

TD Exchange-Traded Funds

Distribution Reinvestment Plan

1. Introduction

Each TD Exchange-Traded Fund ("**TD ETF**", or collectively, "**TD ETFs**") as listed in Schedule A has established this distribution reinvestment plan ("**Plan**"). This Plan has been created to provide beneficial holders of Units (as defined herein) of each TD ETF with a method of reinvesting all cash distributions paid on such Units declared and payable to them in additional Units of the same TD ETF, as described in the Plan.

TD Asset Management Inc. (the "**Manager**"), as manager of the TD ETFs, may deliver an amended Schedule A to the Plan Agent (as defined herein) from time to time to add additional TD ETFs to, or remove any TD ETF from, the Plan.

2. Defined Terms

TD ETFs – means the exchange-traded funds listed in Schedule A to this Plan.

Business Day – means a day other than a Saturday, a Sunday, a day observed as a holiday under the laws of the Province of Ontario or a day on which either the TSX or the Plan Agent's principal office in Toronto is closed for business.

CDS or Depository – means CDS Clearing and Depository Services Inc., which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions.

CDS Participant means a participant in the CDS depository service, including a broker, dealer, bank or other financial institution, that holds Units on behalf of beneficial holders of Units.

Distribution – with respect to a TD ETF, a distribution of net income, net realized capital gains and/or return of capital payable in cash by the TD ETF on its Units in respect of a specific Distribution Record Date.

Distribution Payment Date – means a day that is no later than the 10th Business Day following the applicable Distribution Record Date, on which a TD ETF pays a Distribution to its Unitholders.

Distribution Record Date – means a date determined by the Manager as a record date for the determination of Unitholders entitled to receive a Distribution.

Manager – means TD Asset Management Inc., a corporation incorporated under the laws of Ontario, in its capacity as manager of the TD ETFs.

Plan Agent – means AST Trust Company, a company existing under the laws of Canada, in its capacity as plan agent under the Plan.

Plan Participant – with respect to a TD ETF, means a Unitholder who has notified the Manager and the Plan Agent via the applicable CDS Participant that such Unitholder wishes to participate in the Plan in respect of any Distribution.

Plan – means the TD ETFs' Distribution Reinvestment Plan described herein.

Plan Units – means the Units with respect to a TD ETF purchased under the Plan by the Plan Agent for a Plan Participant.

Tax Act – means the *Income Tax Act (Canada)*, as amended from time to time and includes the regulations publicized thereunder.

TSX – means the Toronto Stock Exchange.

Unit – means in relation to a particular TD ETF, a redeemable, transferable unit of that TD ETF, which represents an equal, undivided interest in the net assets of that TD ETF.

Unitholder – means a holder of a Unit or Units of a TD ETF as recorded on the register of units of the TD ETF and, in the case of Units registered in the name of CDS, includes any beneficial owner of such Units.

U.S. Person – has the same meaning attributed to such term in Regulation S of the *Securities Act of 1933*.

3. Distribution Reinvestment Plan

Any eligible Unitholder may enroll in the Plan by notifying the CDS Participant through which that Unitholder holds Units of such Unitholder's intention to participate in the Plan. A Unitholder must notify the CDS Participant by the deadline determined by the CDS Participant. Plan Units will either be new Units issued by the applicable TD ETF, or purchased on behalf of the Plan Participant in the market.

Participation in the Plan is restricted to Unitholders who are: (i) residents of Canada for the purposes of the Tax Act; (ii) persons who are not U.S. Persons; or (iii) "Canadian partnerships" as defined in the Tax Act. Immediately upon becoming a non-resident of Canada, a U.S. Person or ceasing to be a Canadian partnership, a Plan Participant is required to notify his, her or its CDS Participant and terminate participation in the Plan. The Plan Agent will have no duty to inquire into the residency status or partnership status of Plan Participants, and neither the Plan Agent nor the Manager will be required to know the residency status or partnership status of Plan Participants. No TD ETF will be required to purchase Plan Units if such purchase would be illegal.

The CDS Participant must, on behalf of a Unitholder who wishes to become a Plan Participant, provide notice to CDS no later than 4:00 p.m. Eastern Time ("ET") one Business Day prior to the applicable Distribution Record Date that the Unitholder wishes to commence participation in the Plan. CDS shall, in turn, notify the Plan Agent no later than 2:00 p.m. ET on the Business Day immediately following the receipt of notice from the CDS Participant. Provided that the CDS Participant and CDS meet the deadlines described herein, the Unitholder shall become a Plan Participant for the applicable Distribution Record Date. If notice is not received by the Plan Agent prior to this deadline, the Unitholder will not participate in the Plan for that Distribution and will instead commence participation in the Plan for the next expected Distribution following the missed deadline.

4. Administration

On each Distribution Payment Date, the TD ETF shall pay to the Plan Agent, on behalf of the Plan Participants, all amounts paid as Distributions in respect of the Units (including Plan Units) for which Plan Participants were beneficial owners as of the applicable Distribution Record Date.

The Plan Agent shall purchase Plan Units for the Plan Participants as described below under "Purchase of Units by Plan Agent". Plan Units purchased by the Plan Agent will be credited for the benefit of a Plan Participant to CDS account through which a CDS Participant holds units.

5. Purchase of Units by Plan Agent

Distributions payable to the Plan Participants will be used, on behalf of Plan Participants, to purchase Plan Units from treasury or in the open market. The Plan Agent shall purchase Plan Units in the open market or from treasury, as applicable, on the Distribution Payment Date.

Plan Units purchased in the open market will be:

- (a) allocated to CDS based on the Plan Participants' entitlement to the Distributions used to purchase Plan Units; and
- (b) purchased through a broker-dealer designated by the Plan Agent, and the price of such Plan Units shall be the average price paid (excluding brokerage commissions, fees and all transaction costs) per unit for all Units purchased by the Plan Agent.

For Plan Units issued from treasury, the Manager shall provide the Plan Agent with the net asset value per Unit as of the close of trading on the Distribution Record Date.

6. Insufficient Funds

The Plan Agent shall not be obligated to purchase Plan Units unless it shall have first received the amounts paid as Distributions on the Units of the Plan Participants.

7. Fractional Units

No fractional Plan Units will be issued or purchased under the Plan. Cash payments for any funds remaining after the purchase of whole Plan Units will be made in lieu of fractional Plan Units by the Plan Agent to CDS, on a timely basis. Where applicable, CDS will credit the Plan Participant via the applicable CDS Participant.

8. Termination of Participation

Plan Participants may voluntarily terminate their participation in the Plan as of a particular Distribution Record Date by notifying their CDS Participant sufficiently in advance of that Distribution Record Date, the deadline for such notification shall be as determined by the CDS Participant. Plan Participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the Plan. Beginning on the first Distribution Payment Date after such notice is received from a Plan Participant and accepted by a CDS Participant, distributions to such Plan Participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the Plan Participant exercising its right to terminate participation in the Plan.

9. Certificates

Certificates representing Plan Units purchased under the Plan will not be issued to Plan Participants.

10. Voting of Plan Units

Plan Units may be voted in the same manner as the Plan Participants' other Units may be voted.

11. Statement of Account

A Plan Participant will receive, from his, her or its CDS Participant, for tax reporting purposes, confirmation of the number of Plan Units purchased by or sold for him, her or it under the Plan in accordance with the CDS Participant's usual practice.

12. Commissions and Administrative Costs

All commissions, administrative costs, brokerage fees and/or transaction costs for trading services payable in connection with the operation of the Plan, the purchase of Plan Units or the sale of Plan Units will be paid for by the Manager on behalf of each applicable TD ETF.

13. Responsibilities of the TD ETFs, the Manager and the Plan Agent (Limitation of Liability)

None of the TD ETFs, the Manager or the Plan Agent shall be liable for any act done by any of them in good faith or for any good faith omission to act. In particular, none of the TD ETFs, the Manager or the Plan Agent shall have any liability with respect to:

- (a) the prices at which Plan Units are purchased for the Plan Participants' accounts or the times at which such purchases are made; or
- (b) any action or responsibilities of CDS or any CDS Participant in relation to the Plan or otherwise, including, without limitation:
 - i. any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Units held by and registered in the name of CDS or any CDS Participant; and
 - ii. any authority, advice, or representation made or given by CDS or any CDS Participant to the Plan Agent or otherwise, including representations with respect to rules of CDS and any action taken or to be taken by CDS or any CDS Participant.

None of the TD ETFs, the Manager or the Plan Agent can assure a gain or protect against any loss as a result of participation in the Plan or the purchase of Plan Units.

14. Amendments, Suspension or Termination of Plan and Plan Agent

The Manager may amend or suspend the Plan at any time, in the case of an amendment, subject to prior approval of the TSX and, in each case, provided that it gives notice of that amendment or suspension to: (i) the CDS Participants through which the Plan Participants hold their Units; (ii) the Plan Agent; and (iii) CDS.

The Manager may terminate the Plan, at any time and in its sole discretion, upon not less than 30 days' notice to: (i) the CDS Participants through which the Plan Participants hold their Units; (ii) the Plan Agent; (iii) CDS; and (iv) the TSX, if necessary.

15. Rules and Regulations

The Manager may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Manager reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

16. No Personal Liability

No Unitholder of a TD ETF will have any personal liability and no resort will be had to, nor recourse or satisfaction sought from, the property or assets of any Unitholder for any liability whatsoever to any person in connection with the property of a TD ETF or its affairs, including for satisfaction of any obligations or claims of such TD ETF arising out of or in connection with the Plan. The property and assets of such TD ETF only are intended to be liable and subject to levy or execution for satisfaction of any such obligations or claims.

17. Currency

All references in this Plan to dollar amounts refer to Canadian dollars.

18. Notices

All notices required to be given to Plan Participants by a TD ETF will be given to CDS, to be further provided to the CDS Participants through which the Plan Participants hold their Units of such TD ETF.

Written communications to the Plan Agent should be addressed to:

AST Trust Company
P.O. Box 4229
Station A
Toronto, ON M5W 0G1
Attention: Income Disbursement Department
Facsimile: 1-888-488-1416

Written communications to any TD ETF or the Manager should be addressed to:

TD Asset Management Inc.
P.O. Box 100
66 Wellington Street West
TD Bank Tower
Toronto-Dominion Centre
Toronto, Ontario M5K 1G8

Plan effective date: April 1, 2016

Schedule A

TD Exchange-Traded Funds

April 1, 2016

Fund Name	Implementation Date
1. TD Canadian Aggregate Bond Index ETF	April 1, 2016
2. TD S&P/TSX Capped Composite Index ETF	April 1, 2016
3. TD S&P 500 Index ETF	April 1, 2016
4. TD S&P 500 CAD Hedged Index ETF	April 1, 2016
5. TD International Equity Index ETF	April 1, 2016
6. TD International Equity CAD Hedged Index ETF	April 1, 2016