



## Shareholder Proposal

### TD Bank Improved linkage of compensation to performance

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#### **Be it resolved that:**

The Management Resources Committee (MRC) of the Board at TD demonstrate its pay for performance philosophy by disclosing actual performance targets; the results attained in comparison to such targets; and the impact of these results on the final compensation amounts awarded.

#### **Supporting Statement**

One of the principles of TD's approach to compensation is pay for performance, yet investors have not been provided with the predetermined corporate performance targets. For example, much of the business performance factor is determined by Adjusted Net Income After Tax (NAIT) for 2009 but the 2010 proxy circular fails to disclose the target established for NAIT.

Similarly, the 2010 circular makes reference to an ambitious target for customer experience that was not met but the actual target is not disclosed. This also appears to contradict the 2009 Bank Performance chart (page 30) that indicates the customer experience target was met.

Finally the Committee references a scorecard used to evaluate the relative performance of the bank based on financial and non-financial measures. However, this scorecard is not disclosed and both targets and results are not provided for key measures such as efficiency ratio and operating leverage. While the Committee did not exercise relative performance discretion, it is unclear what the rationale was for this decision.

Increased clarity on predetermined targets, performance against such targets and additional disclosure for discretionary decisions would provide shareholders with assurance that pay does in fact reflect performance.

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