



# Corporate Governance Guidelines

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# **TD BANKNORTH INC. CORPORATE GOVERNANCE GUIDELINES**

## **I. General**

These Corporate Governance Guidelines of TD Banknorth Inc. set forth various requirements and policies regarding the Board of Directors and governance of TD Banknorth. In addition to the requirements set forth herein, there are significant provisions regarding the composition of, and action by, the Board of Directors and its committees in the Certificate of Incorporation of TD Banknorth and the Amended and Restated Stockholders Agreement, dated as of August 25, 2004, among The Toronto-Dominion Bank (“TD”), TD Banknorth and Banknorth Group, Inc. These provisions became effective upon TD’s acquisition of a majority interest in TD Banknorth. Nothing contained in these Corporate Governance Guidelines limits or adversely affects any right of TD or TD Banknorth set forth in the Certificate of Incorporation and the Stockholders Agreement.

## **II. Responsibilities of the Board of Directors**

The business and affairs of TD Banknorth is managed by or under the direction of the Board of Directors of TD Banknorth. The Board of Directors selects the Chief Executive Officer (the “CEO”) and, after consultation with the CEO, certain other members of the senior executive management of TD Banknorth, who are charged with directing TD Banknorth’s business. The Board of Directors has delegated to the CEO, working with the other executive officers of TD Banknorth, the authority and responsibility for managing the business of TD Banknorth in a manner consistent with the standards of TD Banknorth, and in accordance with any specific plans, instructions or directions of the Board. The primary function of the Board is oversight – defining and enforcing standards of accountability that enable executive management to perform their responsibilities fully and in the interests of its shareholders, customers and employees. The primary responsibilities of the Board are to:

- evaluate the performance of TD Banknorth and the CEO by (among other things): (i) overseeing the conduct of TD Banknorth’s business and evaluating whether it is being effectively managed; (ii) scheduling meetings of the non-employee directors without the presence of management; (iii) selecting, regularly evaluating and planning for the succession of the CEO and such other members of senior executive management as the Board deems appropriate; and (iv) establishing the compensation of the CEO;
- review TD Banknorth’s strategic plans and objectives by the full Board;
- evaluate TD Banknorth’s exposure to risk through the Board Risk Committee and review measures to address and mitigate such risks;
- provide advice and counsel to the CEO and other senior executive officers;

- assist management in the oversight of compliance by TD Banknorth with applicable laws and regulations, including its public reporting obligations, primarily through the Board Risk and Audit Committees;
- oversee executive management with a goal of ensuring that the assets of TD Banknorth are safeguarded through the maintenance of appropriate accounting, financial and other controls;
- appoint the members of and oversee the Board committees established to execute those responsibilities delegated by the Board;
- establish the form and amount of compensation for directors upon the recommendations of the Human Resources and Compensation Committee; and,
- evaluate the overall effectiveness of the Board and its committees, as well as select and recommend to shareholders an appropriate slate of candidates for the Board to be elected at annual meetings of stockholders of TD Banknorth.

In discharging their responsibilities, directors must exercise their business judgment to act in a manner that they believe in good faith is in the best interests of TD Banknorth and its shareholders.

TD Banknorth purchases liability insurance on behalf of its directors in amounts consistent with market practices for like-sized financial institutions and is required to indemnify them to the fullest extent permitted by applicable law pursuant to TD Banknorth's Bylaws. The Board, or the Board Risk Committee, shall be entitled to a full review of the provisions of liability insurance policies annually.

### **III. Structure of the Board of Directors**

#### **A. Composition**

The Certificate of Incorporation and the Stockholders Agreement provide that the Board of Directors of TD Banknorth shall consist of (i) the Class A directors elected by all holders of the Common Stock of TD Banknorth (the "Common Stock"), including TD, and (ii) the Class B directors elected by TD in its capacity as the holder of the Class B Common Stock of TD Banknorth (the "Class B Common Stock"). (Unless otherwise noted, the term "director" includes the Class A directors and the Class B directors.) Moreover, under the same, TD Banknorth's Board of Directors includes:

- four designated independent directors who meet the requirements and have the responsibilities set forth in the Certificate of Incorporation and the Stockholders Agreement;
- William J. Ryan, the present Chairman and CEO of TD Banknorth, who will serve as a director and as Chairman for so long as he remains the CEO of TD Banknorth; and

- a number of Class B directors designated from time to time by TD, as the holder of the Class B Common Stock, provided that the number of Class B directors may not be more than one more than the total number of Class A directors then in office. The number of Class B directors may be further limited in the circumstances set forth in the Certificate of Incorporation and the Stockholders Agreement.

Directors are elected annually for one-year terms and until their successors are elected and qualified or their earlier resignation or removal.

#### B. Size

Pursuant to the Certificate of Incorporation and the Stockholders Agreement, the minimum number of authorized directors currently is nine. The Board shall set the actual number of directors from time to time based on the terms of the Certificate of Incorporation and the Stockholders Agreement and such other factors as it may deem appropriate, subject to changing circumstances that may warrant a higher or lower number.

#### C. Characteristics

It is the policy of the Board of Directors that the Board at all times reflect the following characteristics:

- each director shall at all times exhibit high standards of integrity and commitment and the ability and willingness to apply sound business judgment;
- directors shall have reputations, both personal and professional, consistent with the image and reputation of TD Banknorth;
- directors shall be highly accomplished in their respective field, with superior credentials and recognition;
- the Board shall encompass a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to all of TD Banknorth's operations and interests;
- each director shall dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending stockholder meetings and meetings of the Board and Committees of which he or she is a member, and by reviewing in advance all meeting materials;
- the Board shall meet the standards of independence from TD Banknorth and its management set forth in the Independence Standards attached as Annex A hereto;
- at least one member of the Board shall qualify as a "financial expert" as defined in regulations promulgated by the Securities and Exchange Commission;

- the Board shall be representative of the geographic areas of the communities which it serves; and
- the Board shall reflect a diversity of background and experience.

Other than the foregoing and the criteria for designated independent directors set forth in the Certificate of Incorporation and the Stockholders Agreement, there are no stated minimum criteria for directors, except for the retirement policy described in Section III E 2 below and a nominee's compliance, or in the case of a new director, willingness to comply, with the equity ownership guidelines for directors described in Section III F below.

#### D. Selection Process

The Board is responsible for selecting candidates for Class A director and for extending invitations to such persons join the Board of Directors after consideration of the recommendations of the Nominating and Corporate Governance Committee. In selecting new Class A directors, the Board and the Nominating and Corporate Governance Committee shall give the highest priority to meeting the standards, qualifications and requirements described or referred to in Section III C of these Guidelines.

1. The Board of Directors recognizes the importance of soliciting new candidates for membership on the Board of Directors and that the needs of the Board of Directors, in terms of the relative experience and other qualifications of candidates, may change over time.
2. Consistent with its charter, the Nominating and Corporate Governance Committee is responsible for screening candidates for Class A director and for recommending to the Board a slate of nominees for election as Class A directors to the Board of Directors at the annual meeting of stockholders. The Nominating and Corporate Governance Committee shall consider candidates for Class A director suggested by its members and other directors of TD Banknorth, as well as management and shareholders, and may solicit prospective nominees identified by it.
3. Pursuant to the Certificate of Incorporation and the Stockholders Agreement, any vacancy in a seat held by a Class A director who is a designated independent director will be filled by the remaining designated independent directors, subject to the consent of a majority of the directors on the Nominating and Corporate Governance Committee, which (subject to the Committee member's fiduciary duties) may not be unreasonably withheld.
4. Except as provided in Section III D 3, final approval of any candidate for nomination or renomination as a Class A Director shall be determined by the full Board of Directors following consideration of the recommendations of the Nominating and Corporate Governance Committee.

Pursuant to the Certificate of Incorporation and the Stockholders Agreement, Class B directors are nominated and elected by TD in its capacity as the holder of the Class B Common Stock.

The Nominating and Corporate Governance Committee shall assess the contributions of those directors whose terms will be expiring and who have indicated a willingness to continue to serve as a director and if appropriate recommend the director for reelection at the annual meeting of stockholders.

E. Terms and Other Limits

1. The Board of Directors does not believe that it is advisable to establish term limits for its directors because they might deprive TD Banknorth and its stockholders of the contributions of directors who have been able to develop valuable insights into TD Banknorth and its operations over time.
2. A director may not stand for re-election after the age of 72. If a director reaches the age of 72 before the expiration of his or her term, the director may serve until the next annual meeting of stockholders.
3. Any director whose principal occupation or business association has changed substantially from the time he or she was elected to the Board of Directors must offer to voluntarily resign from the Board. In such circumstances, the Board will consider through the Nominating and Corporate Governance Committee the appropriateness of such director's continued service. Upon such consideration, the Board may reject or accept the director's tendered resignation.
4. Directors must provide advance notice to the Chairman of the Board of his or her acceptance of an invitation to serve on the board of directors of any other public company.

F. Stock Ownership by Directors and Officers

It is the policy of the Board that all directors, consistent with their responsibilities to the stockholders of TD Banknorth as a whole, hold a significant equity interest in TD Banknorth and/or TD. Class A and Class B directors are required to own, or acquire within five years of first becoming a director, shares of Common Stock of TD Banknorth and Common Shares of TD having an aggregate market value of at least five times the annual retainer for directors, provided that Common Shares of TD may only account for up to 50% of the aggregate value. Both direct and indirect ownership (i.e., through certain family trusts) shall be taken into account for this purpose. The value of options to purchase Common Stock of TD Banknorth and Common Shares of TD, as well as Restricted Stock Units of TD Banknorth and Deferred Share Units of TD, shall be taken into account in calculating stock ownership. Options shall be considered to be worth the amount that the current market price of the Common Stock or Common Shares exceeds the exercise price of the option.

It also has been the policy of the Board that each executive officer of TD Banknorth hold shares of Common Stock having a value determined as a multiple of base salary. In the past, each of the CEO, Chief Operating Officer, Chief Banking Officer and each other executive officer named in TD Banknorth's annual proxy statement has been required to own, or acquire within five years of first becoming such, shares of Common Stock having a market value of at least five, four, four and three times, respectively, the officer's base salary. The multiple of base salary for purposes of the share ownership requirements for other officers of TD Banknorth has been two or one, depending on their grade level. Both direct and indirect ownership (i.e. through certain family trusts) and ownership through employee benefit plans shall be taken into account for this purpose.

The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate in the interest of TD Banknorth's stockholders.

#### G. Evaluation of the Board and its Committees

The Nominating and Corporate Governance Committee shall conduct an annual review of the conduct and performance of the full Board of Directors, which shall include, among other things, an assessment of:

- the Board's composition and independence;
- the Board's access to and review of information from management, and the quality of such information;
- the Board's responsiveness to stockholder concerns;
- maintenance and implementation of TD Banknorth's standards of conduct; and
- maintenance and implementation of these Guidelines.

In performing its evaluation, the Nominating and Corporate Governance Committee may circulate surveys, questionnaires and evaluation forms to directors and use such other methods as it deems helpful and appropriate in order to assess the effectiveness of the Board. At the conclusion of this process, the Chairman of the Nominating and Corporate Governance Committee shall report the Committee's conclusions to the full Board of Directors and may make recommendations and changes that the Committee deems appropriate for consideration by the full Board of Directors.

The Nominating and Corporate Governance Committee also shall annually oversee the annual evaluations required to be conducted by the respective committees of the Board, as applicable, and if appropriate the Committee may make recommendations and changes that it deems appropriate for consideration by the full Board of Directors.



## H. Offices of Chairman of the Board and CEO

Currently, the Board's policy is that the positions of the Chairman of the Board and CEO are to be held by the same person. This policy in no way impedes upon the Board's responsibility to monitor the performance of executive management because of the presence of outside directors of stature who have a substantive knowledge of TD Banknorth's business.

The Human Resources and Compensation Committee reports periodically to the Board of Directors regarding succession planning with respect to the CEO and other members of executive management as may be determined by the Board.

## I. Lead Directors

Up to two of TD Banknorth's non-employee directors shall serve as "Lead Directors" and be elected by vote of the non-employee directors of TD Banknorth. The Lead Director(s) are responsible for coordinating the activities of the other non-employee directors, which includes (among other things) establishing the agenda for executive sessions of the non-employee directors, with or without the presence of management, as required by these Guidelines and applicable listing standards. Each Lead Director shall be designated as Vice Chairman of the Board and will serve for a one-year term and until his or her successor is elected and qualified or his or her earlier resignation or removal.

## J. Shareholder Communications with Outside Directors

The name(s) of the Lead Director(s) and the means by which stockholders may communicate with the Lead Director(s) and all non-employee directors as a group shall be disclosed in TD Banknorth's annual proxy statement. The General Counsel and Corporate Secretary of TD Banknorth shall review all written correspondence from stockholders which is addressed to the Lead Director(s) or other outside directors and regularly forward to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the General Counsel and Corporate Secretary, deal with the functions of the Board or committees thereof or that she otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by TD Banknorth that is addressed to members of the Board and request copies of any such correspondence.

## IV. Operation of the Board of Directors

### A. Attendance

Directors are expected to attend all or substantially all Board meetings and meetings of the Committees of the Board on which they serve. Directors are also expected to spend the necessary time to discharge their responsibilities appropriately and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board. If a director has existing or future commitments that interfere with his/her responsibility as a member of the Board, such director shall resign immediately.

## B. Board Meetings

### 1. Frequency and Conduct of Meetings

The Board of Directors shall meet at least six times a year. Additional meetings may be scheduled as necessary or appropriate. The Chairman, in consultation with the Lead Director(s), shall prepare an annual schedule of meetings for the Board of Directors and the standing Committees to be distributed in December for the following year.

The Chairman shall chair all meetings of the Board of Directors, except those portions of the meeting which are attended only by the non-employee directors of the Board.

Non-employee directors shall meet in executive session with the CEO at least annually to discuss matters relating to management succession and development and to evaluate members of executive management in accordance with Section VIII of these Guidelines. In addition, non-employee directors meet in executive session without the CEO at the end of each regularly-scheduled meeting. At one of these sessions, the agenda for the meeting shall include an evaluation of the performance of the CEO and the approval of his compensation, which shall be recommended to the full Board by the Human Resources and Compensation Committee and communicated to the CEO by the Chairman of the Human Resources and Compensation Committee. Upon reasonable notice to the other non-employee directors, any non-employee director may call for an executive session, with or without the presence of the Chairman, if the Chairman is also the CEO, or any member of executive management, if he or she deems such action necessary or appropriate. In such circumstances, the outside director calling the executive session shall consult with the Lead Director(s) as to the time, location and agenda for the executive session. When meeting without the Chairman and CEO, any item proposed by any outside director may be included on the agenda upon reasonable prior notice to the Lead Director(s).

### 2. Agenda

To the extent practicable, the schedule of annual meetings shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year. Certain matters shall be addressed by the Board of Directors at least annually. These matters include a review of: (i) TD Banknorth's strategic plan and the principal current and future risk exposure of TD Banknorth; (ii) TD Banknorth's strategic objectives; (iii) TD Banknorth's business and financial performance for the prior year, including a review of the achievement of strategic objectives; (iv) TD Banknorth's compliance with applicable law and listing standards; (v) the annual review of the CEO; and, (vi) the annual report of the evaluation of the Board by the Nominating and Corporate Governance Committee.

The Chairman and CEO shall establish an agenda for each meeting of the Board of Directors, which may include matters additional to those contemplated by the annual schedule of meetings of the Board of Directors. Directors may suggest the addition of any matter to a meeting agenda. Each Director also may raise at any meeting or executive session any subject that is not on the agenda for that meeting or executive session.

The Chairman and CEO and the Board of Directors believe that it is beneficial to have periodic meetings away from TD Banknorth's corporate headquarters in Portland, Maine and closer to the geographic banking operations of TD Banknorth, N.A. Accordingly, some Board meetings may be so held at various locations throughout the year and will be included on the annual meeting schedule.

### 3. Information to be Distributed Prior to Meetings

When practicable, the Board shall receive prior to any meeting information necessary to inform the directors about TD Banknorth's business, performance and prospects and recommendations for action by the Board. Such information shall be relevant, concise and timely. A request for action by the Board of Directors shall include the summary recommendation of management and be accompanied by any historical or analytical data that may be necessary or useful to the directors in making a determination on that matter.

### 4. Presentations

Materials for presentations on specific subjects generally shall be sent to Board members in advance so that the Board's meeting time may be conserved and discussion time focused on questions that directors may have. Where time or circumstances prohibit advance delivery of materials, the Chairman of the Board or his or her designee shall list the item and all related issues on the agenda and note that related materials will not be mailed in advance of the meeting, but that the matter will be presented and discussed at the meeting.

### 5. Quorum; Board Action; Resolutions

Under the terms of the Certificate of Incorporation and the Stockholders Agreement:

- a quorum for any meeting of the Board of Directors will require the presence of a majority of the total number of authorized directors then constituting the entire Board of Directors and a majority of the Class B directors then in office; and
- any determination or other action of or by the Board of Directors (other than action by unanimous written consent in lieu of a meeting) will require the affirmative vote or consent, at a meeting at which a quorum is present, of a majority of the directors present at that meeting, including a majority of the Class B directors present at that meeting.

The Board of Directors considers the adoption of resolutions from time to time. When practicable, the text of the resolution shall be submitted to the Board of Directors for approval, in the manner set forth above, in advance of the meeting at which the matter will be considered.

## C. Committees of the Board

### 1. Committee Structure

The Certificate of Incorporation and the Stockholders Agreement provide as follows with respect to committees of the Board of Directors. Each committee of the Board of Directors shall consist of a majority of Class B directors and not fewer than two Class A directors, unless restricted by law or stock exchange rule. If applicable law or stock exchange rule prevents any Class B director from serving on a particular committee, at least one Class B director shall be entitled to attend committee meetings as an observer. The Nominating and Corporate Governance Committee shall consist of four Class B directors and three of the designated independent directors. The number of Class B directors entitled to serve on committees of the Board of Directors may be further limited in the circumstances set forth in the Certificate of Incorporation and the Stockholders Agreement. Committees of the Board shall be established in accordance with the foregoing requirements, except to the extent otherwise determined by the Board with the prior written consent of TD.

There are currently six standing committees of the Board of Directors of TD Banknorth: Audit, Human Resources and Compensation, Nominating and Corporate Governance, Executive (joint with TD Banknorth, N.A.), Strategic Planning and Designated Independent Directors. There are three standing committees of the Board of Directors of TD Banknorth, N.A.: Executive (joint with TD Banknorth), Board Risk and Trust. From time to time, the Board may designate *ad hoc* committees in conformity with the Certificate of Incorporation and the Stockholders Agreement. Each standing committee has the authority and responsibilities established by TD Banknorth's Certificate of Incorporation and Bylaws, Board resolutions, applicable laws and regulations, listing standards of the New York Stock Exchange ("NYSE"), any applicable charters and the Stockholders Agreement, as applicable. The Board of Directors has the authority to disband any *ad hoc* or standing committee when it deems it appropriate to do so, provided that TD Banknorth at all times shall have Audit, Human Resources and Compensation and Nominating and Corporate Governance Committees and such other committees as may be required by applicable laws and regulations or NYSE listing standards, as well as a Designated Independent Directors Committee in accordance with the terms of the Certificate of Incorporation and the Stockholders Agreement.

Committees and their Chairpersons are appointed by the Board of Directors annually at the organizational meeting of the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee. The Board's policy is that, with the exception of the Executive, Board Risk, Trust and Strategic Planning Committees, only independent directors may serve on the standing committees. The members of the Audit, Human Resources and Compensation and Nominating and Corporate Governance Committees shall at all times meet the independence and other requirements of applicable laws and regulations and NYSE listing requirements and these Corporate Governance Guidelines. In appointing committee members, the Board shall consider rotating membership from time to time in accordance with recommendations by the Nominating and Corporate Governance Committee and subject to the requirements of the Certificate of Incorporation and the Stockholders Agreement.

Each standing committee has a written charter, which shall be approved by the full Board of Directors and state the purpose of the committee. Committee charters shall be reviewed annually to reflect the activities of each of the respective committees, changes in applicable laws, regulations or listing standards and other relevant considerations. Proposed revisions to such charters shall be approved by the full Board of Directors.

## 2. Committee Meetings

The Chairpersons of the various committees, in consultation with their committee members, shall determine the frequency and length of committee meetings. The Chairperson of each committee shall establish the agenda for each committee meeting. Committee members and other directors may suggest the addition of any matter to the agenda for any committee meeting upon reasonable notice to the committee Chairperson.

To the extent practicable, information regarding matters to be considered at a committee meeting shall be distributed to committee members a reasonable period of time before the meeting. Each committee Chairperson shall designate an individual of his or her choice to act as Secretary at, and to record the minutes of, a committee meeting. The Chairperson of each committee shall report on the activities of the committee to the Board of Directors following committee meetings, and minutes of committee meetings shall be distributed to all directors.

### D. Compensation of the Board of Directors

The compensation of directors who are not employees of TD Banknorth or TD shall be determined annually by the Board of Directors acting upon recommendation of the Human Resources and Compensation Committee, which may obtain the advice of such experts as the Committee deems appropriate. Compensation may be paid in the form of cash and/or equity interests in TD Banknorth or such other forms as the Board deems appropriate and shall be at levels that are consistent with those in effect for directors of similarly-situated businesses. Separate compensation may be provided to members of committees of the Board and additional compensation may be provided to the Chairs of committees and to Lead Director(s). Directors who are also TD Banknorth or TD employees shall not receive any additional compensation for their service as directors.

## V. Access to Management, Management Information and Counsel

Directors have free access to management and management information. Management must be responsive to requests for information from Board members. The Board encourages management presentations at Board meetings in order to provide particular insights into aspects of TD Banknorth's business or to provide individuals with exposure to the Board of Directors for purposes of management development. Directors may suggest possible guests to the Chairman and CEO.

The Board of Directors, its committees and the Lead Director(s) (on behalf of the non-employee directors as a group) are entitled to engage any independent legal, financial or other advisors as they deem appropriate and with respect to any matters subject to their respective authority. The retention of any of the previously mentioned independent professionals shall be at the sole expense of TD Banknorth and can be done without consulting or obtaining the approval of any officer of TD Banknorth.

## **VI. Board Interaction with Institutional Investors, the Press and other Constituencies**

The Board believes that management speaks for TD Banknorth. Directors are, from time to time, contacted by institutional investors, other shareholders, sellers of businesses or merger partners, governmental or community officials, analysts or the press to comment on or discuss TD Banknorth's business. Directors are expected to refrain from communicating with any of the foregoing without prior consultation with the Chairman and CEO or the Chief Operating Officer, provided that nothing contained herein shall prevent a Class B director from communicating with any of the foregoing in his or her capacity as a director or officer of TD. Any director contacted in response to any inquiry with respect to TD Banknorth by any governmental official shall notify the General Counsel of TD Banknorth.

Directors also may, from time to time, discuss business with customers, suppliers and others. While directors are free to engage in these discussions, they should advise appropriate members of executive management of the substantive matters of those discussions. In no event shall any director disclose any material non-public information concerning TD Banknorth without the consent of TD Banknorth, provided that nothing contained herein shall prevent any such disclosure by a Class B director in his or her capacity as a director or officer of TD, and all directors shall adhere to and be in full compliance with TD Banknorth's Policy on Insider Trading. In the event that a director inadvertently discloses information that may be material and non-public, he or she should immediately advise the General Counsel of TD Banknorth.

## **VII. Director Orientation and Education**

New directors must participate in an orientation program, which generally will be conducted as soon as practicable following their election. The agenda for the orientation program shall be determined by the Chairman of the Board, in consultation with the General Counsel and the Lead Director(s), who may consult as appropriate with the Chairpersons of the standing committees of the Board of Directors. The Board of Directors encourages directors to participate in continuing education programs, and TD Banknorth shall pay the reasonable expenses of attendance by a director to one such program per year or shall provide on-site continuing education acceptable to the Nominating and Corporate Governance Committee.

Each year, the Nominating and Corporate Governance Committee shall reevaluate these Corporate Governance Guidelines and recommend to the Board of Directors revisions that are necessary and appropriate to assist the Board in discharging its responsibilities more effectively.

## **VIII. Management Succession and Review**

At least once a year, the CEO shall meet with the non-employee directors of TD Banknorth to discuss potential successors as CEO. The non-employee directors shall meet in executive session following such presentations to consider such discussions. The CEO also shall have in place at all times a confidential written procedure for the timely and efficient transfer of his or her responsibilities in the event of his or her sudden incapacitation or departure, including recommendations for longer-term succession arrangements. The CEO shall review this procedure periodically with the Nominating and Corporate Governance Committee.

The CEO also shall review periodically with the non-employee directors the performance and development of other key members of the senior management of TD Banknorth, as well as potential succession arrangements for such management members. Any waiver of the requirements of TD Banknorth's Code of Conduct and Ethics with respect to any such member of senior management shall be reported to, and be subject to the approval of, the Board of Directors.

Date: Amended effective February 28, 2006