to pay cash to the Trust in an amount equal to the excess of the interest payable by the Bank pursuant to the applicable Series of Bank Deposit Notes on such Interest Payment Date over the amount of such Deferral Event Subscription Proceeds; and (iii) the Indenture Trustee, on behalf of holders of TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, agrees that on each Interest Payment Date that is a Deferral Date, without any further action being required by the Bank, the Trust or holders of TD CaTS IV Notes, the right of the holders of each Series of TD CaTS IV Notes to receive the amount of the interest thereon in respect of the relevant Interest Payment Date that has not been paid in cash will be set-off against their obligation to pay the cash subscription price for the Bank Deferral Preferred Shares to the Trust, as assignee, without any payment of cash by the Trust in respect of the interest or by the holders in respect of the subscription price. As a result, pursuant to the Assignment and Set-Off Agreement, a holder’s entitlement in the case of a Deferral Event on an Interest Payment Date is to the delivery of the Bank Deferral Preferred Shares.

In acting pursuant to the Assignment and Set-Off Agreement, the Indenture Trustee will act as bare trustee and nominee on behalf of holders of the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable. The Indenture Trustee will acquire and hold the Bank Deferral Preferred Shares for and on behalf of holders of the applicable Series of TD CaTS IV Notes and not on its own behalf. Any Bank Deferral Preferred Shares shall be issued to and held by the Indenture Trustee for and on behalf of holders of the applicable Series of TD CaTS IV Notes with the result that the

Indenture Trustee will never have any beneficial interest in the Bank Deferral Preferred Shares. The Indenture Trustee will hold the Bank Deferral Preferred Shares in escrow until the next following Interest Payment Date which is not also a Deferral Date (the “Release Date”). During this escrow period, beneficial owners of the Bank Deferral Preferred Shares will be entitled to exercise all rights as beneficial shareholders of the Bank, other than the right to transfer such shares. On the Release Date, the Bank Deferral Preferred Shares will be released from escrow and will become freely tradable securities of the Bank.

If, following a Deferral Event but prior to the Release Date for any Bank Deferral Preferred Shares in escrow: (i) the TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, mature; (ii) a Loss Absorption Event occurs; or (iii) all of the outstanding TD CaTS IV-Series 1 or TD CaTS IV-Series 2, as applicable, are redeemed (the date of any such event being the “Early Release Date”), the Bank Deferral Preferred Shares will be released from escrow on the Early Release Date rather than the Release Date.

Upon a Deferral Event, the Bank reserves the right not to issue Bank Deferral Preferred Shares to any Ineligible Person to the extent that such issuance or delivery would require the Bank or the Trust to take any action to comply with securities, banking or analogous laws of such jurisdiction or to any person who would as a result of such delivery become a Significant Shareholder. In such circumstances, the Indenture Trustee will hold all Bank Deferral Preferred Shares that would otherwise be delivered to such Ineligible Persons or any Significant Shareholder, as agent for Ineligible Persons and Significant Shareholders, and the Indenture Trustee will deliver such shares to a broker retained by the Bank for the purpose of effecting the sale (to parties other than the Bank and its affiliates) on behalf of such Ineligible Persons and Significant Shareholders. Such sales, if any, may be made at any time and any price. Neither the Bank nor the Indenture Trustee will be subject to any liability for failing to sell Bank Deferral Preferred Shares on behalf of any such Ineligible Persons or Significant Shareholders at any particular price on any particular day. The net proceeds received by the Indenture Trustee from the sale of any Bank Deferral Preferred Shares will be held in escrow by the Indenture Trustee until the Release Date or Early Release Date, as the case may be, and will be divided among the Ineligible Persons and Significant Shareholders in proportion to the number of Bank Deferral Preferred Shares that would otherwise have been deliverable to them, after deducting the costs of sale and any applicable withholding taxes. The Indenture Trustee will make payment of the aggregate net proceeds to CDS (if the TD CaTS IV Notes are then held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such Ineligible Persons and Significant Shareholders in accordance with the customary practice and procedures of CDS (“CDS Procedures”) or otherwise. See “The Bank – Limitations Affecting Holders of Bank Shares”.

Automatic Exchange

The TD CaTS IV Notes, including accrued and unpaid interest thereon, will be exchanged automatically (the “Automatic Exchange”), without the consent of the holders thereof, for newly-issued Bank Exchange Preferred Shares if: (i) an application for a winding-up order in respect of the Bank pursuant to the *Winding-up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to that Act is granted by a court; (ii) the Superintendent advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the Bank Act; (iii) the Superintendent advises the Bank in writing that the Superintendent is of the opinion that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank pursuant to the Bank Act to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the satisfaction of the Superintendent within the time specified therein (each, a “Loss Absorption Event”). The Bank will mail notice of the occurrence of the Loss Absorption Event to the Trustee within 10 days of such event. Following the Automatic Exchange, holders of TD CaTS IV Notes immediately prior to the Automatic Exchange will cease to have any claim or entitlement to interest or principal against the Trust or any other rights as securityholders.

The Automatic Exchange shall occur as of 8:00 a.m. (Eastern time) (the “Exchange Time”) on the date that a Loss Absorption Event occurs and will be effected pursuant to the terms of the Bank Share Exchange Agreement. As of the Exchange Time, each holder of TD CaTS IV Notes shall be deemed to have exchanged and transferred to the Trust all of such holder’s right, title and interest in and to its TD CaTS IV Notes and shall cease to be a holder thereof and all rights of such holder as a securityholder of the Trust will cease and such person shall therefrom be deemed to be and shall be for all purposes a holder of Bank Exchange Preferred Shares. On the exchange, holders of each Series of TD

CaTS IV Notes will receive 40 Bank Exchange Preferred Shares for each \$1,000 principal amount of such Series of TD CaTS IV Notes, together with the number of Bank Exchange Preferred Shares calculated by dividing the amount of accrued and unpaid interest, if any, on the applicable Series of TD CaTS IV Notes, from the immediately preceding Interest Payment Date to, but excluding, the date the Loss Absorption Event occurs, by the face amount of the Bank Exchange Preferred Shares.

If, for any reason, the Automatic Exchange does not result in the exchange of all TD CaTS IV Notes then outstanding for Bank Exchange Preferred Shares, the Trust will redeem each \$1,000 principal amount of each Series of TD CaTS IV Notes not so exchanged for consideration consisting of 40 Bank Exchange Preferred Shares together with the number of Bank Exchange Preferred Shares calculated by dividing the amount of accrued and unpaid interest, if any, on the applicable Series of TD CaTS IV Notes from the immediately preceding Interest Payment Date to, but excluding the date the Loss Absorption Event occurs, by the face amount of the Bank Exchange Preferred Shares. Each holder of TD CaTS IV Notes so redeemed shall cease to be a holder thereof and all rights of such holder as a securityholder of the Trust will cease and such person shall therefrom be deemed to be and shall be for all purposes a holder of Bank Exchange Preferred Shares unless payment in the form of Bank Exchange Preferred Shares is not made. It shall not be necessary for the Trust, in such circumstances, to provide any prior written notice of redemption to holders of TD CaTS IV Notes. The Trust will acquire the Bank Exchange Preferred Shares required by it for purposes of such redemption, if any, from the Bank pursuant to the Subscription Right.

Upon an Automatic Exchange of the TD CaTS IV Notes for Bank Exchange Preferred Shares, the Bank reserves the right not to issue Bank Exchange Preferred Shares to Ineligible Persons or to persons who would as a result of the Automatic Exchange become Significant Shareholders. In such circumstances, the Trustee will hold all Bank Exchange Preferred Shares that would otherwise be delivered to such Ineligible Persons or any Significant Shareholder, as agent for Ineligible Persons and Significant Shareholders, and the Trustee will deliver such shares to a broker retained by the Bank for the purpose of effecting the sale (to parties other than the Bank and its affiliates) on behalf of such Ineligible Persons and Significant Shareholders. Such sales, if any, may be made at any time and any price. Neither the Bank nor the Trustee will be subject to any liability for failing to sell Bank Exchange Preferred Shares on behalf of any such Ineligible Persons or Significant Shareholders at any particular price on any particular day. The net proceeds received by the Trustee from the sale of any Bank Exchange Preferred Shares will be divided among the Ineligible Persons and Significant Shareholders in proportion to the number of Bank Exchange Preferred Shares that would otherwise have been deliverable to them, after deducting the costs of sale and any applicable withholding taxes. The Trustee will make payment of the aggregate net proceeds to CDS (if the TD CaTS IV Notes are then held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such Ineligible Persons and Significant Shareholders in accordance with CDS Procedures or otherwise. See “The Bank – Limitations Affecting Holders of Bank Shares”.

The Bank’s by-laws currently provide that if it has declared but not paid or set apart for payment, dividends on its then issued and outstanding Bank Class A Preferred Shares, the approval of existing holders of Bank Class A Preferred Shares is needed before a new series of such shares can be created or issued. As a regulated financial institution, the Bank must meet liquidity and capital adequacy requirements before it declares or pays dividends. Accordingly, the Bank only declares dividends if it satisfies these requirements and, as a result, the Bank’s expectation is that it would be in a position to set aside funds for the payment of any dividends declared.

If the Automatic Exchange were to occur and Bank Exchange Preferred Shares were issued in exchange for TD CaTS IV Notes as a result thereof, the cost-effective nature of the consolidated capital raised by the Bank through the issuance of the TD CaTS IV Notes would be lost. Accordingly, it is in the interests of the Bank to ensure that an Automatic Exchange does not occur, although the events that could give rise to an Automatic Exchange, namely the occurrence of a Loss Absorption Event, may be beyond the Bank’s control.

Status as Tier 1 Capital

The TD CaTS IV Notes have been structured with the intention of achieving Tier 1 regulatory capital for purposes of the guidelines of the Superintendent and as such, have, in certain circumstances, features similar to those of equity securities. Application has been made to the Superintendent to confirm Tier 1 Capital treatment for the TD CaTS IV Notes. On each Interest Payment Date in respect of which a Deferral Event (which includes the failure by the Bank to declare cash dividends on all of its outstanding preferred shares, or failing any preferred shares being outstanding, on all

of the outstanding Bank Common Shares, in accordance with the Bank's ordinary dividend practice in effect from time to time, in each case in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date) has occurred, holders of TD CaTS IV Notes will be required to invest interest paid thereon in a new series of Bank Deferral Preferred Shares. This investment will be effected by the Indenture Trustee subscribing for such shares for and on behalf of the holders of TD CaTS IV Notes. See "— Deferral Right". In addition, upon the occurrence of a Loss Absorption Event, the TD CaTS IV Notes will be exchanged automatically for newly-issued Bank Exchange Preferred Shares. In such event, former holders of TD CaTS IV Notes would rank as preferred shareholders of the Bank in a liquidation of the Bank. See "— Automatic Exchange."

Trust Redemption Right

On or after June 30, 2014 the Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the TD CaTS IV Notes, redeem the TD CaTS IV Notes, in whole or in part. The redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any day that is not an Interest Reset Date in respect of a Series of TD CaTS IV Notes will be equal to the greater of par and the Canada Yield Price, and the redemption price per \$1,000 principal amount of TD CaTS IV Notes redeemed on any Interest Reset Date in respect of a Series of TD CaTS IV Notes will be par, together in either case with accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash.

TD CaTS IV Notes redeemed by the Trust shall be cancelled and shall not be reissued.

Redemption on Tax or Regulatory Event

The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the applicable Series of TD CaTS IV Notes, redeem all (but not less than all) of such Series of TD CaTS IV Notes upon the occurrence of a Regulatory Event or a Tax Event. The redemption price per \$1,000 principal amount of each Series of TD CaTS IV Notes will be equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption, subject to any applicable withholding tax. The redemption price payable by the Trust will be paid in cash.

TD CaTS IV Notes redeemed by the Trust shall be cancelled and shall not be reissued.

Purchase for Cancellation

On or after the date that is five years after the Closing Date, the TD CaTS IV Notes may be purchased, in whole or in part, by the Trust, at the direction of the Bank as holder directly or indirectly of the Voting Trust Units and with the prior approval of the Superintendent, in the open market or by tender or private contract at any price. TD CaTS IV Notes purchased by the Trust shall be cancelled and shall not be reissued.

Subordination

The TD CaTS IV Notes will be direct unsecured obligations of the Trust, ranking at least equally with other subordinated indebtedness of the Trust from time to time issued and outstanding. In the event of the insolvency or winding-up of the Trust, the indebtedness evidenced by TD CaTS IV Notes issued by the Trust, will be subordinate in right of payment to the prior payment in full of all other liabilities of the Trust except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such TD CaTS IV Notes.

The subordination provisions described herein are not likely to be relevant to holders of TD CaTS IV Notes in their capacity as creditors of the Trust since the Automatic Exchange provisions of the TD CaTS IV Notes will result in the TD CaTS IV Notes being exchanged for Bank Exchange Preferred Shares effective as of the Exchange Time. See "— Automatic Exchange" and "Risk Factors".

Events of Default

An event of default in respect of the TD CaTS IV Notes will occur only if the Trust or the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated. The event of default provisions of the TD CaTS IV Notes described herein are not likely to be relevant to holders of TD CaTS IV Notes in their capacity as creditors of the Trust since the Automatic Exchange provisions of the TD CaTS IV Notes will result in the TD CaTS IV Notes being exchanged for Bank Exchange Preferred Shares effective as of the Exchange Time. See “– Automatic Exchange” and “Risk Factors”.

If an event of default has occurred and is continuing, and the TD CaTS IV Notes have not already been automatically exchanged for Bank Exchange Preferred Shares, the Indenture Trustee may, in its discretion and shall upon the request of holders of not less than one-quarter of the principal amount of TD CaTS IV Notes then outstanding under the Trust Indenture, declare the principal of and interest on all outstanding TD CaTS IV Notes to be immediately due and payable. There will be no right of acceleration in the case of a default in the performance of any covenant of the Trust or the Bank in the Trust Indenture, although a legal action could be brought to enforce such covenant.

Rights on Termination of the Trust

As long as any TD CaTS IV Notes are outstanding and held by any person other than the Bank, the Trust may only be terminated with the approval of the holder of the Voting Trust Units and with the prior approval of the Superintendent (i) prior to June 30, 2014 upon the occurrence of a Tax Event or a Regulatory Event, or (ii) on or after June 30, 2014 for any reason. The holders of TD CaTS IV Notes will not be entitled to initiate proceedings for the termination of the Trust.

So long as any TD CaTS IV Notes are outstanding and held by any person other than the Bank, the Bank will not approve the termination of the Trust unless the Trust has sufficient funds to pay the redemption price of the TD CaTS IV Notes.

Additional Bank Covenants

In addition to the Dividend Stopper Undertaking, the Bank will covenant for the benefit of the holders of TD CaTS IV Notes, pursuant to the Bank Share Exchange Agreement or the Assignment and Set-Off Agreement, as the case may be, that:

- (i) all of the outstanding Voting Trust Units will be held at all times, directly or indirectly, by the Bank;
- (ii) as long as any TD CaTS IV Notes are outstanding and held by any person other than the Bank, the Bank will not take any action to cause the termination of the Trust except as set forth under “Description of the Trust Securities — TD CaTS IV Notes — Rights on Termination of the Trust” and only with the prior approval of the Superintendent;
- (iii) the Bank will not create or issue any preferred shares of the Bank which, in the event of insolvency or winding-up of the Bank, would rank in right of payment in priority to the Bank Exchange Preferred Shares or the Bank Deferral Preferred Shares;
- (iv) the Bank will not assign or otherwise transfer its obligations under the Bank Share Exchange Agreement or the Assignment and Set-Off Agreement, except in the case of a merger, consolidation, amalgamation or reorganization or a sale of substantially all of the assets of the Bank;
- (v) if the TD CaTS IV Notes have not been exchanged for Bank Exchange Preferred Shares pursuant to the Automatic Exchange, the Bank will not, without the approval of the holders of the TD CaTS IV Notes, amend any terms attaching to the Bank Exchange Preferred Shares other than any amendments relating to the Bank Class A Preferred Shares as a class; and

- (vi) prior to the issuance of any Bank Deferral Preferred Shares in respect of a Deferral Event, the Bank will not, without the approval of the holders of TD CaTS IV Notes, amend any terms attaching to such Bank Deferral Preferred Shares other than any amendments relating to the Bank Class A Preferred Shares as a class.

Issue of Bank Exchange and Deferral Preferred Shares in Connection with Automatic Exchange and Deferral Event

All corporate action necessary for the Bank to issue Bank Exchange Preferred Shares and Bank Deferral Preferred Shares pursuant to the terms of the TD CaTS IV Notes will be completed prior to the closing of the Offering. The issuance of Bank Exchange Preferred Shares pursuant to certain of the terms of the TD CaTS IV Notes is subject to the prior approval of the Superintendent. An application for the foregoing approval has been filed by the Bank.

Bank Share Exchange Agreement

On closing of the Offering, the Bank, the Trust and the Exchange Trustee, as trustee for the holders of a Series of TD CaTS IV Notes, will enter into the Bank Share Exchange Agreement providing for the grant of certain rights and obligations relating to the Automatic Exchange. Pursuant to that agreement, the Bank will grant to the Exchange Trustee for the benefit of the holders of that Series of TD CaTS IV Notes the right to exchange TD CaTS IV Notes for Bank Exchange Preferred Shares upon an Automatic Exchange and the Exchange Trustee on behalf of the holders of that Series of TD CaTS IV Notes will grant to the Bank the right to exchange TD CaTS IV Notes for Bank Exchange Preferred Shares upon an Automatic Exchange. Pursuant to the Bank Share Exchange Agreement, the Bank will covenant to take or refrain from taking certain actions so as to ensure that holders of that Series of TD CaTS IV Notes will receive the benefit of the Automatic Exchange, including obtaining the requisite approval of holders of the TD CaTS IV Notes to any amendment to the provisions of the Bank Exchange Preferred Shares (other than any amendments relating to the Bank Class A Preferred Shares as a class). See “— Additional Bank Covenants”.

Assignment and Set-Off Agreement

On the Closing Date, the Bank, the Trust and the Indenture Trustee, as bare trustee and nominee for and on behalf of the holders of a Series of TD CaTS IV Notes, will enter into the Assignment and Set-Off Agreement providing for the Dividend Stopper Undertaking and the grant of certain rights and obligations relating to the Deferral Event Subscription. Pursuant to the Assignment and Set-Off Agreement, the Bank will covenant to take or refrain from taking certain actions so as to ensure that holders of that Series of TD CaTS IV Notes will receive the benefit of the Deferral Event Subscription, including obtaining the requisite approval of holders of TD CaTS IV Notes to any amendment to the provisions of any unissued Bank Deferral Preferred Shares (other than any amendments relating to the Bank Class A Preferred Shares as a class).

Capital Reorganizations and Amalgamations

If there is a capital reorganization, merger or amalgamation of the Bank or a comparable transaction affecting the Bank Exchange Preferred Shares, the Bank Share Exchange Agreement will provide that holders of TD CaTS IV Notes will be entitled to receive, pursuant to the Automatic Exchange provisions, after the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting the Bank Exchange Preferred Shares, the number of Bank Exchange Preferred Shares or other securities or consideration of the Bank or of a corporation resulting, surviving or continuing from the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting the Bank Exchange Preferred Shares, that such holder would have received had its TD CaTS IV Notes been exchanged, pursuant to the Automatic Exchange, for Bank Exchange Preferred Shares immediately prior to the record date of the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting the Bank Exchange Preferred Shares.

If, prior to the issuance of any Bank Deferral Preferred Shares, there is a capital reorganization, merger or amalgamation of the Bank or a comparable transaction affecting such unissued Bank Deferral Preferred Shares, the Assignment and Set-Off Agreement will provide that holders of TD CaTS IV Notes will be entitled to receive, upon a Deferral Event, after the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting

the unissued Bank Deferral Preferred Shares, the number of Bank Deferral Preferred Shares or other securities or consideration of the Bank or of a corporation resulting, surviving or continuing from the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting the unissued Bank Deferral Preferred Shares, that such holder would have received had the Bank Deferral Preferred Shares been issued immediately prior to the record date of the capital reorganization, merger or amalgamation of the Bank or comparable transaction affecting the unissued Bank Deferral Preferred Shares.

Issue of Additional Trust Securities

The Trust may, at any time and from time to time, issue additional Voting Trust Units or subordinated notes of any series without the authorization of holders of TD CaTS IV Notes. In the event that the Trust issues additional series of subordinated notes, the rights, privileges, restrictions and conditions attached to such additional series may vary materially from those of the TD CaTS IV Notes. In such event, the right of the holders of TD CaTS IV Notes to receive interest or principal may rank *pari passu* with the rights of the holders of subordinated notes of such other series.

Book-Entry Only Form

Except as otherwise provided below, the TD CaTS IV Notes will be issued in “book entry only” form and must be purchased or transferred through Participants in the depository service of CDS. Participants include securities brokers and dealers, banks and trust companies. On the Closing Date, the Trust will cause one or more global certificates representing the TD CaTS IV Notes to be delivered to, and registered in the name of, CDS. Except as described below, no holder of TD CaTS IV Notes will be entitled to a certificate or other instrument from the Trust or CDS evidencing that holder’s ownership thereof, and no holder will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder. Each holder of TD CaTS IV Notes will receive a customer confirmation of purchase from the registered dealer from which the TD CaTS IV Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order.

CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the TD CaTS IV Notes. If: (i) the book-entry only system ceases to exist; (ii) the Trust determines that CDS is no longer willing or able to discharge properly the responsibilities as depository with respect to the TD CaTS IV Notes and the Trust is unable to locate a qualified successor; or (iii) the Trust at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the TD CaTS IV Notes from the book-entry only system, then physical certificates representing the TD CaTS IV Notes will be issued to holders thereof or their nominees.

None of the Bank, the Trustee, the Exchange Trustee or the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the TD CaTS IV Notes held by CDS or the payments or deliveries relating thereto; (ii) maintaining, supervising or reviewing any records relating to the TD CaTS IV Notes; or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS, and persons other than Participants having an interest in the TD CaTS IV Notes must look solely to Participants, for payments or deliveries made by or on behalf of the Trust or the Bank to CDS in respect of the TD CaTS IV Notes.

Transfers

Transfers of ownership of the TD CaTS IV Notes will be effected only through records maintained by CDS for such TD CaTS IV Notes with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Holders of TD CaTS IV Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the TD CaTS IV Notes, may do so only through Participants. The ability of a holder to pledge TD CaTS IV Notes or otherwise take action with respect to such holder’s interest in TD CaTS IV Notes (other than through a Participant) may be limited due to the lack of a physical certificate. See “Risk Factors — Secondary Market, Liquidity of and Dealings in TD CaTS IV Notes and Bank Exchange and Deferral Preferred Shares”.

Payments and Deliveries

As long as CDS is the registered owner of the TD CaTS IV Notes, CDS will be considered the sole owner of the TD CaTS IV Notes for the purposes of receiving payments on the TD CaTS IV Notes or the delivery of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares upon the occurrence of an Automatic Exchange or Deferral Event, as applicable. Payments of interest in respect of TD CaTS IV Notes will be made by the Trust to CDS as the registered holder of the TD CaTS IV Notes and the Trust understands that such payments will be forwarded by CDS to Participants in accordance with CDS Procedures. Deliveries of Bank Exchange Preferred Shares in respect of the exercise or operation of the Automatic Exchange or Bank Deferral Preferred Shares in connection with a Deferral Event in the limited circumstances described under “— Automatic Exchange” and “— Deferral Right” will be made by the Bank or the Trust, as the case may be, to CDS as the registered holder of the TD CaTS IV Notes and the Bank and the Trust understand that such shares will be forwarded by CDS to Participants in accordance with CDS Procedures. As long as the TD CaTS IV Notes are held in the CDS book-entry only system, the responsibility and liability of the Trustee and/or the Bank in respect of the TD CaTS IV Notes is limited to making payment of any amount due on the TD CaTS IV Notes and/or making delivery of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares in respect thereof to CDS.

The Voting Trust Units

Pursuant to the Declaration of Trust, the Trust may issue an unlimited number of Voting Trust Units. The Bank will at all times own, directly or indirectly, all of the Voting Trust Units. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Voting Trust Units. This summary is qualified in its entirety by the provisions of the Declaration of Trust.

Voting Rights

The Declaration of Trust provides that a holder of Voting Trust Units is entitled to vote in respect of, among other things: (i) the termination of the Trust as set forth under “Description of the Trust Securities — The TD CaTS IV Notes — Rights on Termination of the Trust”; (ii) the removal and replacement of the Trustee; and (iii) the removal and replacement of the Administrative Agent.

Distributions

The Bank or affiliates of the Bank, as holders of the Voting Trust Units, shall be entitled to receive the net distributable funds on all Eligible Trust Assets, if any, of the Trust remaining after discharge of the obligations of the Trust to creditors, including the holders of the TD CaTS IV Notes.

Redemption, Repurchase

The Trust, with the consent of the holder of the Voting Trust Units, may redeem all or part of the Voting Trust Units at any time but will not redeem all unless there are no TD CaTS IV Notes outstanding and held by any person other than the Bank. In addition, the Bank may require the Trust to repurchase at any time all, or from time to time part, of the Voting Trust Units but the Bank may not require the Trust to repurchase all of the Voting Trust Units unless there are no TD CaTS IV Notes outstanding and held by any person other than the Bank. Any such redemption or repurchase will require prior approval of the Superintendent.

Rights on Termination of the Trust

In the event of a termination of the Trust, after the discharge of the obligations of the Trust to creditors, the Bank and/or its affiliates, as holders of the Voting Trust Units, will be entitled to the remaining property of the Trust.

DESCRIPTION OF BANK EXCHANGE AND DEFERRAL PREFERRED SHARES

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares (collectively, the “Bank Exchange and Deferral Preferred Shares”). This summary is qualified in its entirety by the by-laws of the Bank and the actual terms and conditions of the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares, respectively.

Issue Price

The Bank Exchange and Deferral Preferred Shares will have an issue price of \$25 per share.

Dividends

Holders of Bank Exchange and Deferral Preferred Shares will be entitled to receive quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors and subject to the provisions of the Bank Act, equal to the Perpetual Preferred Share Rate, payable on each quarterly dividend payment date, subject to any applicable withholding tax. If the Board of Directors does not declare the dividends, or any part thereof, on the Bank Exchange and Deferral Preferred Shares on or before the dividend payment date for a particular quarterly period, the rights of the holders of the Bank Exchange and Deferral Preferred Shares to receive such dividends, or any part thereof, for such quarterly period will be extinguished.

Redemption

The Bank Exchange Preferred Shares will not be redeemable prior to the date that is five years from the Closing Date. After that date, but subject to the provisions of the Bank Act and prior approval of the Superintendent and the provisions described below under “Restrictions on Dividends and Retirement of Shares”, the Bank may redeem at any time all, or from time to time any part, of the outstanding Bank Exchange Preferred Shares, without the consent of the holders, by the payment of an amount in cash for each such share so redeemed equal to: (i) \$26.00 per share if redeemed on or prior to January 30, 2015; (ii) 25.75 per share if redeemed after January 30, 2015 and on or prior to January 30, 2016; (iii) \$25.50 per share if redeemed after January 30, 2016 and on or prior to January 30, 2017; (iv) \$25.25 per share if redeemed after January 30, 2017 and on or prior to January 30, 2018, or (v) \$25.00 per share if redeemed thereafter, together with, in each case, any declared and unpaid dividends on the Bank Exchange Preferred Shares, to the date of the redemption, subject to any applicable withholding tax.

The Bank Deferral Preferred Shares will not be redeemable prior to the date that is five years from the date of issuance of such shares. After that date, but subject to the provisions of the Bank Act and prior approval of the Superintendent and the provisions described below under “Restrictions on Dividends and Retirement of Shares”, the Bank may redeem at any time all, or from time to time any part, of the outstanding Bank Deferral Preferred Shares, without the consent of the holders, by the payment of an amount in cash for each such share so redeemed equal to: (i) \$26.00 per share if redeemed on or prior to the sixth anniversary of issuance; (ii) 25.75 per share if redeemed after the sixth anniversary of issuance and on or prior to the seventh anniversary of issuance; (iii) \$25.50 per share if redeemed after the seventh anniversary of issuance and on or prior to the eighth anniversary of issuance; (iv) \$25.25 per share if redeemed after the eighth anniversary of issuance and on or prior to the ninth anniversary of issuance; or (v) \$25.00 per share if redeemed after the ninth anniversary of issuance, together with, in each case, any declared and unpaid dividends on the Bank Deferral Preferred Shares, to the date of the redemption, subject to any applicable withholding tax.

Written notice of any redemption will be given by the Bank at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Bank Exchange Preferred Shares and Bank Deferral Preferred Shares, as applicable, are at any time to be redeemed, the shares to be redeemed will be selected *pro rata* or in such other manner as the Board of Directors may determine.

Conversion into Another Series of Bank Class A Preferred Shares at Option of the Holder

The Bank may, by resolution of its Board of Directors, constitute a further series of Bank Class A Preferred Shares (the “New Bank Preferred Shares”) having rights, privileges, restrictions and conditions attaching thereto which

would qualify such New Bank Preferred Shares as risk-based Tier 1 Capital or equivalent of the Bank under the then current Capital Guidelines, if applicable, and if not applicable having such rights, privileges, restrictions and conditions as the Board of Directors may determine, provided that, in each case, such New Bank Preferred Shares do not constitute “short term preferred shares” under the Tax Act. In such event, the Bank may, with prior approval of the Superintendent, give holders of the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares written notice that they have the right, pursuant to the terms of the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares, as applicable, at their option, to convert their Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares on the date specified in the notice into fully-paid New Bank Preferred Shares on a share for share basis. Notice shall be given by the Bank in writing not more than 60 days and not less than 30 days prior to such date of conversion.

Upon exercise by the holder of this right to convert Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares into New Bank Preferred Shares, the Bank reserves the right not to issue New Bank Preferred Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See “The Bank — Limitations Affecting Holders of Bank Shares”.

Conversion of Bank Exchange and Deferral Preferred Shares into Another Series of Bank Class A Preferred Shares at Option of the Bank

The Bank may, by resolution of its Board of Directors, issue New Bank Preferred Shares having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Bank Preferred Shares as risk-based Tier 1 Capital or equivalent of the Bank under the then current Capital Guidelines, if applicable, and if not applicable having such rights, privileges, restrictions and conditions as the Board of Directors may determine, provided that, in each case, such New Bank Preferred Shares do not constitute “short term preferred shares” under the Tax Act. In such event, the Bank may at its option, with prior approval of the Superintendent, require holders of the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares to convert their Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares on a date specified by the Bank into fully-paid New Bank Preferred Shares on a basis to be determined by the Bank. Notice shall be given by the Bank in writing not more than 60 days and not less than 30 days prior to such date of conversion.

Upon exercise by the Bank of this right to convert Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares into New Bank Preferred Shares, the Bank reserves the right not to issue New Bank Preferred Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See “The Bank — Limitations Affecting Holders of Bank Shares”.

Presentation for Conversion, Redemption or Sale

A conversion, redemption or sale to the Bank of Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares, as applicable, will be effected by the holder transferring such holder’s Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares to be converted, redeemed or sold, as the case may be, to the account of the Bank in CDS (or, in the event that the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares are not then issued in book-entry only form, by depositing with the transfer agent for the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares, at one of its principal offices, certificates representing such Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares).

Purchase for Cancellation

On or after the date that is five years after the Closing Date in the case of Bank Exchange Preferred Shares, and on or after the date that is five years after the date of issuance of such shares in the case of Bank Deferral Preferred Shares, but, in either case, subject to prior approval of the Superintendent and to the provisions described below under “— Restrictions on Dividends and Retirement of Shares”, the Bank may at any time purchase for cancellation any Bank Exchange Preferred Shares or Bank Deferral Preferred Shares in the open market or by tender or private contract at any price. Any such shares purchased by the Bank shall be cancelled and shall not be reissued.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of the Bank Exchange and Deferral Preferred Shares shall be entitled to receive \$25.00 per share, together with the amount of declared and unpaid dividends to the date of payment, subject to any applicable withholding tax, before any amount shall be paid or any assets of the Bank distributed to the holders of Bank Common Shares or any shares ranking junior to the Bank Exchange and Deferral Preferred Shares. The holders of the Bank Exchange and Deferral Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Bank.

Restrictions on Dividends and Retirement of Shares

So long as any of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares are outstanding, the Bank will not, without the approval of the holders of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable, given as specified below:

- (a) declare any dividend on the Bank Common Shares or any other shares ranking junior to the Bank Exchange and Deferral Preferred Shares (other than stock dividends on shares ranking junior to the Bank Exchange and Deferral Preferred Shares); or
- (b) redeem, purchase or otherwise retire any Bank Common Shares or any other shares ranking junior to the Bank Exchange and Deferral Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Bank Exchange and Deferral Preferred Shares); or
- (c) redeem, purchase or otherwise retire: (i) less than all the Bank Exchange and Deferral Preferred Shares; or (ii) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, any other shares ranking on a parity with the Bank Exchange and Deferral Preferred Shares;

unless, in each case, all dividends on the Bank Exchange and Deferral Preferred Shares, up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Bank Exchange and Deferral Preferred Shares, have been declared and paid or set apart for payment.

Issue of Additional Series of Bank Class A Preferred Shares

The Bank may issue other series of Bank Class A Preferred Shares without the authorization of the holders of the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares, as applicable, provided that at the date of such issuance all cumulative dividends up to and including the dividend payment for the last completed period for which such cumulative dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of Bank Class A Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Bank Class A Preferred Shares then issued and outstanding.

Shareholder Approvals

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Bank Exchange Preferred Shares and Bank Deferral Preferred Shares, respectively, may be given by a resolution carried by the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of holders of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable, at which a majority of the outstanding Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable, is represented or, if no quorum is present at such meeting, at a meeting following such adjourned meeting at which no quorum requirement would apply. Pursuant to the Bank Share Exchange Agreement and the Assignment and Set-Off Agreement, the Bank will covenant that for so long as the TD CaTS IV Notes are outstanding no amendment will be made to the rights, privileges, restrictions and conditions of the Bank

Exchange Preferred Shares and/or unissued Bank Deferral Preferred Shares (other than any amendments relating to the Bank Class A Preferred Shares as a class) without the prior approval of 66 2/3% of the holders of the TD CaTS IV Notes. In addition to the aforementioned approval, the Bank may from time to time with the approval of the Superintendent, make such deletion or variation which might affect the classification afforded to the Bank Exchange Preferred Shares and/or Bank Deferral Preferred Shares for capital adequacy requirements pursuant to the Bank Act.

Voting Rights

The holders of the Bank Exchange Preferred Shares and Bank Deferral Preferred Shares, as applicable, will not be entitled to receive notice of or to attend or to vote at any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have become extinguished as described under “— Restrictions on Dividends and Retirement of Shares”. In that event, the holders of the Bank Exchange Preferred Shares and Bank Deferral Preferred Shares, as applicable, will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of the Bank Exchange and Deferral Preferred Shares shall forthwith cease upon payment by the Bank of the first dividend on the Bank Exchange and Deferral Preferred Shares to which the holders are entitled subsequent to the time such voting rights first arose. At such time as the rights of such holders to any undeclared dividends on the Bank Exchange and Deferral Preferred Shares have again become extinguished, such voting rights shall become effective again and so on from time to time.

Tax Election

The Bank Exchange and Deferral Preferred Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Bank Exchange and Deferral Preferred Shares. The terms of the Bank Exchange and Deferral Preferred Shares will require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Bank Exchange and Deferral Preferred Shares. See “Canadian Federal Income Tax Considerations”.

Book-Entry Only Form

Unless the Bank elects otherwise, the Bank Exchange and Deferral Preferred Shares will be issued in “book-entry only” form and, subject to the limitations applicable to the Bank Deferral Preferred Shares described under “Description of the Trust Securities – Deferral Right”, may be purchased, held and transferred in substantially the same manner as the TD CaTS IV Notes. See “Description of the Trust Securities — TD CaTS IV Notes — Book-Entry Only Form”.

DESCRIPTION OF THE BANK DEPOSIT NOTES

The following is a summary of the terms and conditions attaching to the Bank Deposit Notes. This summary is qualified in its entirety by the terms of the Series 1 Bank Deposit Note and the Series 2 Bank Deposit Note, respectively.

Interest and Maturity

Each Bank Deposit Note will be dated the Closing Date and will mature on June 30, 2108. From the Closing Date until June 30, 2108, the Bank will pay interest on each Bank Deposit Note in equal (subject to the reset of the applicable interest rate) semi-annual instalments on June 30 and December 31 of each year, with the first payment on June 30, 2009. Notwithstanding the foregoing, assuming the Bank Deposit Notes are issued on January 26, 2009, the first interest payment on the Bank Deposit Notes on June 30, 2009 will be in the amount of \$41.28945205 per \$1,000 principal amount of the Series 1 Bank Deposit Note and \$43.31506849 per \$1,000 principal amount of the Series 2 Bank Deposit Note. From the date of issue to, but excluding, June 30, 2019 the interest rate on the Series 1 Bank Deposit Note will be fixed at 9.723% per annum. Starting on June 30, 2019 and on every Series 1 Interest Reset Date, the interest rate on the Series 1 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.425%. From the date of issue to, but excluding, June 30, 2039 the interest rate on the Series 2 Bank Deposit Note will be fixed at 10.20% per annum. Starting on June 30, 2039 and on every Series 2 Interest Reset Date, the

interest rate on the Series 2 Bank Deposit Note will be reset at an interest rate per annum equal to the Government of Canada Yield plus 10.035%.

In addition to the Bank Deposit Notes, the Trust may acquire other Eligible Assets from time to time including, without limitation, the Funding Note. The proceeds from the subscription by the Bank, directly or indirectly, for Voting Trust Units of \$2,000,000 pursuant to an agreement between the Bank and the Trust (the "Subscription Agreement") will be used by the Trust to pay its expenses of the Offering and any excess funds may be used to acquire the Funding Note. To the extent there is a funding shortfall, the Trust will borrow the necessary amount from the Bank under the Credit Facility and to the extent there are excess funds, the Trust may use such funds to acquire the Funding Note.

Redemption at the Option of the Bank

On or after June 30, 2014, the Bank may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holder of the Bank Deposit Notes, redeem the Bank Deposit Notes, in whole or in part.

The redemption price per \$1,000 principal amount of a Bank Deposit Note redeemed on any day that is not an Interest Reset Date applicable to such Series of Bank Deposit Note will be equal to the greater of par and the Bank Deposit Note Canada Yield Price, and the redemption price per \$1,000 principal amount of a Bank Deposit Note redeemed on any Interest Reset Date applicable to such Series of Bank Deposit Note will be par, together in either case with accrued and unpaid interest to, but excluding, the date fixed for redemption.

The redemption price payable by the Bank in each instance will be paid in cash.

If the Bank has redeemed a Bank Deposit Note, in whole or in part, the Trust will be required to redeem a corresponding principal amount of the applicable Series of TD CaTS IV Notes. It is the intention of the Trust to use the proceeds of redemption received in respect of the Bank Deposit Notes to make payment to the holders of the TD CaTS IV Notes to be redeemed, as required.

Redemption on Tax or Regulatory Event

The Bank may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holder of the applicable Series of Bank Deposit Notes, redeem all (but not less than all) of such Series of Bank Deposit Notes upon the occurrence of a Regulatory Event or a Tax Event. The redemption price per \$1,000 principal amount of each Series of Bank Deposit Note will be equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption. The redemption price payable by the Bank will be paid in cash.

Events of Default

An event of default in respect of the Bank Deposit Notes will occur only if the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated. The event of default provisions of the Bank Deposit Notes described herein are not likely to be relevant to holders of the TD CaTS IV Notes since the Automatic Exchange provisions of the TD CaTS IV Notes will result in the TD CaTS IV Notes being exchanged for Bank Exchange Preferred Shares as of the Exchange Time. Failure by the Bank to make payments or to satisfy its other obligations under the Bank Deposit Notes will not entitle the Trust to accelerate the Bank Deposit Notes.

Priority of the Bank Deposit Notes

The Bank Deposit Notes will rank on a parity with all other deposit and unsubordinated liabilities of the Bank. Upon any distribution of assets of the Bank to creditors upon any dissolution, winding-up, liquidation, reorganization, bankruptcy or insolvency, all principal and accrued interest due on the Bank Deposit Notes must be paid in full before holders of junior or subordinated debentures are entitled to receive any payment. If a liquidation, dissolution or winding-up of the Bank occurs, the Bank Deposit Notes will rank in priority to any shares and subordinated indebtedness of the Bank with respect to payments and the distribution of assets.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank and the Trust, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of TD CaTS IV Notes who acquires TD CaTS IV Notes under the Offering and who, for purposes of the Tax Act and at all relevant times, is resident or deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Bank and the Trust, holds the TD CaTS IV Notes, any Bank Exchange Preferred Shares and any Bank Deferral Preferred Shares as capital property and is not exempt from tax under Part I of the Tax Act. Generally, the TD CaTS IV Notes, Bank Exchange Preferred Shares and Bank Deferral Preferred Shares will be considered to constitute capital property to a holder provided that the holder does not acquire or hold such TD CaTS IV Notes, Bank Exchange Preferred Shares or Bank Deferral Preferred Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their TD CaTS IV Notes, Bank Exchange Preferred Shares or Bank Deferral Preferred Shares as capital property may, in certain circumstances, be entitled to have the TD CaTS IV Notes, Bank Exchange Preferred Shares or Bank Deferral Preferred Shares and other "Canadian securities" as defined in the Tax Act treated as capital property by making the irrevocable election permitted under subsection 39(4) of the Tax Act.

This summary is not applicable to a purchaser an interest in which is a "tax shelter investment" (as defined in the Tax Act), to a purchaser who has elected to determine its Canadian tax results in a currency (other than Canadian currency) that is a "functional currency" (as defined in the Tax Act), or to a purchaser who is a "financial institution" (as defined in the Tax Act) for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules). Such purchasers should consult their own tax advisors. Furthermore, the part of this summary dealing with the Bank Exchange and Deferral Preferred Shares is not applicable to a purchaser that is a "specified financial institution" (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm's length, in the aggregate dividends in respect of more than 10% of the Bank Exchange Preferred Shares or any series of Bank Deferral Preferred Shares outstanding at the time a dividend is (or is deemed to be) received. This summary also assumes that all issued and outstanding Bank Exchange and Deferral Preferred Shares are listed on a designated stock exchange in Canada (as defined in the Tax Act) at the time dividends are (or deemed to be) received on such shares.

This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder in force as of the date hereof and all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and counsel's understanding of 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 Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in law or CRA administrative policies or assessing practices, 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.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular holder and no representation with respect to the income tax consequences to any particular holder is made. Prospective purchasers of TD CaTS IV Notes should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of TD CaTS IV Notes having regard to their own particular circumstances.

The TD CaTS IV Notes

Interest on the TD CaTS IV Notes

A holder of a TD CaTS IV Note that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest or amount that is considered for the purposes of the Tax Act to be interest on the TD CaTS IV Note that accrued to it to the end of

the year or became receivable or was received by it before the end of the year, to the extent that the interest (or amount considered to be interest) was not included in computing its income for a preceding taxation year.

A holder of a TD CaTS IV Note (other than a holder referred to in the previous paragraph) will be required to include in computing the holder's income for a taxation year any amount received or receivable (depending upon the method regularly followed by the holder in computing income) by the holder as interest or amount considered to be interest in the year on the TD CaTS IV Note, to the extent that such amount was not included in computing the holder's income for a preceding taxation year.

For purposes of the foregoing, any interest paid includes interest that is required to be invested in Bank Deferral Preferred Shares. The cost of any Bank Deferral Preferred Shares acquired on the investment of interest paid on the TD CaTS IV Note as a result of a Deferral Event will be the subscription amount of each such share.

Dispositions

On a disposition or deemed disposition of a TD CaTS IV Note of a Series, including a purchase or redemption by the Trust, an Automatic Exchange or a repayment by the Trust upon maturity, a holder will generally be required to include in computing its income for the taxation year in which the disposition or deemed disposition occurred the amount of interest (including amounts considered to be interest) that has accrued on the TD CaTS IV Note to the date of disposition or deemed disposition, to the extent that such amount has not otherwise been included in computing the holder's income for the year in which the disposition or deemed disposition occurred or a preceding taxation year. In addition, any premium paid by the Trust to a holder on the redemption of a TD CaTS IV Note of a Series will be deemed to be received by such holder as interest on the TD CaTS IV Note and will be required to be included in computing the holder's income, as described above, at the time of the redemption to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of, the interest that, but for the redemption, would have been paid or payable by the Trust on the TD CaTS IV Note for a taxation year ending after the redemption and to the extent not otherwise included in computing the holder's income for that taxation year or a previous taxation year.

In general, on a disposition or deemed disposition of a TD CaTS IV Note of a Series, a holder will realize a capital gain (or sustain a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the holder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such TD CaTS IV Note to the holder immediately before the disposition or deemed disposition. On an Automatic Exchange, the proceeds of disposition will be the fair market value of the Bank Exchange Preferred Shares received on such exchange except to the extent a portion of such shares are, or are deemed to be, received in respect of interest on the TD CaTS IV Notes and the cost of the Bank Exchange Preferred Shares received on such exchange will be the fair market value of each such share. In general, where a holder has disposed of a TD CaTS IV Note of a Series at fair market value, there may be deducted in computing the holder's income the amount of accrued interest included in the holder's income to the extent such amount was not received or receivable by the holder in the year of disposition or a previous year. See "—Taxation of Capital Gains and Capital Losses".

Automatic Exchange and Deferral Event Subscription

The Bank and the Exchange Trustee have been advised by TD Securities Inc. that the value to holders of the rights under each of the Automatic Exchange and the Deferral Event Subscription is nominal and, therefore, the Bank is of the view that no amount should be allocated to such rights. However, this determination is not binding on the CRA.

The Bank Exchange and Deferral Preferred Shares

Dividends

Dividends (including deemed dividends) received on the Bank Exchange and Deferral Preferred Shares by an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rates applicable to any dividends designated by the

Bank as eligible dividends in accordance with the provisions of the Tax Act. Dividends (including deemed dividends) on the Bank Exchange and Deferral Preferred Shares received by a corporation to which this summary applies will be included in computing its income and generally will be deductible in computing its taxable income.

The Bank Exchange and Deferral Preferred Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Bank Exchange and Deferral Preferred Shares. The terms of the Bank Exchange and Deferral Preferred Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Bank Exchange and Deferral Preferred Shares.

A “private corporation”, as defined in the Tax Act, or any other corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33 1/3% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Bank Exchange and Deferral Preferred Shares to the extent such dividends are deductible in computing its taxable income.

Dividends received by an individual may give rise to a liability for alternative minimum tax.

Dispositions

A holder of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series who disposes of or is deemed to dispose of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series (including on a redemption for cash or other acquisition by the Bank, but not including a conversion of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series into New Bank Preferred Shares) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or acquisition by the Bank of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series (described below) generally will not be included in computing a holder’s proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such shares. If the holder is a corporation, any capital loss realized on a disposition or deemed disposition of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and under circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. See “—Taxation of Capital Gains and Capital Losses”.

Redemption and Conversion

If the Bank redeems for cash or otherwise acquires the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series, other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market or by reason of a conversion of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series into New Bank Preferred Shares, the holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank, in excess of the paid-up capital of such shares at such time. The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

The conversion of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares of a series into New Bank Preferred Shares will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a holder of New Bank Preferred Shares issued on the conversion will be deemed to be equal to the holder’s adjusted cost base of the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as the case may be, immediately before the conversion.

Taxation of Capital Gains and Capital Losses

Generally, a holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “taxable capital gain”) realized by the holder in the year. Subject to and in accordance with the provisions of the Tax Act, a holder is required to deduct one half of the amount of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized by the holder in the year and allowable capital losses in a taxation year in excess of taxable capital gains in the taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years. Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

Additional Refundable Tax

A holder that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income including amounts in respect of interest and taxable capital gains.

PLAN OF DISTRIBUTION

Pursuant to an agreement (the “Underwriting Agreement”) dated January 15, 2009 between the Trust, the Bank and TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., Desjardins Securities Inc. and Merrill Lynch Canada Inc. (collectively, the “Underwriters”), the Trust has agreed to sell, and the Underwriters have agreed to purchase, on January 26, 2009, or on such later date as may be agreed upon but in any event not later than March 2, 2009 all but not less than all of the \$1,000,000,000 principal amount of the TD CaTS IV Notes at a price of \$1,000 per \$1,000 principal amount of TD CaTS IV Notes, subject to the terms and conditions set forth therein. The Trust has agreed to pay to the Underwriters a fee per \$1,000 principal amount of TD CaTS IV Notes equal to \$10.00 with respect to TD CaTS IV Notes sold for an aggregate Underwriters’ fee of \$10,000,000.

The Underwriting Agreement provides that in the event an Underwriter fails to purchase the TD CaTS IV Notes that it has severally agreed to purchase under the Underwriting Agreement, the other Underwriters shall be severally obligated to purchase those TD CaTS IV Notes in accordance with their respective percentages provided that if the percentage of the total number of TD CaTS IV Notes in respect of which such failure occurs exceeds a certain level, the other Underwriters shall have the right but not the obligation to purchase severally those TD CaTS IV Notes.

The Underwriting Agreement also provides that the Underwriters may, at their discretion, terminate their obligations thereunder upon the occurrence of certain stated events. The Underwriters have agreed, subject to the terms and conditions set forth in the Underwriting Agreement, to purchase all of the TD CaTS IV Notes to be purchased by them if any of the TD CaTS IV Notes being sold pursuant to the Underwriting Agreement are purchased.

The Offering is being made concurrently in all provinces and territories of Canada. The TD CaTS IV Notes have not been and will not be registered under the U.S. Securities Act or any State securities laws. The Underwriters have agreed not to offer for sale or sell the TD CaTS IV Notes in the United States or to any U.S. Person.

TD Securities Inc., one of the Underwriters, is a wholly-owned subsidiary of the Bank. As a result, each of the Bank and the Trust is a related and connected issuer of TD Securities Inc. The terms of the Offering were negotiated at arm’s length between the Bank, the Trust and the Underwriters. TD Securities Inc. will not receive any benefit in connection with the Offering other than as described herein. RBC Dominion Securities Inc., one of the Underwriters in respect of which the Trust and the Bank are not related or connected issuers, participated in the pricing and structuring of the Offering and in the due diligence activities performed by the Underwriters in connection with the Offering.

The Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase TD CaTS IV Notes. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under Universal Market Integrity Rules administered by the

Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities. Pursuant to the first mentioned exception, in connection with this Offering and subject to applicable law, the Underwriters may effect the transactions which stabilize or maintain the market price of such securities at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

RATINGS

The TD CaTS IV Notes have been given a provisional rating of A (high) with a stable trend by DBRS, P-1(Low) and A by S&P using S&P's Canadian national scale and global scale, respectively, and Aa2 by Moody's.

An A rating by DBRS is the third highest of ten categories granted by DBRS for long term debt. A reference to "high" or "low" reflects the relative strength within the rating category and the stable trend refers to DBRS's outlook regarding the rating. A P-1 rating by S&P is the highest of the five categories used by S&P in its Canadian national preferred share rating scale. "High" and "low" grades may be used to indicate the relative standing of a credit within a particular rating category. The A rating by S&P is the third highest of ten categories used by S&P in its global preferred share rating scale. An Aa rating by Moody's is the second highest of nine categories used by Moody's for preferred stock. The modifier 2 indicates that the obligation ranks in the middle of the Aa rating category. Moody's current rating outlook for the Bank and its subsidiaries is negative. A Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the TD CaTS IV Notes may not reflect the potential impact of all risks on the value of the TD CaTS IV Notes. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the respective rating agency.

USE OF PROCEEDS

The gross proceeds to the Trust from the Offering of \$550,000,000 in respect of the TD CaTS IV-Series 1 will be used to acquire the Series 1 Bank Deposit Note from the Bank and the gross proceeds to the Trust from the Offering of \$450,000,000 in respect of the TD CaTS IV-Series 2 will be used to acquire the Series 2 Bank Deposit Note from the Bank. The Bank, in turn, intends to use the proceeds from the issue of the Bank Deposit Notes for general corporate purposes. The Bank expects that the proceeds from the sale of the TD CaTS IV Notes will qualify as Tier 1 Capital of the Bank.

MATERIAL CONTRACTS

The material contracts to be entered into by the Trust and/or the Bank in connection with the Offering are as follows:

1. the Trust Indenture described under "Description of the Trust Securities – TD CaTS IV Notes";
2. the Administration Agreement described under "The Trust — The Administrative Agent";
3. the Declaration of Trust described under "The Trust";
4. the Deposit Note Purchase Agreement and the Funding Note Purchase Agreement described under "The Trust – Activities of the Trust";
5. the Bank Share Exchange Agreement described under "Description of the Trust Securities — TD CaTS IV Notes — Bank Share Exchange Agreement";

6. the Assignment and Set-Off Agreement described under “Description of the Trust Securities — TD CaTS IV Notes — Assignment and Set-Off Agreement”
7. the Credit Facility described under “The Trust — Liquidity”;
8. the Subscription Agreement described under “Description of the Bank Deposit Notes — Interest and Maturity”; and
9. the Underwriting Agreement described under “Plan of Distribution”.

RISK FACTORS

Prospective investors should carefully consider the risks described below before deciding whether to invest in TD CaTS IV Notes. Investors should also carefully consider any risks that may be described in other filings the Bank makes with securities or banking regulators including, without limitation, the 2008 MD&A (which is incorporated by reference in this short form prospectus) and specifically the discussion starting on page 64 of the Bank’s 2008 Annual Report. These analyses discuss, among other things, certain known material trends and events, and risks or uncertainties that have had a material effect on, or may reasonably be expected to have a material effect on, the Bank’s business, financial condition or results of operations, including legislative or regulatory developments, competition, technological change, global capital market activity, interest rates, inflation and general economic conditions in geographic areas where the Bank operates.

Automatic Exchange of TD CaTS IV Notes for Bank Exchange Preferred Shares and Mandatory Investment of Interest in Bank Deferral Preferred Shares

The purchase of TD CaTS IV Notes involves risk with respect to the performance and capital levels of the Bank. In the event of decline in the performance and capital levels of the Bank or the Bank becoming insolvent or bankrupt or resolving to wind-up or liquidate or being ordered wound-up or liquidated or the occurrence of any other event constituting a Loss Absorption Event, the TD CaTS IV Notes will be automatically exchanged for Bank Exchange Preferred Shares, without the consent of the holders thereof, which shares would be an investment in the Bank and not in the Trust. As a result, holders of TD CaTS IV Notes could become shareholders of the Bank at a time when the Bank’s financial condition is deteriorating or when the Bank has become insolvent or bankrupt or resolved to wind-up or has been ordered wound-up or liquidated or upon the occurrence of any other event constituting a Loss Absorption Event. If there is a Deferral Event, holders of TD CaTS IV Notes will be paid interest on the applicable Deferral Date but will not receive cash as such holders will be required to invest interest paid on the TD CaTS IV Notes in Bank Deferral Preferred Shares.

An investment in the Bank is subject to certain risks that are distinct from the risks associated with an investment in the Trust including the general risks inherent in equity investments in depository institutions. The Bank Exchange and Deferral Preferred Shares will, if issued, rank equally with other preferred shares of the Bank in the event of an insolvency or winding-up of the Bank. In the event of a liquidation of the Bank, the claims of depositors and creditors of the Bank would be entitled to a priority of payment over the claims of holders of equity interests such as the Bank Exchange and Deferral Preferred Shares.

As a result, if the Bank were to become insolvent or bankrupt or resolved to wind-up or was ordered wound-up or liquidated after the Automatic Exchange or if the Automatic Exchange were to occur after the insolvency of the Bank, the holders of the Bank Exchange Preferred Shares may receive, if anything, substantially less than the holders of the TD CaTS IV Notes would have received had the TD CaTS IV Notes not been exchanged for Bank Exchange Preferred Shares. In the event of the occurrence of the Automatic Exchange, with the result that the holder of a TD CaTS IV Note receives Bank Exchange Preferred Shares in exchange for such TD CaTS IV Note, such holder shall thereupon cease to have any direct claim or entitlement with respect to the assets of the Trust and the only claim or entitlement of such holder will be in its capacity as a shareholder of the Bank. Potential investors in the TD CaTS IV Notes should carefully consider the description of the Bank set forth under “The Bank”. See also “Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange”.

Interest Rate Risk

Prevailing yields on similar securities will affect the market value of the TD CaTS IV Notes, Bank Exchange Preferred Shares and Bank Deferral Preferred Shares. Assuming all other factors remain unchanged, the market value of the TD CaTS IV Notes, Bank Exchange Preferred Shares and Bank Deferral Preferred Shares will decline as prevailing yields for similar securities rise. The interest rate on the TD CaTS IV-Series 1 will be reset on June 30, 2019 and on every fifth anniversary of such date and the interest rate on the TD CaTS IV-Series 2 will be reset on June 30, 2039 and on every fifth anniversary of such date. The new interest rates are unlikely to be the same as, and may be lower than, the interest rates for the preceding period. The dividend rate in respect of the Bank Exchange Preferred Shares and the Bank Deferral Preferred Shares will be set at the time of their issuance, based on the Thirty Year Canada Yield prevailing at such times plus 3.53%. The Thirty Year Canada Yield will fluctuate over time and may be less than the Thirty Year Canada Yield prevailing on the Closing Date.

Deferral Events and Implications of Investment in Bank Deferral Preferred Shares

Holders of TD CaTS IV Notes will be required to invest interest paid thereon in Bank Deferral Preferred Shares on each Interest Payment Date in respect of which a Deferral Event has occurred. This interest will be required to be included in such holder's income. See "Canadian Federal Income Tax Considerations — TD CaTS IV Notes — Interest on the TD CaTS IV Notes".

The Bank has covenanted with the holders of outstanding Capital Trust Securities issued by TD Capital Trust, TD Capital Trust II and TD Capital Trust III that, if a distribution is not paid when due on any such outstanding Capital Trust Securities, the Bank will not pay dividends on the Dividend Restricted Shares, which would include the Bank Exchange and Deferral Preferred Shares, until at least the tenth month (and in the case of TD Capital Trust II, the 12th month) following the failure to pay the required distribution in full, unless the required distribution is paid to the holders of such Capital Trust Securities. If this were to occur, it would trigger a Deferral Event and holders of TD CaTS IV Notes would be required to invest interest paid thereon in Bank Deferral Preferred Shares as described under "Description of the Trust Securities — TD CaTS IV Notes — Deferral Right".

If a Deferral Event occurs, holders of TD CaTS IV Notes will not be entitled to trade Bank Deferral Preferred Shares issued to such holders until such time as those shares are released from escrow. See "Description of the Trust Securities – TD CaTS IV Notes – Deferral Right".

Credit Ratings

Real or anticipated changes in the credit ratings on the TD CaTS IV Notes, Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, if any, may affect the market value thereof. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank's liquidity, business, financial condition or results of operation.

Early Redemption

Upon the occurrence of a Tax Event or a Regulatory Event, the Trust may, with the prior approval of the Superintendent, redeem all (but not less than all) of the TD CaTS IV – Series 1 or TD CaTS IV – Series 2, as applicable, at a redemption price equal to par plus accrued and unpaid interest to the date fixed for redemption. This redemption right may, depending on prevailing market conditions at the time, create reinvestment risk for holders of the applicable Series of TD CaTS IV Notes in that they may be unable to find a suitable replacement investment with a comparable return to such TD CaTS IV Notes.

Secondary Market, Liquidity of and Dealings in TD CaTS IV Notes and Bank Exchange and Deferral Preferred Shares

While the TD CaTS IV Notes will be eligible for resale, it is not expected that they will be listed on any stock exchange. There can be no assurance that an active trading market will develop or be sustained or that the TD CaTS IV Notes may be resold at or above the initial public offering price. The ability of a holder to pledge TD CaTS IV Notes or

otherwise take action with respect to such holder's interest in TD CaTS IV Notes (other than through a Participant) may be limited due to the lack of a physical certificate.

Although the Bank will use reasonable efforts to list the Bank Exchange and Deferral Preferred Shares upon the issuance thereof, there is no guarantee that the Bank will be successful in obtaining such listing. There can be no assurance that an active trading market will develop for the Bank Exchange Preferred Shares or Bank Deferral Preferred Shares following the issuance of any of those shares, or if developed, that such a market will be liquid or sustained at the issue price of such shares. Stock market volatility may affect the market price of the Bank Exchange and Deferral Preferred Shares for reasons unrelated to the Bank's performance.

Subordination and Events of Default

The TD CaTS IV Notes will be unsecured obligations of the Trust. In the event of the insolvency or winding-up of the Trust, the indebtedness evidenced by TD CaTS IV Notes issued by the Trust, will be subordinate in right of payment to the prior payment in full of all other liabilities of the Trust except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such TD CaTS IV Notes.

An event of default in respect of the TD CaTS IV Notes will occur only if the Trust or the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated.

The subordination provisions and the event of default provisions of the TD CaTS IV Notes as described herein are not likely to be relevant to the holders of the TD CaTS IV Notes in their capacity as creditors of the Trust since the Automatic Exchange provisions of the TD CaTS IV Notes will result in the TD CaTS IV Notes being exchanged for Bank Exchange Preferred Shares effective as of the Exchange Time. See "Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange".

Dependence Upon the Bank and its Affiliates and Potential Conflicts of Interest

The Trust will be dependent on the diligence and skill of the employees of the Bank, as Administrative Agent. In addition, potential conflicts of interest may arise between the Trust and the Bank and its affiliates. See "The Trust — Activities of the Trust" and "Interests of the Bank and its Affiliates in Material Transactions". The Administrative Agent may also delegate or subcontract all or a portion of its obligations under the Administration Agreement to one or more affiliates, and under certain conditions to non-affiliates, involved in the business of managing assets such as the Trust Assets. In the event that the Administrative Agent delegates or subcontracts its obligations in such a manner, the Trust will be dependent upon the subcontractor to provide services. See "The Trust — The Administrative Agent".

Redemption and Purchase

The redemption or purchase by the Bank of the Bank Exchange and Deferral Preferred Shares is subject to the consent of the Superintendent and other restrictions contained in the Bank Act. See "The Bank - Limitations Affecting Holders of Bank Shares". Neither the Bank Exchange Preferred Shares nor the Bank Deferral Preferred Shares have a fixed maturity date and such shares are not redeemable at the option of the holders thereof. The ability of a holder to liquidate its holdings of Bank Exchange Preferred Shares or Bank Deferral Preferred Shares, as applicable, may be limited by these requirements and features.

Restrictions on Ownership of Bank Shares

Under the Bank Act, no person, or persons acting jointly or in concert, is permitted to have a significant interest in the Bank. See "The Bank — Limitations Affecting Holders of Bank Shares". Accordingly, certain holders of TD CaTS IV Notes who are to acquire Bank Exchange Preferred Shares upon the occurrence of an Automatic Exchange or Bank Deferral Preferred Shares upon the occurrence of a Deferral Event, may have some or all of such shares disposed of on their behalf pursuant to the procedures referred to under "Description of the Trust Securities — TD CaTS IV Notes — Automatic Exchange" and "Description of the Trust Securities — TD CaTS IV Notes — Deferral Right".

No Limit on Indebtedness

The Trust Indenture will not contain any provision limiting the Trust's ability to incur indebtedness generally or that would afford holders of TD CaTS IV Notes protection should the Trust be involved in a highly leveraged or similar transaction. Any additional indebtedness may rank in priority to the TD CaTS IV Notes.

PRINCIPAL HOLDERS OF SECURITIES

It is intended that, at all times following the Closing Date, the Bank and/or its affiliates will own all of the Voting Trust Units. See "Capitalization of the Trust" and "Use of Proceeds".

INTERESTS OF THE BANK AND ITS AFFILIATES IN MATERIAL TRANSACTIONS

Pursuant to the Administration Agreement, the Bank will administer the day-to-day operations of the Trust. See "The Trust – The Administrative Agent". In addition, TD Securities Inc. is an affiliate of the Bank and will receive a portion of the underwriting fee payable by the Trust on account of services rendered in connection with the Offering. See "Plan of Distribution".

The Bank and its affiliates may have interests which are not identical to those of the Trust. Consequently, conflicts of interest may arise with respect to transactions, including, without limitation, the sale of the Initial Trust Assets, future acquisitions of the Trust Assets from the Bank and/or its affiliates, and the renewal, termination or modification of the Administration Agreement. It is the intention of the Trust and the Bank that any agreements and transactions between the Trust, on the one hand, and the Bank and/or its affiliates, on the other hand, are fair to all parties and consistent with market terms and conditions.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by McCarthy Tétrault LLP, on behalf of the Trust and the Bank, and by Fasken Martineau DuMoulin LLP on behalf of the Underwriters. The partners, counsel and associates of McCarthy Tétrault LLP and Fasken Martineau DuMoulin LLP respectively as a group, beneficially own, directly or indirectly, less than one per cent of any class of security issued by the Trust or the Bank.

TRANSFER AGENT AND REGISTRAR AND EXCHANGE TRUSTEE

Computershare Trust Company of Canada will be appointed as transfer agent, registrar and Exchange Trustee in respect of the TD CaTS IV Notes. The TD CaTS IV Notes will be issued in book-entry only form through CDS. See "Description of the Trust Securities — TD CaTS IV Notes — Book-Entry Only Form".

AUDITORS

Ernst & Young LLP, Chartered Accountants, Toronto, Ontario have been appointed as auditors of the Trust.

LEGAL PROCEEDINGS

Other than as set out in the Bank's financial statements incorporated by reference herein, neither the Trust nor the Bank is involved in any litigation or arbitration proceedings which are material to the Trust or the Bank and its subsidiaries, taken as a whole, nor is the Trust or the Bank aware that any such proceedings are pending or threatened.

PROMOTER

The Bank is the promoter of the Trust by reason of its taking the initiative in creating, structuring and promoting the Trust. The Bank will not receive any benefits, directly or indirectly, from the issuance of the TD CaTS IV Notes other than as described in this short form prospectus. The Bank will sell the Initial Trust Assets to the Trust. See "The Trust — Activities of the Trust". The Bank will receive an administrative fee pursuant to the Administration Agreement.

EXEMPTION FROM NATIONAL INSTRUMENT 44-101

The Ontario Securities Commission, as principal regulator under the Process for Exemptive Relief Applications in Multiple Jurisdictions, has granted relief to the Trust under the securities legislation of the Province of Ontario as described below (which relief is intended to be relied upon by the Trust in each of the provinces and territories of Canada, other than Ontario). The Trust is exempted from the following requirements in connection with offerings by the Trust from time to time of Trust Securities:

- (i) the qualification requirements of Part 2 of National Instrument 44-101 *Short Form Prospectus Distributions* (“NI 44-101”), such that the Trust is qualified to file a prospectus in the form of a short form prospectus; and
- (ii) the disclosure requirements in Item 6 (Earnings coverage Ratios) and Item 11 (Documents Incorporated by Reference), with the exception of Item 11.1(1)(5), of Form 44-101F1 of NI 44-101 in respect of the Trust, as applicable.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

APPENDIX A

AUDITOR'S CONSENT

We have read the Short Form Prospectus of TD Capital Trust IV (the "Trust") and The Toronto-Dominion Bank (the "Bank") dated January 15, 2009 relating to the offering of \$550,000,000 principal amount of 9.523% TD Capital Trust IV Notes-Series 1 Due June 30, 2108 and \$450,000,000 principal amount of 10.00% TD Capital Trust IV Notes-Series 2 Due June 30, 2108 (the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report dated December 3, 2008 to the shareholders of the Bank on the Consolidated Balance Sheet of the Bank as at October 31, 2008 and 2007 and the Consolidated Statements of Income, Changes in Shareholders' Equity, Comprehensive Income and Cash Flows for each of the years then ended.

(signed) Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
January 15, 2009

CERTIFICATE OF THE TRUST

Dated: January 15, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

TD CAPITAL TRUST IV
by its Administrative Agent
THE TORONTO-DOMINION BANK

(signed) W. Edmund Clark
President and Chief Executive Officer

(signed) Colleen Johnston
Chief Financial Officer

CERTIFICATE OF THE BANK

Dated: January 15, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) W. Edmund Clark
Chief Executive Officer

(signed) Colleen Johnston
Chief Financial Officer

On behalf of the Board of Directors:

(signed) John M. Thompson
Director

(signed) Helen K. Sinclair
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: January 15, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

TD SECURITIES INC.

By : (signed) Jonathan Broer

RBC DOMINION SECURITIES INC.

By : (signed) Rajiv Bahl

SCOTIA CAPITAL INC.

By: (signed) John Tkach

BMO NESBITT BURNS INC.

By : (signed) Bradley J. Hardie

CIBC WORLD MARKETS INC.

By : (signed) Donald A. Fox

HSBC SECURITIES (CANADA) INC.

By : (signed) Catherine J. Code

NATIONAL BANK FINANCIAL INC.

By : (signed) Darin E. Deschamps

DESJARDINS SECURITIES INC.

By : (signed) Thomas L. Jarmai

MERRILL LYNCH CANADA INC.

By : (signed) Ryan S. Voegeli