

TORONTO DOMINION BANK
Form 424B2
May 15, 2018
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Registration Statement No. 333-211718

The
Toronto-Dominion
Bank

\$3,123,000

Leveraged Capped
Buffered
Basket-Linked
Notes due July 15,
2020

The notes do not bear interest. The amount that you will be paid on your notes on the maturity date (July 15, 2020) is based on the performance of an unequally weighted basket of five indices: the EURO STOXX 50[®] Index (37% weighting), the FTSE[®] 100 Index (23% weighting), TOPIX (23% weighting), the Swiss Market Index (9% weighting), and the S&P/ASX 200 Index (8% weighting), as measured from the pricing date (May 11, 2018) to and including the valuation date (July 13, 2020).

If the final basket level on the valuation date is greater than the initial basket level, the return on your notes will be positive and will equal the participation rate of 220.00% times the percentage change of the basket, subject to the maximum payment amount of \$1,715.00 for each \$1,000 principal amount of your notes. If the final basket level declines by up to 20.00% from the initial basket level, you will receive the principal amount of your notes. **If the final basket level declines by more than 20.00% from the initial basket level, the return on your notes will be negative, and you will lose 1.25% of the principal amount of your notes for every 1% that the final basket level has declined below the buffer level of 80.00% of the initial basket level. Despite the inclusion of the buffer level, due to the downside multiplier you may lose your entire principal amount.**

The initial basket level was set to 100 on the pricing date and the final basket level will equal (i) 100 times (ii) the sum of 1 plus, as calculated for each basket component, (a) the percentage change of each basket component from the pricing date to the valuation date multiplied by (b) its weighting in the basket. The initial index level of each basket component is: 3,565.52 with respect to the EURO STOXX 50[®] Index, 7,724.55 with respect to the FTSE[®] 100 Index, 1,794.96 with respect to TOPIX, 8,993.51 with respect to the Swiss Market Index and 6,116.187 with respect to the S&P/ASX 200 Index.

To determine your payment at maturity, we will calculate the percentage change of the basket, which is the percentage increase or decrease in the final basket level from the initial basket level. At maturity, for each \$1,000 principal amount of your notes, you will receive an amount in cash equal to:

if the percentage change is positive (the final basket level is greater than the initial basket level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) 220.00% times (c) the percentage change, subject to the maximum

payment amount;

if the percentage change is zero or negative but not below -20.00% (the final basket level is equal to the initial basket level or is less than the initial basket level, but not by more than 20.00%), \$1,000; or

if the percentage change is negative and is below -20.00% (the final basket level is less than the initial basket level by more than 20.00%), the *sum* of (i) \$1,000 *plus* (ii) the product of (a) \$1,000 *times* (b) the downside multiplier of 125.00% (see page P-4) *times* (c) the *sum* of the percentage change *plus* 20.00%. **You will receive less than the principal amount of your notes.**

Decreases in the levels of the basket components may offset increases in the levels of other basket components.

The performance of the basket components with the higher weightings will have a larger impact on your return on the notes. The notes do not guarantee the return of principal at maturity.

The notes are unsecured and are not savings accounts or insured deposits of a bank. The notes are not insured or guaranteed by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency or instrumentality. Any payments on the notes are subject to our credit risk. The notes will not be listed or displayed on any securities exchange or electronic communications network.

You should read the disclosure herein to better understand the terms and risks of your investment. See “Additional Risk Factors” beginning on page P-8 of this pricing supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this pricing supplement, the product prospectus supplement or the prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The initial estimated value of the notes at the time the terms of your notes were set on the pricing date is \$1,003.08 per \$1,000 principal amount. See “Additional Information Regarding the Estimated Value of the Notes” on the following page and “Additional Risk Factors” beginning on page P-8 of this document for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

	Public Offering Price ¹	Underwriting Discount ¹	Proceeds to TD
Per Note	\$1,000.00	\$0.00	\$1,000.00
Total	\$3,123,000.00	\$0.00	\$3,123,000.00

TD Securities (USA) LLC

Pricing Supplement dated May 11 , 2018

¹ See “Supplemental Plan of Distribution (Conflicts of Interest)” on page P-48 herein.

The public offering price, underwriting discount and proceeds to TD listed above relate to the notes we issue initially. We may decide to sell additional notes after the date of this pricing supplement, at public offering prices and with underwriting discounts and proceeds to TD that differ from the amounts set forth above. The return (whether positive or negative) on your investment in the notes will depend in part on the public offering price you pay for such notes.

We, TD Securities (USA) LLC (“TDS”), or any of our affiliates, may use this pricing supplement in the initial sale of the notes. In addition, we, TDS or any of our affiliates may use this pricing supplement in a market-making transaction in a note after its initial sale. Unless we, TDS or any of our affiliates informs the purchaser otherwise in the confirmation of sale, this pricing supplement will be used in a market-making transaction.

Additional Information Regarding the Estimated Value of the Notes

The final terms for the Notes were determined on the Pricing Date, based on prevailing market conditions and are set forth in this pricing supplement. The economic terms of the Notes are based on TD’s internal funding rate (which is TD’s internal borrowing rate based on variables such as market benchmarks and TD’s appetite for borrowing), and several factors, including any sales commissions expected to be paid to TDS, any selling concessions, discounts, commissions or fees expected to be allowed or paid to non-affiliated intermediaries, the estimated profit that TD or any of TD’s affiliates expect to earn in connection with structuring the Notes, the estimated cost TD may incur in hedging its obligations under the Notes and the estimated development and other costs which TD may incur in connection with the Notes. Because TD’s internal funding rate generally represents a discount from the levels at which TD’s benchmark debt securities trade in the secondary market, the use of an internal funding rate for the Notes rather than the levels at which TD’s benchmark debt securities trade in the secondary market is expected to have had an adverse effect on the economic terms of the Notes. On the cover page of this pricing supplement, TD has provided the initial estimated value for the Notes. This initial estimated value was determined by reference to TD’s internal pricing models which take into account a number of variables and are based on a number of assumptions, which may or may not materialize, typically including volatility, interest rates (forecasted, current and historical rates), price-sensitivity analysis, time to maturity of the Notes, and TD’s internal funding rate. For more information about the initial estimated value, see “Additional Risk Factors” beginning on page P-8. Because TD’s internal funding rate generally represents a discount from the levels at which TD’s benchmark debt securities trade in the secondary market, the use of an internal funding rate for the Notes rather than the levels at which TD’s benchmark debt securities trade in the secondary market is expected, assuming all other economic terms are held constant, to increase the estimated value of the Notes. For more information see the discussion under “Additional Risk Factors — TD’s and TDS’s Estimated Value of the Notes are Determined By Reference to TD’s Internal Funding Rates and are Not Determined By Reference to Credit Spreads or the Borrowing Rate TD Would Pay for its Conventional Fixed-Rate Debt Securities”.

TD’s estimated value on the Pricing Date is not a prediction of the price at which the Notes may trade in the secondary market, nor will it be the price at which TDS may buy or sell the Notes in the secondary market. Subject to normal market and funding conditions, TDS or another affiliate of TD’s intends to offer to purchase the Notes in the secondary market but it is not obligated to do so.

Assuming that all relevant factors remain constant after the Pricing Date, the price at which TDS may initially buy or sell the Notes in the secondary market, if any, may exceed TD’s estimated value on the Pricing Date for a temporary period expected to be approximately 3 months after the Pricing Date because, in its discretion, TD may elect to effectively reimburse to investors a portion of the estimated cost of hedging its obligations under the Notes and other costs in connection with the Notes which TD will no longer expect to incur over the term of the Notes. TD made such discretionary election and determined this temporary reimbursement period on the basis of a number of factors, including the tenor of the Notes and any agreement TD may have with the distributors of the Notes. The amount of TD’s estimated costs which is effectively reimbursed to investors in this way may not be allocated ratably throughout the reimbursement period, and TD may discontinue such reimbursement at any time or revise the duration of the reimbursement period after the Pricing Date of the Notes based on changes in market conditions and other factors that cannot be predicted.

If a party other than TDS or its affiliates is buying or selling your Notes in the secondary market based on its own estimated value of your Notes which was calculated by reference to TD's credit spreads or the borrowing rate TD would pay for its conventional fixed-rate debt securities (as opposed to TD's internal funding rate), the price at which such party would buy or sell your Notes could be significantly lower.

We urge you to read the "Additional Risk Factors" beginning on page P-8 of this pricing supplement.

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Summary

The information in this “Summary” section is qualified by the more detailed information set forth in this pricing supplement, the product prospectus supplement and the prospectus.

Issuer: The Toronto-Dominion Bank (“TD”)

Issue: Senior Debt Securities

Type of Note: Leveraged Capped Buffered Basket-Linked Notes (the “Notes”)

Term: Approximately 26 months

Basket: An unequally weighted basket consisting of the following indices (each, a “Basket Component”):

Basket Component	Bloomberg Ticker	Component Weighting	Initial Index Level*
EURO STOXX 50® Index	SX5E	37%	3,565.52
FTSE® 100 Index	UKX	23%	7,724.55
TOPIX	TPX	23%	1,794.96
Swiss Market Index	SMI	9%	8,993.51
S&P/ASX 200 Index	AS51	8%	6,116.187

* With respect to each Basket Component, its Closing Level on the Pricing Date.

CUSIP / ISIN: 89114QNC8 / US89114QNC86

Agent: TD Securities (USA) LLC (“TDS”)

Currency: U.S. Dollars

Minimum Investment: \$1,000 and minimum denominations of \$1,000 in excess thereof

Principal Amount: \$1,000 per Note; \$3,123,000 in the aggregate for all the offered Notes; the aggregate principal amount of the offered Notes may be increased if the Issuer, at its sole option, decides to sell an additional amount of the offered Notes on a date subsequent to the date of this pricing supplement.

Pricing Date: May 11, 2018

Issue Date: May 18, 2018

Valuation Date: July 13, 2020, subject to postponement for market disruption events and other disruptions, as described in “— Final Index Levels” below.

Maturity Date: July 15, 2020, subject to postponement for market disruption events and other disruptions, as described under “General Terms of the Notes — Maturity Date” on page PS-18 in the product prospectus supplement and in “— Final Index Levels” below.

For each \$1,000 Principal Amount of the Notes, we will pay you on the Maturity Date an amount in cash equal to:

if the Final Basket Level is *greater than* or *equal to* the Cap Level, the Maximum Payment Amount;

if the Final Basket Level is *greater than* the Initial Basket Level but *less than* the Cap Level, the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) the Leverage Factor *times* (c) the Percentage Change;

Payment at Maturity: if the Final Basket Level is *equal to* or *less than* the Initial Basket Level but *greater than* or *equal to* the Buffer Level, \$1,000; or

if the Final Basket Level is *less than* the Buffer Level, the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) the Downside Multiplier *times* (c) the *sum* of the Percentage Change *plus* the Buffer Percentage.

If the Final Basket Level is less than the Buffer Level, the investor will receive less than the Principal Amount of the Notes at maturity and may lose their entire Principal Amount.

All amounts used in or resulting from any calculation relating to the Notes, including the Payment at Maturity, will be rounded upward or downward as appropriate, to the nearest cent.

Leverage Factor:	220.00%
Cap Level:	132.50% of the Initial Basket Level
Buffer Percentage:	20.00%
Buffer Level:	80.00% of the Initial Basket Level
Downside Multiplier:	The quotient of the Initial Basket Level divided by the Buffer Level, which equals 125.00%
Maximum Payment Amount:	\$1,715.00 per \$1,000 Principal Amount of the Notes (171.500% of the Principal Amount of the Notes). As a result of the Maximum Payment Amount, the maximum return at maturity of the Notes is 71.500% of the Principal Amount of the Notes.
Percentage Change:	The quotient of (1) the Final Basket Level minus the Initial Basket Level <i>divided by</i> (2) the Initial Basket Level, expressed as a percentage.
Initial Basket Level:	100
Final Basket Level:	$100 \times [1 + (\text{the sum of the products of the Basket Component Return for each Basket Component multiplied by its Component Weighting})]$ With respect to each Basket Component:
Basket Component Return:	$\frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$
Initial Index Level:	With respect to each Basket Component, its Closing Level on the Pricing Date, as shown in the table above.

With respect to each Basket Component, its Closing Level on the Valuation Date, subject to adjustment as provided under “General Terms of the Notes — Unavailability of the Level of the Reference Asset” beginning on page PS-18 of the accompanying product prospectus supplement.

**Final
Index
Level:**

If the originally scheduled Valuation Date is not a Trading Day with respect to a Basket Component or a market disruption event with respect to a Basket Component occurs or is continuing on the originally scheduled Valuation Date, the Final Index Level for that Basket Component will be its Closing Level on the first Trading Day for such Basket Component following the originally scheduled Valuation Date on which the Calculation Agent determines that a market disruption event does not occur or is not continuing. If a market disruption event with respect to such Basket Component occurs or is continuing on each Trading Day to and including the tenth scheduled Trading Day following the originally scheduled Valuation Date, or if there are no Trading Days for a period of 10 scheduled Trading Days, the Final Index Level for that Basket Component will be determined (or, if not determinable, estimated by the Calculation Agent in a manner which is considered commercially reasonable under the circumstances) by the Calculation Agent on that tenth scheduled Trading Day, regardless of whether such day is a Trading Day or the occurrence or continuation of a market disruption event on that day. For the avoidance of doubt, if the originally scheduled Valuation Date is a Trading Day and no market disruption event exists on that day with respect to a Basket Component, the determination of that Basket Component’s Final Index Level will be made on the originally scheduled Valuation Date, irrespective of the non-Trading Day status or the existence of a market disruption event with respect to any other Basket Component. For the definition of a market disruption event, see “General Terms of the Notes — Market Disruption Events” beginning on page PS-19 of the product prospectus supplement. If the originally scheduled Valuation Date is postponed due to a non-Trading Day or a market disruption event for any Basket Component, the Maturity Date will be postponed to the second Business Day after the postponed Valuation Date. With respect to each Basket Component, its Closing Level will be the official closing level of that Basket Component or any successor index (as defined in the product prospectus supplement) published by the Index Sponsor (as defined in the product prospectus supplement) on any Trading Day for that Basket Component.

**Closing
Level:**

**Business
Day:**

Any day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law to close in New York City or Toronto.

A Trading Day with respect to a Basket Component means a day on which:

**Trading
Day:**

(A) the Eurex (as to the EURO STOXX 50[®] Index), the London Stock Exchange (as to the FTSE[®] 100 Index), the Tokyo Stock Exchange (as to TOPIX), the SIX Swiss Exchange (as to the Swiss Market Index), or the Australian Stock Exchange (as to the S&P/ASX 200 Index) (or any successor to the foregoing exchanges), as applicable, is open for trading; and

(B) that Basket Component or its successor thereto is calculated and published.

**U.S. Tax
Treatment:**

By purchasing a Note, each holder agrees, in the absence of a statutory or regulatory change or administrative or judicial ruling to the contrary, to characterize the Notes, for U.S. federal income tax purposes, as pre-paid derivative contracts with respect to the Basket. Based on certain factual representations received from us, in the opinion of our special U.S. tax counsel, Cadwalader, Wickersham & Taft LLP, it is reasonable to treat the Notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that your Notes could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization, such that the timing and character of your income from the Notes could differ materially from the treatment described above. Please see the discussion below under “Supplemental Discussion of U.S. Federal Income Tax Consequences”.

Canadian Tax Treatment: Please see the discussion in the product prospectus supplement under “Supplemental Discussion of Canadian Tax Consequences,” which applies to the Notes.

Calculation Agent: TD

Listing: The Notes will not be listed or displayed on any securities exchange or electronic communications network.

Clearance and Settlement: DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg) as described under “Forms of the Debt Securities” and “Book-Entry Procedures and Settlement” in the prospectus.

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Additional Terms of Your Notes

You should read this pricing supplement together with the prospectus, as supplemented by the product prospectus supplement, relating to our Senior Debt Securities, of which these Notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict the following hierarchy will govern: first, this pricing supplement; second, the product prospectus supplement; and last, the prospectus. ***The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this pricing supplement carefully.***

This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors” beginning on page P-8 of this pricing supplement, “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the product prospectus supplement and “Risk Factors” on page 1 of the prospectus, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the Securities and Exchange Commission (the “SEC”) website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

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Prospectus dated June 30, 2016:

<https://www.sec.gov/Archives/edgar/data/947263/000119312516638441/d162493d424b3.htm>

§

Product Prospectus Supplement MLN-EI-1 dated June 30, 2016:

https://www.sec.gov/Archives/edgar/data/947263/000089109216015847/e70323_424b2.htm

Our Central Index Key, or CIK, on the SEC website is 0000947263. As used in this pricing supplement, the “Bank,” “we,” “us,” or “our” refers to The Toronto-Dominion Bank and its subsidiaries. Alternatively, The Toronto-Dominion Bank, any agent or any dealer participating in this offering will arrange to send you the product prospectus supplement and the prospectus if you so request by calling 1-855-303-3234.

Additional Risk Factors

The Notes involve risks not associated with an investment in conventional debt securities. This section describes the most significant risks relating to the terms of the Notes. For additional information as to these risks, please see “Additional Risk Factors Specific to the Notes” beginning on page PS-5 in the product prospectus supplement and “Risk Factors” on page 1 in the prospectus.

You should carefully consider whether the Notes are suited to your particular circumstances before you decide to purchase them. Accordingly, prospective investors should consult their investment, legal, tax, accounting and other advisors as to the risks entailed by an investment in the Notes and the suitability of the Notes in light of their particular circumstances.

Principal at Risk.

Investors in the Notes could lose their entire Principal Amount if there is a decline in the level of the Basket by more than the Buffer Percentage. If the Final Basket Level is less than the Initial Basket Level by more than 20.00%, you will lose a portion of each \$1,000 Principal Amount in an amount equal to (i) the Downside Multiplier times (ii) the *sum* of the negative Percentage Change *plus* the Buffer Percentage *times* (iii) \$1,000. Specifically, you will lose 1.25% of the Principal Amount of each of your Notes for every 1% that the Final Basket Level is less than the Initial Basket Level in excess of the Buffer Percentage and you may lose your entire Principal Amount.

The Notes Do Not Pay Interest and Your Return on the Notes May Be Less Than the Return on Conventional Debt Securities of Comparable Maturity.

There will be no periodic interest payments on the Notes as there would be on a conventional fixed-rate or floating-rate debt security having the same term. The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you would earn if you bought a conventional senior interest bearing debt security of TD.

Your Potential Return on the Notes Is Limited by the Maximum Payment Amount and May Be Less Than the Return on a Direct Investment In the Basket Components.

The opportunity to participate in the possible increases in the level of the Basket through an investment in the Notes will be limited because the Payment at Maturity will not exceed the Maximum Payment Amount. Furthermore, the effect of the Leverage Factor will not be taken into account for any Final Basket Level exceeding the Cap Level no matter how much the level of the Basket may rise above the Cap Level. Accordingly, your return on the Notes may be less than your return would be if you made an investment in a security directly linked to the performance of the Basket Components.

Changes in the Level of One Basket Component May Be Offset by Changes in the Level of the Other Basket Components.

A change in the level of one Basket Component may not correlate with changes in the levels of the other Basket Components. The level of one or more Basket Components may increase while the level of one or more other Basket Components may not increase as much, or may even decrease. Therefore, in determining the level of the Basket as of any time, increases in the level of one Basket Component may be moderated, or wholly offset, by lesser increases or decreases in the level of one or more other Basket Components. Because the weightings of the Basket Components are not equal, the performances of the EURO STOXX 50[®] Index, the FTSE[®] 100 Index and TOPIX will have a significantly larger impact on your return on the Notes than the performance of the Swiss Market Index or the S&P/ASX 200 Index.

Investors Are Subject to TD's Credit Risk, and TD's Credit Ratings and Credit Spreads May Adversely Affect the Market Value of the Notes.

Although the return on the Notes will be based on the performance of the Basket, the payment of any amount due on the Notes is subject to TD's credit risk. The Notes are TD's unsecured debt obligations. Investors are dependent on TD's ability to pay all amounts due on the Notes on the Maturity Date and, therefore, investors are subject to the credit risk of TD and to changes in the market's view of TD's creditworthiness. Any decrease in TD's credit ratings or increase in the credit spreads charged by the market for taking TD's credit risk is likely to adversely affect the market value of the Notes. If TD becomes unable to meet its financial obligations as they become due, you may not receive any amounts due under the terms of the Notes.

The Agent Discount, if any, Offering Expenses and Certain Hedging Costs Are Likely to Adversely Affect Secondary Market Prices.

Assuming no changes in market conditions or any other relevant factors, the price, if any, at which you may be able to sell the Notes will likely be lower than the public offering price. The public offering price includes, and any price quoted to you is likely to exclude, offering expenses as well as the cost of hedging our obligations under the Notes. In addition, any such

price is also likely to reflect any dealer discounts, mark-ups and other transaction costs, such as a discount to account for costs associated with establishing or unwinding any related hedge transaction. In addition, if the dealer from which you purchase Notes, or one of its affiliates, is to conduct hedging activities for us in connection with the Notes, that dealer, or one of its affiliates, may profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the dealer receives for the sale of the Notes to you. You should be aware that the potential for that dealer or one of its affiliates to earn fees in connection with hedging activities may create a further incentive for that dealer to sell the Notes to you in addition to any compensation they would receive for the sale of the Notes.

There May Not Be an Active Trading Market for the Notes — Sales in the Secondary Market May Result in Significant Losses.

There may be little or no secondary market for the Notes. The Notes will not be listed or displayed on any securities exchange or electronic communications network. TDS and our or their respective affiliates may make a market for the Notes; however, they are not required to do so. TDS and our affiliates may stop any market-making activities at any time. Even if a secondary market for the Notes develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and ask prices for your Notes in any secondary market could be substantial.

If you sell your Notes before the Maturity Date, you may have to do so at a substantial discount from the public offering price irrespective of the levels of the Basket Components and, as a result, you may suffer substantial losses.

If the Level of the Basket Components Change, the Market Value of Your Notes May Not Change in the Same Manner.

Your Notes may trade quite differently from the performance of the Basket Components. Changes in the levels of the Basket Components may not result in a comparable change in the market value of your Notes. Even if the levels of the Basket Components increase above the Initial Index Levels during the life of the Notes, the market value of your Notes may not increase by the same amount and could decline.

The Payment at Maturity Is Not Linked to the Levels of the Basket Components at Any Time Other than the Valuation Date.

The Final Basket Level will be based on the Closing Levels of the Basket Components on the Valuation Date (subject to adjustment as described elsewhere in this pricing supplement). Therefore, if the Closing Levels of the Basket Components dropped precipitously on the Valuation Date, the Payment at Maturity for your Notes may be significantly less than it would have been had the Payment at Maturity been linked to the Closing Levels of the Basket Components prior to such drop in the levels of the Basket Components. Although the actual levels of the Basket Components on the Maturity Date or at other times during the life of your Notes may be higher than their levels on the Valuation Date, you will only benefit from the Closing Levels of the Basket Components on the Valuation Date.

We May Sell an Additional Aggregate Principal Amount of the Notes at a Different Public Offering Price.

At our sole option, we may decide to sell an additional aggregate Principal Amount of the Notes subsequent to the date of this pricing supplement. The public offering price of the Notes in the subsequent sale may differ substantially (higher or lower) from the original public offering price you paid as provided on the cover of this pricing supplement.

If You Purchase Your Notes at a Premium to Principal Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Principal Amount and the Impact of Certain Key Terms of the Notes Will be Negatively Affected.

The Payment at Maturity will not be adjusted based on the public offering price you pay for the Notes. If you purchase Notes at a price that differs from the Principal Amount of the Notes, then the return on your investment in such Notes held to the Maturity Date will differ from, and may be substantially less than, the return on Notes purchased at Principal Amount. If you purchase your Notes at a premium to Principal Amount and hold them to the Maturity Date, the return on your investment in the Notes will be lower than it would have been had you purchased the Notes at Principal Amount or a discount to Principal Amount. In addition, the impact of the Buffer Level and the Cap Level on the return on your investment will depend upon the price you pay for your Notes relative to Principal Amount. For example, if you purchase your Notes at a premium to Principal Amount, the Cap Level will only permit a lower positive return on your investment in the Notes than would have been the case for Notes purchased at Principal Amount or a discount to Principal Amount. Similarly, the Buffer Level, while still providing some protection for the return on the Notes, will allow a greater percentage decrease in your investment in the Notes than would have been the case for Notes purchased at Principal Amount or a discount to Principal Amount.

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You Will Not Have Any Rights to the Securities Included in Any Basket Component.

As a holder of the Notes, you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of securities included in a Basket Component (the “Basket Component Constituents”) would have. The Final Basket Level will not reflect any dividends paid on any Basket Component Constituents.

We Have No Affiliation with Any Index Sponsor and Will Not Be Responsible for Any Actions Taken by Any Index Sponsor.

No Index Sponsor is an affiliate of ours or will be involved in any offerings of the Notes in any way. Consequently, we have no control of any actions of an Index Sponsor, including any actions of the type that would require the Calculation Agent to adjust the Payment at Maturity. No Index Sponsor has any obligation of any sort with respect to the Notes. Thus, no Index Sponsor has any obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the Notes. None of our proceeds from any issuance of the Notes will be delivered to any Index Sponsor, except to the extent that we are required to pay an Index Sponsor licensing fees with respect to the relevant Basket Component.

Trading and Business Activities by TD and Our Affiliates May Adversely Affect the Market Value of the Notes.

TD and our affiliates may hedge our obligations under the Notes by purchasing securities, futures, options or other derivative instruments with returns linked or related to changes in the levels of the Basket Components or the prices of one or more Basket Component Constituents, and we or they may adjust these hedges by, among other things, purchasing or selling securities, futures, options or other derivative instruments at any time. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the Notes declines. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the applicable Basket Components or one or more Basket Component Constituents.

These trading activities may present a conflict between the holders’ interest in the Notes and the interests we and our affiliates will have in our or their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for our or their customers’ accounts and in accounts under our or their management. These trading activities could be adverse to the interests of the holders of the Notes.

We and our affiliates may, at present or in the future, engage in business with one or more issuers of a Basket Component Constituent (a “Basket Component Constituent Issuer”), including making loans to or providing advisory services to those companies. These services could include investment banking and merger and acquisition advisory services. These business activities may present a conflict between us and our affiliates obligations, and your interests as a holder of the Notes. Moreover, we, and our affiliates may have published, and in the future expect to publish, research reports with respect to one or more Basket Components or Basket Component Constituent Issuers. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these business activities by us or one or more of our affiliates may affect the level of one or more Basket Components or one or more Basket Component Constituents and, therefore, the market value of the Notes.

TD’s and TDS’s Estimated Value of the Notes are Determined By Reference to TD’s Internal Funding Rates and are Not Determined By Reference to Credit Spreads or the Borrowing Rate TD Would Pay for its Conventional Fixed-Rate Debt Securities.

TD’s initial estimated value of the Notes and TDS’s estimated value of the Notes at any time are determined by reference to TD’s internal funding rate. The internal funding rate used in the determination of the estimated value of the Notes generally represents a discount from the credit spreads for TD’s conventional fixed-rate debt securities and

the borrowing rate TD would pay for its conventional fixed-rate debt securities. This discount is based on, among other things, TD's view of the funding value of the Notes as well as the higher issuance, operational and ongoing liability management costs of the Notes in comparison to those costs for TD's conventional fixed-rate debt, as well as estimated financing costs of any hedge positions, taking into account regulatory and internal requirements. If the interest rate implied by the credit spreads for TD's conventional fixed-rate debt securities, or the borrowing rate TD would pay for its conventional fixed-rate debt securities were to be used, TD would expect the economic terms of the Notes to be more favorable to you. Additionally, assuming all other economic terms are held constant, the use of an internal funding rate for the Notes is expected to increase the estimated value of the Notes at any time.

TD's Initial Estimated Value of the Notes Does Not Represent Future Values of the Notes and May Differ From Others' (Including TDS's) Estimates.

TD's initial estimated value of the Notes was determined by reference to its internal pricing models when the terms of the Notes were set. These pricing models take into account a number of variables, such as TD's internal funding rate on the

Pricing Date, and are based on a number of assumptions as discussed further under “Additional Information Regarding the Estimated Value of the Notes” on page P-2. Different pricing models and assumptions (including the pricing models and assumptions used by TDS) could provide valuations for the Notes that are different, and perhaps materially lower, from TD’s initial estimated value. Therefore, the price at which TDS would buy or sell your Notes (if TDS makes a market, which it is not obligated to do) may be materially lower than TD’s initial estimated value. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect.

The Estimated Value of the Notes Is Not a Prediction of the Prices at Which You May Sell Your Notes in the Secondary Market, If Any, and Such Secondary Market Prices, If Any, Will Likely Be Lower Than the Public Offering Price of Your Notes and May Be Lower Than the Estimated Value of Your Notes.

The estimated value of the Notes is not a prediction of the prices at which TDS, other affiliates of ours or third parties may be willing to purchase the Notes from you in secondary market transactions (if they are willing to purchase, which they are not obligated to do). The price at which you may be able to sell your Notes in the secondary market at any time, if any, will be influenced by many factors that cannot be predicted, such as market conditions, and any bid and ask spread for similar sized trades, and may be substantially less than the estimated value of the Notes. Further, as secondary market prices of your Notes take into account the levels at which our debt securities trade in the secondary market, and do not take into account our various costs and expected profits associated with selling and structuring the Notes, as well as hedging our obligations under the Notes, secondary market prices of your Notes will likely be lower than the public offering price of your Notes. As a result, the price at which TDS, other affiliates of ours or third parties may be willing to purchase the Notes from you in secondary market transactions, if any, will likely be lower than the price you paid for your Notes, and any sale prior to the Maturity Date could result in a substantial loss to you.

The Temporary Price at Which TDS May Initially Buy the Notes in the Secondary Market May Not Be Indicative of Future Prices of Your Notes.

Assuming that all relevant factors remain constant after the Pricing Date, the price at which TDS may initially buy or sell the Notes in the secondary market (if TDS makes a market in the Notes, which it is not obligated to do) may exceed the estimated value of the Notes on the Pricing Date, as well as the secondary market value of the Notes, for a temporary period after the Pricing Date of the Notes, as discussed further under “Additional Information Regarding the Estimated Value of the Notes.” The price at which TDS may initially buy or sell the Notes in the secondary market may not be indicative of future prices of your Notes.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors.

When we refer to the market value of your Notes, we mean the value that you could receive for your Notes if you chose to sell them in the open market before the Maturity Date. A number of factors, many of which are beyond our control, will influence the market value of your Notes, including:

- the levels of the Basket Components;
- the volatility – i.e., the frequency and magnitude of changes – in the level of the Basket;
- the dividend rates, if applicable, of the Basket Component Constituents;
- economic, financial, regulatory and political, military or other events that may affect the prices of any of the Basket Component Constituents and thus the level of the Basket;
- the correlation among the Basket Components;
- interest rate and yield rates in the market;
- the time remaining until your Notes mature;
- any fluctuations in the exchange rate between currencies in which the Basket Component Constituents are quoted and traded and the U.S. dollar, as applicable; and
-

our creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or changes in other credit measures.

These factors will influence the price you will receive if you sell your Notes before maturity, including the price you may receive for your Notes in any market-making transaction. If you sell your Notes prior to maturity, you may receive less than the Principal Amount of your Notes.

The future levels of the Basket cannot be predicted. The actual change in the level of the Basket over the life of the Notes, as well as the Payment at Maturity, may bear little or no relation to the hypothetical historical closing levels of the Basket or to the hypothetical examples shown elsewhere in this pricing supplement.

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Investment in the Offered Notes Is Subject to Risks Associated with Non-U.S. Securities Markets.

The value of your Notes is linked to Basket Components which include Basket Component Constituents traded in one or more non-U.S. securities markets. Investments linked to the value of non-U.S. equity securities involve particular risks. Any non-U.S. securities market may be less liquid, more volatile and affected by global or domestic market developments in a different way than are the U.S. securities market or other non-U.S. securities markets. Both government intervention in a non-U.S. securities market, either directly or indirectly, and cross-shareholdings in non-U.S. companies, may affect trading prices and volumes in that market. Also, there is generally less publicly available information about non-U.S. companies than about those U.S. companies that are subject to the reporting requirements of the SEC. Further, non-U.S. companies are likely subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The prices of securities in a non-U.S. country are subject to political, economic, financial and social factors that are unique to such non-U.S. country's geographical region. These factors include: recent changes, or the possibility of future changes, in the applicable non-U.S. government's economic and fiscal policies; the possible implementation of, or changes in, currency exchange laws or other laws or restrictions applicable to non-U.S. companies or investments in non-U.S. equity securities; fluctuations, or the possibility of fluctuations, in currency exchange rates; and the possibility of outbreaks of hostility, political instability, natural disaster or adverse public health developments. The United Kingdom has voted to leave the European Union (popularly known as "Brexit"). The effect of Brexit is uncertain, and Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the euro and British pound in particular. Any one of these factors, or the combination of more than one of these or other factors, could negatively affect such non-U.S. securities market and the prices of securities therein. Further, geographical regions may react to global factors in different ways, which may cause the prices of securities in a non-U.S. securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or other non-U.S. securities markets. Non-U.S. economies may also differ from the U.S. economy in important respects, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency, which may have a positive or negative effect on non-U.S. securities prices.

Your Notes Are Linked to Basket Components that are comprised of Basket Component Constituents that Are Traded in Non-U.S. Currencies But Are Not Adjusted to Reflect Their U.S. Dollar Value, Therefore, the Return on Your Notes Will Not Be Adjusted for Changes in Exchange Rates.

Because your Notes are linked to Basket Components with Basket Component Constituents that are traded in non-U.S. currencies but are not adjusted to reflect their U.S. dollar value, the Payment at Maturity will not be adjusted for changes in the applicable non-U.S. currency/U.S. dollar exchange rates. The Payment at Maturity will be based solely upon the overall change in the levels of the Basket Components over the life of your Notes. Changes in exchange rates, however, may reflect changes in the economy of the countries in which the Basket Component Constituents are listed that, in turn, may affect the level of the relevant Basket Component, and therefore the Basket.

As of the Date of this Pricing Supplement, There is No Actual History for the Closing Levels of the Basket.

The Payment at Maturity, if any, for each of your Notes is linked to the Percentage Change in the Basket, which will begin to be calculated on the Pricing Date. Since there will be no actual history for the closing levels of the Basket, no actual historical information about the Closing Levels of the Basket will be available for you to consider in making an independent investigation of the performance of the Basket, which may make it difficult for you to make an informed decision with respect to an investment in your Notes.

Hypothetical Past Basket Performance is No Guide to Future Performance.

The actual performance of the Basket over the life of the Notes, as well as the Payment at Maturity, may bear little relation to the hypothetical historical closing levels of the Basket (when available) or to the hypothetical return examples set forth elsewhere in this pricing supplement. The future performance of the Basket cannot be predicted.

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There Are Potential Conflicts of Interest Between You and the Calculation Agent.

The Calculation Agent will, among other things, determine the amount of your payment on the Notes. We will serve as the Calculation Agent and may appoint a different Calculation Agent after the Issue Date without notice to you. The Calculation Agent will exercise its judgment when performing its functions and may take into consideration our ability to unwind any related hedges. Since this discretion by the Calculation Agent may affect payments on the Notes, the Calculation Agent may have a conflict of interest if it needs to make any such decision. For example, the Calculation Agent may have to determine whether a market disruption event affecting a Basket Component has occurred. This determination may, in turn, depend on the Calculation Agent's judgment whether the event has materially interfered with our ability or the ability of one of our affiliates to unwind our hedge positions. Since this determination by the Calculation Agent will affect the payment on the Notes, the Calculation Agent may have a conflict of interest if it needs to make a determination of this kind. For additional information as to the Calculation Agent's role, see "General Terms of the Notes — Role of Calculation Agent" in the product prospectus supplement.

Market Disruption Events and Adjustments.

The Valuation Date, and therefore the Maturity Date, are subject to postponement as described in the product prospectus supplement due to the occurrence of one or more market disruption events. For a description of what constitutes a market disruption event as well as the consequences of that market disruption event, see "General Terms of the Notes—Market Disruption Events" in the product prospectus supplement and "Summary—Final Index Levels" herein.

Significant Aspects of the Tax Treatment of the Notes Are Uncertain.

Significant aspects of the U.S. tax treatment of the Notes are uncertain. You should consult your tax advisor about your tax situation and should read carefully the section entitled "Supplemental Discussion of U.S. Federal Income Tax Consequences" below.

For a more complete discussion of the Canadian federal income tax consequences of investing in the Notes, please see the discussion in the product prospectus supplement under "Supplemental Discussion of Canadian Tax Consequences".

If you are not a Non-resident Holder (as that term is defined in the prospectus) for Canadian federal income tax purposes or if you acquire the Notes in the secondary market, you should consult your tax advisors as to the consequences of acquiring, holding and disposing of the Notes and receiving the payments that might be due under the Notes.

Hypothetical Returns

The examples and graph set out below are included for illustration purposes only. They should not be taken as an indication or prediction of future investment results and merely are intended to illustrate the impact that the various hypothetical Basket levels on the Valuation Date could have on the Payment at Maturity assuming all other variables remain constant.

The examples below are based on a range of Final Basket Levels and Final Index Levels that are entirely hypothetical; the Basket level on any day throughout the life of the Notes, including the Final Basket Level on the Valuation Date, cannot be predicted. The Basket Components have been highly volatile in the past — meaning that the levels of the Basket Components have changed considerably in relatively short periods — and the performance of the Basket cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered Notes assuming that they are purchased on the Issue Date at the Principal Amount and held to the Maturity Date. If you sell your Notes in a secondary market prior to the Maturity Date, your return will depend upon the market value of your Notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below, such as interest rates, the volatility of the Basket Components and our creditworthiness. In addition, the estimated value of your Notes at the time the terms of your Notes are set on the Pricing Date is greater than the original public offering price of your Notes. For more information on the estimated value of your Notes, see “Additional Risk Factors — The Estimated Value of the Notes Is Not a Prediction of the Prices at Which You May Sell Your Notes in the Secondary Market, If Any, and Such Secondary Market Prices, If Any, Will Likely be Lower Than the Public Offering Price of Your Notes and May Be Lower Than the Estimated Value of Your Notes.” on page P-11 of this pricing supplement. The information in the examples also reflect the key terms and assumptions in the box below.

Key Terms and Assumptions

Principal Amount	\$1,000
Initial Basket Level	100
Leverage Factor	220.00%
Cap Level	132.50% of the Initial Basket Level
Maximum Payment Amount	\$1,715.00
Buffer Level	80.00% of the Initial Basket Level
Downside Multiplier	125.00%
Buffer Percentage	20.00%
Neither a market disruption event nor a non-Trading Day occurs with respect to any Basket Component on the originally scheduled Valuation Date	
No change in or affecting any of the Basket Components or the method by which an Index Sponsor calculates the relevant Basket Component	
Notes purchased on the Issue Date at the Principal Amount and held to the Maturity Date	

The actual performance of the Basket over the life of your Notes, as well as the Payment at Maturity, if any, may bear little relation to the hypothetical examples shown below or to the hypothetical levels of the Basket or the historical levels of the Basket Components shown elsewhere in this pricing supplement. For information about the historical levels of the Basket Components and the hypothetical levels of the Basket during recent periods, see “Information Regarding the Basket Components — Historical Information of the Basket Components” and “Information Regarding the Basket Components — Hypothetical Information of the Basket” below.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your Notes, tax liabilities could affect the after-tax rate of return on your Notes to a

comparatively greater extent than the after-tax return on the Basket Components.

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The levels in the left column of the table below represent hypothetical Final Basket Levels and are expressed as percentages of the Initial Basket Level. The amounts in the right column represent the hypothetical Payment at Maturity, based on the corresponding hypothetical Final Basket Level, and are expressed as percentages of the Principal Amount of a Note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical Payment at Maturity of 100.000% means that the value of the cash payment that we would deliver for each \$1,000 of the outstanding Principal Amount of the offered Notes on the Maturity Date would equal 100.000% of the Principal Amount of a Note, based on the corresponding hypothetical Final Basket Level and the assumptions noted above.

Hypothetical Final Basket Level (as Percentage of Initial Basket Level)	Hypothetical Payment at Maturity (as Percentage of Principal Amount)
150.000%	171.500%
140.000%	171.500%
132.500%	171.500%
120.000%	144.000%
110.000%	122.000%
105.000%	111.000%
100.000%	100.000%
95.000%	100.000%
90.000%	100.000%
80.000%	100.000%
75.000%	93.750%
50.000%	62.500%
25.000%	31.250%
0.000%	0.000%

If, for example, the Final Basket Level were determined to be 25.000% of the Initial Basket Level, the Payment at Maturity that we would deliver on your Notes at maturity would be 31.250% of the Principal Amount of your Notes, as shown in the table above. As a result, if you purchased your Notes on the Issue Date at the Principal Amount and held them to the Maturity Date, you would lose 68.750% of your investment (if you purchased your Notes at a premium to Principal Amount you would lose a correspondingly higher percentage of your investment). If the Final Basket Level were determined to be 0.000% of the Initial Basket Level, you would lose 100.000% of your investment in the Notes. In addition, if the Final Basket Level were determined to be 150.000% of the Initial Basket Level, the Payment at Maturity that we would deliver on your Notes at maturity would be capped at the Maximum Payment Amount, or 171.500% of each \$1,000 Principal Amount of your Notes, as shown in the table above. As a result, if you held your Notes to the Maturity Date, you would not benefit from any increase in the Final Basket Level of greater than 132.500% of the Initial Basket Level.

The following examples illustrate the hypothetical Payment at Maturity for each Note based on hypothetical Final Basket Levels and hypothetical Final Index Levels of the Basket Components, calculated based on the key terms and assumptions above.

The levels in Column A represent hypothetical Initial Index Levels for each Basket Component, and the levels in Column B represent hypothetical Final Index Levels for each Basket Component. The percentages in Column C represent hypothetical Basket Component Returns for each Basket Component. The amounts in Column D represent the applicable weightings of each Basket Component, and the amounts in Column E represent the *products* of the percentages in Column C *times* the corresponding amounts in Column D. The Final Basket Level for each example is shown beneath each example, and will equal 100 multiplied by the sum of one plus the *sum* of the amounts shown in Column E, and the Percentage Change for each example will equal the *quotient* of (i) the Final Basket Level for such example *minus* the Initial Basket Level *divided* by (ii) the Initial Basket Level, expressed as a percentage. The values below have been rounded for ease of analysis.

The hypothetical Initial Index Level for each Basket Component of 100.00 has been chosen for illustrative purposes only and does not represent the Initial Index Level for any Basket Component. Because each hypothetical Initial Index Level has been set to 100.00, these examples do not accurately reflect the differences in the levels of the Basket Components. For historical data regarding the actual historical levels of the Basket Components, please see the historical information set forth below under “Information Regarding the Basket Components — Historical Information of the Basket Components”.

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Example 1: The Final Basket Level is greater than the Cap Level. The Payment at Maturity equals the Maximum Payment Amount.

	Column A	Column B	Column C	Column D	Column E
Basket Component	Hypothetical Initial Index Level	Hypothetical Final Index Level	Basket Component Return	Component Weighting	Column C x Column D
EURO STOXX 50 [®] Index	100.00	175.00	75.00%	37.00%	0.2775
FTSE [®] 100 Index	100.00	175.00	75.00%	23.00%	0.1725
TOPIX	100.00	175.00	75.00%	23.00%	0.1725
Swiss Market Index	100.00	175.00	75.00%	9.00%	0.0675
S&P/ASX 200 Index	100.00	175.00	75.00%	8.00%	0.0600
Final Basket Level = 100 x [1 + (0.2775 + 0.1725 + 0.1725 + 0.0675 + 0.0600)] = 175.00					

In this example, all of the hypothetical Final Index Levels for the Basket Components are greater than the applicable hypothetical Initial Index Levels, which results in the hypothetical Final Basket Level being greater than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level of 175.00 is greater than the Cap Level, the hypothetical Payment at Maturity that we would deliver on your Notes would be capped at the Maximum Payment Amount of \$1,715.00 for each \$1,000 Principal Amount of your Notes (i.e. 171.500% of each \$1,000 Principal Amount of your Notes).

Example 2: The Final Basket Level is greater than the Initial Basket Level but less than the Cap Level.

	Column A	Column B	Column C	Column D	Column E
Basket Component	Hypothetical Initial Index Level	Hypothetical Final Index Level	Basket Component Return	Component Weighting	Column C x Column D
EURO STOXX 50 [®] Index	100.00	101.00	1.00%	37.00%	0.0037
FTSE [®] 100 Index	100.00	102.00	2.00%	23.00%	0.0046
TOPIX	100.00	103.00	3.00%	23.00%	0.0069
Swiss Market Index	100.00	120.00	20.00%	9.00%	0.0180
S&P/ASX 200 Index	100.00	135.00	35.00%	8.00%	0.0280
Final Basket Level = 100 x [1 + (0.0037 + 0.0046 + 0.0069 + 0.0180 + 0.0280)] = 106.12					

Percentage Change = (106.12 – 100.00) / 100.00 = 6.12%

In this example, all of the hypothetical Final Index Levels for the Basket Components are greater than the applicable hypothetical Initial Index Levels, which results in the hypothetical Final Basket Level being greater than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level of 106.12 is greater than the Initial Basket Level but less than the Cap Level, the hypothetical Payment at Maturity for each \$1,000 Principal Amount of your Notes will equal:

Payment at Maturity = \$1,000 + (\$1,000 × 220.00% × 6.12%) = \$1,134.64

Example 3: The Final Basket Level is less than the Initial Basket Level, but greater than the Buffer Level. The Payment at Maturity equals the \$1,000 Principal Amount.

	Column A	Column B	Column C	Column D	Column E
Basket Component	Hypothetical Initial Index Level	Hypothetical Final Index Level	Basket Component Return	Component Weighting	Column C x Column D
EURO STOXX 50® Index	100.00	95.00	-5.00%	37.00%	-0.0185
FTSE® 100 Index	100.00	95.00	-5.00%	23.00%	-0.0115
TOPIX	100.00	95.00	-5.00%	23.00%	-0.0115
Swiss Market Index	100.00	95.00	-5.00%	9.00%	-0.0045
S&P/ASX 200 Index	100.00	95.00	-5.00%	8.00%	-0.0040

Final Basket Level = $100 \times [1 + (-0.0185 + -0.0115 + -0.0115 + -0.0045 + -0.0040)] = 95.00$

In this example, all of the hypothetical Final Index Levels for the Basket Components are less than the applicable Initial Index Levels, which results in the hypothetical Final Basket Level being less than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level of 95.00 is less than the Initial Basket Level but greater than the Buffer Level, the

hypothetical Payment at Maturity for each \$1,000 Principal Amount of your Notes will equal the Principal Amount of the Note, or \$1,000.

Example 4: The Final Basket Level is less than the Buffer Level. The Payment at Maturity is less than the \$1,000 Principal Amount.

In addition to being eligible for discretionary cash bonuses, Mr. Garcia's employment agreement provides that he will receive a cash bonus of up to \$100,000 on November 1, 2009 and 2010, so long as he remains employed by us on such dates.

Long-Term, Equity-Based Compensation

Prior to and in connection with our initial public offering, we granted executive officers stock options subject to three-year annual vesting beginning on May 16, 2008 and, in one instance, restricted stock subject to three-year annual vesting beginning on May 16, 2008. Our Compensation Committee has engaged the services of the compensation consulting firm Pearl Meyer & Partners and is exploring changes to the executive compensation structure.

Change-in-Control Severance Payments

CAI has entered into written agreements with Mr. Ogawa, Mr. Nishibori and Mr. Garcia pursuant to which they will receive severance benefits in the event their employment terminates other than for cause or as a result of death or disability and additional severance benefits in the event their employment terminates within 12 months following a change in control of CAI. We provided these benefits to attract and retain qualified executive officers who could obtain similar positions at other companies. These potential payments are discussed further under "Potential Payments Upon Termination or Change in Control" below.

Other Benefits

Our named executive officers are eligible to participate in all our employee benefit plans, such as medical, dental, vision, group life, disability and our 401(k) plan, in each case on the same basis as other employees. In addition, we pay for additional life insurance policies for certain of our named executive officers. We also pay golf club monthly dues for certain of our executive officers. All of these other benefits are included as part of the benefits package to retain highly qualified executives. We also provide vacation and other paid holidays to all employees, including our executive officers.

Summary Compensation Table

The following table provides information concerning compensation for services rendered to us in all capacities for the years indicated below by our Chief Executive Officer, our Chief Financial Officer and three other highly compensated executive officers whose total compensation exceeded \$100,000 for the year (the named Executive Officers).

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan	All Other	Total (\$)
						Compensation (\$)	Compensation (\$)	
Hiromitsu Ogawa <i>Executive Chairman</i>	2008	\$ 536,392	\$ (2)	\$	\$	\$ (2)	\$ 85,038 ⁽²⁾	\$ 621,430
	2007	\$ 525,874	\$	\$	\$	\$ (2)	\$ 43,583 ⁽²⁾	\$ 569,457
	2006	\$ 515,761	\$	\$	\$	\$ 251,000	\$ 53,910 ⁽²⁾	\$ 820,671
Masaaki (John) Nishibori <i>President and Chief Executive Officer</i>	2008	\$ 529,981	\$ 277,190	\$	\$ 402,754	\$	\$ 67,870 ⁽³⁾	\$ 1,277,795
	2007	\$ 477,944	\$	\$	\$ 251,721	\$ 231,500	\$ 27,588 ⁽³⁾	\$ 988,753
	2006	\$ 432,701	\$	\$	\$	\$ 176,474	\$ 29,069 ⁽³⁾	\$ 638,244
				\$				
Victor M. Garcia <i>Senior Vice President and Chief Financial Officer</i>	2008	\$ 323,833	\$ 237,200	\$	\$ 201,702	\$	\$ 33,501 ⁽⁴⁾	\$ 796,236
	2007	\$ 303,333	\$ 228,000	\$	\$ 126,064	\$	\$ 31,707 ⁽⁴⁾	\$ 689,104
	2006	\$ 50,000	\$ 120,000	\$	\$	\$	\$ 3,930 ⁽⁴⁾	\$ 173,930
Camille Cutino <i>Vice President, Operations</i>	2008	\$ 164,800	\$ 50,000	\$ 6,600	\$	\$	\$ 27,469 ⁽⁵⁾	\$ 248,869
	2007	\$ 144,968	\$ 40,000	\$ 4,125	\$	\$	\$ 4,984 ⁽⁵⁾	\$ 194,077
	2006	\$ 124,847	\$ 13,535	\$	\$	\$	\$ 6,719 ⁽⁵⁾	\$ 145,101
Frederic M. Bauthier ⁽⁷⁾ <i>Former Senior Vice President, Marketing</i>	2008	\$ 131,942	\$ 9,937	\$	\$ 68,806	\$	\$ 14,797 ⁽⁶⁾	\$ 225,482
	2007	\$ 280,235	\$ 100,000	\$	\$ 114,677	\$	\$ 10,110 ⁽⁶⁾	\$ 505,022
	2006	\$ 255,501	\$ 73,060	\$	\$	\$	\$ 11,031 ⁽⁶⁾	\$ 339,592

(1) These amounts reflect the stock compensation expense recognized for financial statement reporting purposes for the year under FAS 123R for stock options and stock awards granted in 2007, excluding the effect of estimated forfeitures. These amounts do not reflect amounts paid to or realized by the named executive officer for the year. No stock options or stock awards were granted in 2008 to each of the above executive officers. For information on the method and assumptions used to calculate the compensation costs, see Note 11 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2007.

(2) Mr. Ogawa waived his bonus for 2007 and 2008, including any Non-Equity Incentive Plan Compensation for 2007. Other compensation for 2008 includes \$20,872 for health and dental insurance, \$1,525 for life and disability insurance, \$29,000 in life insurance premiums, \$8,220 in golf club dues, \$20,500 for 401(k) matching and \$4,920 in office parking fees.

(3) Other compensation for 2008 includes \$16,504 for health and dental insurance, \$1,610 for life and disability insurance, \$15,722 in life insurance premiums, \$9,248 in golf club dues, \$19,866 for 401(k) matching and \$4,920 in office parking fees.

(4) Other compensation for 2008 includes \$14,187 for health and dental insurance, \$1,610 for life and disability insurance, \$380 in life insurance premiums, \$12,404 for 401(k) matching and \$4,920 in office parking fees.

- (5) Other compensation for 2008 includes \$14,271 for health and dental insurance, \$1,502 for life and disability insurance, \$184 in life insurance premiums, \$ 6,592 for 401(k) matching and \$4,920 in office parking fees.
- (6) Other compensation for 2008 includes \$6,636 for health and dental insurance, \$664 for life and disability insurance, \$1,140 in golf club fees, \$4,306 for 401(k) matching and \$2,050 in office parking fees.
- (7) Mr. Bauthier resigned from CAI on May 19, 2008.

2008 Grants of Plan-Based Awards Table

The following table provides information regarding grants of plan based awards for each of our Named Executive Officers for 2008.

Name	Type of Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		
			Threshold (\$)	Target (\$)	Maximum (\$)
Hiromitsu Ogawa	Annual Incentive Award	1/1/08	\$ 54,691	\$ 218,764	\$ 546,909
Masaaki (John) Nishibori	Annual Incentive Award	1/1/08	\$ 53,000	\$ 212,000	\$ 530,000
Victor M. Garcia					
Camille Cutino					
Frederic Bauthier					

Payouts under the Non-Equity Incentive Plan are paid in March of each year based on performance from the previous fiscal year. Mr. Ogawa waived his right to receive his 2007 and 2008 bonus under the Non-Equity Incentive Plan. Mr. Nishibori received \$231,500 in cash bonuses under the plan based on CAI's 2007 financial performance. Mr. Nishibori did not receive any bonus in 2008 under the Non-Equity Incentive Plan although he did receive a discretionary bonus of \$277,190. Discretionary cash bonuses were awarded to other officers. Stock options vest and become exercisable at the rate of 25% on the one-year anniversary of the vesting commencement date and an additional 1/48th each month thereafter and have an exercise price equal to the initial public offering price. If, in anticipation of or within 12 months of a change in control, Mr. Nishibori or Mr. Garcia is terminated without cause or terminates his employment for good reason, as described further on page 23, his stock option will become fully vested and exercisable.

Hiromitsu Ogawa. Mr. Ogawa served as Chief Executive Officer until November 1, 2006 when he became our Executive Chairman. We entered into an employment agreement with Mr. Ogawa effective November 1, 2006 in connection with his position as our Executive Chairman. Mr. Ogawa's employment agreement was amended and restated effective as of December 31, 2008. Mr. Ogawa may terminate the agreement with 30 days' notice. On April 9, 2009 Mr. Ogawa notified the Company that he will retire as an executive officer of the Company effective with, and contingent upon, his reelection as a director at the Annual Meeting of Stockholders on June 5, 2009. Mr. Ogawa will terminate his employment agreement upon his retirement as an executive officer. If not terminated by Mr. Ogawa, the employment agreement will remain in effect until the agreement is terminated for death, disability, company insolvency, cause or by Mr. Ogawa for good reason, as described further on page 23. In addition, Mr. Ogawa's annual base salary rate will be increased by 4.0% on July 1 of each year that his employment agreement is in effect.

Masaaki (John) Nishibori. Mr. Nishibori served as Senior Vice President and Chief Financial Officer until November 1, 2006 when he became President and Chief Executive Officer. We entered into an employment agreement with Mr. Nishibori effective November 1, 2006 in connection with his position as our President and Chief Executive Officer. Mr. Nishibori's employment agreement was amended and restated effective as of December 31, 2008. The employment agreement is effective until November 1, 2010 and automatically renews for an additional two-year period, unless the agreement is terminated earlier by us for death, disability, company insolvency or cause, by Mr. Nishibori for good reason, as described further on page 23, or by either party with at least 90 days written notice prior to the end of the term. Mr. Nishibori's annual base salary will be increased by at least 4.0% on July 1 of each year that his employment agreement is in effect, beginning on July 1, 2009.

Mr. Nishibori is entitled to receive a cash bonus if we achieve certain percentages of our budgeted pretax profit in a specific fiscal year as set forth in the following table. If our pre-tax profit in a specific fiscal year is between the percentages set forth below, the bonus amount will be determined by interpolating between the applicable percentages.

Percent of Budgeted Pretax Profit Achieved	Bonus (as a Percentage of Base Salary)
less than 70%	0%
70	10
80	20
90	30
100	40
110	50
120	60
130	70
140	80
150	90
160% and above	100%

Victor M. Garcia. Mr. Garcia became Senior Vice President and Chief Financial Officer on November 1, 2006. We entered into an employment agreement with Mr. Garcia effective November 1, 2006 in connection with his position as our Senior Vice President and Chief Financial Officer. Mr. Garcia's employment agreement was amended and restated effective as of December 31, 2008. The employment agreement is effective until November 1, 2009 and automatically renews for an additional two-year period, unless the agreement is terminated earlier by us for death, disability, company insolvency or cause, by Mr. Garcia for good reason, as described further on page 23, or by either party with at least 90 days written notice prior to the end of the term. Mr. Garcia's annual base salary will be increased by at least 4.0% on November 1 of each of the two (2) subsequent years that his employment agreement is in place, beginning on November 1, 2009.

In addition to being eligible for discretionary cash bonuses, Mr. Garcia's employment agreement provides that Mr. Garcia will receive a cash bonus of up to \$100,000 on November 1, 2009 and 2010, so long as he remains employed by us on such dates.

Pursuant to the employment agreement, Mr. Garcia may earn an annual cash bonus of up to 40.0% of his base salary.

2008 Outstanding Equity Awards at Fiscal Year-End Table

The following table provides information regarding the number and estimated value of outstanding stock options and unvested stock awards held by each of CAI's named executive officers as of December 31, 2008.

Name	Grant Date	Exercisable	Option Awards Number of Securities Underlying Unexercised Options (#)			Stock Awards Service-Based Equity Awards	
			Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Hirimitsu Ogawa							
Masaaki (John) Nishibori	5/15/07	102,909	157,071 ⁽¹⁾	\$ 15.00	5/14/17		
Victor Garcia	5/15/07	51,538	78,662 ⁽¹⁾	\$ 15.00	5/14/17		
Camille Cutino	5/15/07					880 ⁽²⁾	\$ 2,790
Frederic Bauthier	5/15/07	29,610	88,830 ⁽³⁾	\$ 15.00	5/14/17		

- (1) Twenty-five percent (25%) of the total number of shares subject to the option vested and became exercisable on May 15, 2008, and 1/48th of the total number of shares subject to the option vest monthly thereafter, if the option holder is providing services to CAI.
- (2) 1/3 of the total shares of restricted stock vested on May 15, 2008; 1/3 of the total shares of restricted stock shall vest on May 15, 2009; and 1/3 of the total shares of restricted stock shall vest on May 15, 2010, if Ms. Cutino is still providing services to CAI as of such dates.
- (3) Mr. Bauthier resigned from the Company on May 19, 2008. All of Mr. Bauthier's unexercisable options terminated upon his resignation.

2008 Potential Post-Employment Payments

Employment Agreements

In the event of termination of the executive's employment without cause or as a result of the executive's death or disability or in the event of termination of employment by the executive for good reason, each of Mr. Ogawa, Mr. Nishibori and Mr. Garcia is entitled to receive the following severance payments pursuant to employment agreements we have entered into with each of them:

an amount equal to the greater of: (1) one year of base salary; or (2) base salary for the remainder of the term of the executive's employment agreement as of the date of termination;

except in the case of death, continued health, dental, life and disability insurance for a period the greater of (a) one year after termination (including dependents if dependents were covered prior to termination) or (b) the remainder of the term of the executive's employment agreement as of the date of termination; and

if termination occurs more than one month after the end of the prior fiscal year, a pro-rated cash bonus based on the number of days of employment during the fiscal year in which termination occurs.

In addition, as part of their respective management authorities, Mr. Nishibori and Mr. Garcia shall approve the hiring by the Company of officers and management employees. The severance arrangements above are intended to attract and retain qualified executive officers who could obtain similar positions at other companies.

Cause is generally defined as (a) a failure by the executive to substantially perform his or her duties under such executive's employment agreement which is not cured within thirty (30) days after notice from CAI; (b) an act by the executive of material dishonesty, fraud, misrepresentation, or other act(s) of moral turpitude; (c) an intentional act by executive (other than one constituting a business judgment that was reasonable at the time or which was previously approved by the Board or the Board's representative), or a clear lack of reasonable care by the executive, or gross misconduct by the executive, which (in each case) is seriously injurious to CAI; (d) a material breach by the executive of his or her employment agreement which is not cured within thirty (30) days after notice from CAI; or (e) a material and willful violation of a federal or state law or regulation applicable to the business of CAI.

Change of Control is generally defined as any of the following transactions: (a) a merger or consolidation of CAI with or into any other company or other entity (other than for the sole purpose of changing CAI's state of incorporation); (b) a sale in one transaction or a series of transactions undertaken with a common purpose of all or a controlling portion of CAI's outstanding voting securities or such amount of CAI's outstanding voting securities as would enable the purchaser to obtain the right to appoint a majority of CAI's Board; or (c) a sale, lease, exchange or other transfer in one transaction or a series of related transactions undertaken with a common purpose of all or substantially all of CAI's assets; provided, however, a private sale of stock beneficially owned by Mr. Ogawa, his spouse or his children shall not constitute a Change in Control unless (after giving effect thereto) a single party (or group of related parties) obtains control of CAI as a result of such transaction.

Good Reason is generally defined as the occurrence of any of the following events, without the consent of the executive: (a) any material diminution in the executive's authority, duties or responsibilities, including the hiring of officers and other members of management; (ii) any action or inaction that constitutes a material breach by CAI of the executive's employment agreement; or (iii) a material change in the geographic location at which the executive must perform his duties under his or her employment agreement, except for office relocation within the San Francisco Bay area; provided that the executive acknowledges and agrees that he or she may be required to travel extensively in connection with the performance of his or her duties under such executive's employment agreement and that any such travel requirement will not constitute a material change in the geographic location at which the executive must perform his or her duties under such executive's employment agreement.

In addition to the severance payments listed above, Mr. Garcia's and Mr. Nishibori's employment agreements each provide that if he is terminated without Cause or terminates his employment for Good Reason in connection with a Change in Control, his stock options will become fully vested and exercisable.

Each of Mr. Nishibori's and Mr. Garcia's employment agreements provides that if he becomes entitled to receive or if he receives any payments that would be characterized as excess parachute payments within the meaning of Section 280G of the Internal Revenue Code, the payments will be reduced to the highest amount that may be paid to these executive officers without having any portion of any payment treated as an excess parachute payment, but only if the effect of the reduction is that the executive officer would receive a greater amount of payments, as determined on an after-tax basis. If, on an after-tax basis, the payments Mr. Nishibori or Mr. Garcia would receive would be greater without any reduction, then these payments will not be reduced.

Equity Compensation Plan

Under the 2007 Equity Incentive Plan, all awards under the plan, including shares subject to stock options and restricted stock, that have not vested will become fully vested and exercisable in the event of a change of control or other company transaction, each as defined below, unless, in the event of a company transaction, the option or stock award is assumed by the successor company. A change of control is generally defined as an acquisition of 50% or more of CAI's voting power, or a change in the composition of our Board of Directors in a two-year period, without the approval of the Incumbent Board (as defined in the plan), that results in fewer than a majority of the Incumbent Board remaining in office. A company transaction is generally defined as the completion of a merger or consolidation with or into another company or entity, a sale in one or more transactions with the common purpose of all of our outstanding voting securities, or a sale in one or more transactions with the common purpose of all or substantially all of our assets. The Compensation Committee may also, in the event of a change of control, allow the holder of an award to surrender the award in exchange for a cash payment, or, in the event of a company transaction, terminate awards under the plan in exchange for a cash payment, each calculated by a formula set forth in the plan.

The following table describes the potential payments upon a termination or change of control for Mr. Ogawa, Mr. Nishibori, Mr. Garcia and Ms. Cutino assuming that the triggering event occurred on December 31, 2008. In the case of stock options, the value of the acceleration was determined based on the difference between (i) the exercise price of the shares for which vesting was accelerated and (ii) the \$3.17 closing price on December 31, 2008. In the case of restricted stock, the value of the acceleration was determined by multiplying (i) the number of shares for which vesting was accelerated by (ii) the \$3.17 per share closing price on December 31, 2008. In the case of Non-equity incentive plan compensation, the value of the benefit was determined assuming that pre-tax profit for 2008 was equal to 100% of our budgeted pre-tax profit.

Benefit	Before Change of Control: Termination	After Change of Control: Termination
	Without Cause, For Good Reason or due to Death or Disability	Without Cause, For Good Reason or due to Death or Disability
Hiromitsu Ogawa		
Base salary	\$ 536,392 ⁽¹⁾	\$ 536,392 ⁽¹⁾
Non-equity incentive plan compensation	⁽²⁾	⁽²⁾
COBRA premiums	20,872 ⁽³⁾	20,872 ⁽³⁾
Life and disability insurance	30,536 ⁽⁴⁾	30,536 ⁽⁴⁾
Accrued vacation pay	18,931	18,931
Total ⁽⁵⁾	\$ 606,731	\$ 606,731
Masaaki (John) Nishibori		
Base salary	\$ 971,667 ⁽¹⁾	\$ 971,667 ⁽¹⁾
Non-equity incentive plan compensation	212,000 ⁽²⁾	212,000 ⁽²⁾
Stock options (unvested and accelerated)		⁽⁶⁾
COBRA premiums	16,504 ⁽³⁾	16,504 ⁽³⁾
Life and disability insurance	17,343 ⁽⁴⁾	17,343 ⁽⁴⁾
Accrued vacation pay	34,314	34,314
Total ⁽⁵⁾	\$ 1,251,828	\$ 1,251,828
Victor Garcia		
Base salary	\$ 323,833 ⁽¹⁾	\$ 323,833 ⁽¹⁾
Cash bonus	137,200 ⁽²⁾	337,200 ⁽²⁾
Stock options (unvested and accelerated)		⁽⁶⁾
COBRA premiums	14,187 ⁽³⁾	14,187 ⁽³⁾
Life and disability insurance	2,001 ⁽⁴⁾	2,001 ⁽⁴⁾
Accrued vacation pay	26,385	26,385
Total ⁽⁵⁾	\$ 503,606	\$ 703,606
Camille Cutino		
Restricted stock (unvested and accelerated)	\$	\$ ⁽⁶⁾
Total	\$	\$
Frederic Bauthier		
Restricted stock (unvested and accelerated)	\$	\$ ⁽⁶⁾

Total	\$	\$
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- (1) Lump-sum payment made within days of termination equal to the greater of one year of base salary or the base salary for the remaining term of the employment agreement which took effect on November 1, 2006 and were amended and restated effective as of December 31, 2008. Mr. Ogawa may terminate his employment on 30-days notice. On April 9, 2009 Mr. Ogawa notified the Company that he will retire as an executive officer of the Company effective with, and contingent upon, his reelection as a director at the Annual Meeting of Stockholders on June 5, 2009. Mr. Ogawa will terminate his employment agreement upon his retirement as an executive officer. The term of employment for Mr. Nishibori is two years, and the term of employment for Mr. Garcia is three years. As of December 31, 2008, the remaining employment term for Messrs. Nishibori and Garcia is 10 months.
- (2) Mr. Nishibori is entitled to receive a cash bonus under the company's Non-Equity Incentive Plan based on the achievement of certain percentages of our budgeted pretax profit for 2008 pursuant to his employment agreement. In 2008, we recognized a pretax loss and, accordingly, no amount was payable to Messrs. Ogawa and Nishibori under the company's Non-Equity Incentive Plan. Mr. Garcia is eligible to receive a discretionary cash bonus of up to 40% of his base salary. Mr. Garcia's bonus is tied in part to the achievement of our earnings goals pursuant to his employment agreement. Additionally, Mr. Garcia is entitled to receive the balance of his IPO bonus of \$200,000 upon consummation of a change in control.
- (3) Represents estimated COBRA and dental premiums to be paid by us for a period of 12 months after termination. Not payable in the event of death.
- (4) Represents estimated life and disability insurance premiums to be paid by us for a period of 12 months after termination. Not payable in the event of death.
- (5) If the executive becomes entitled to receive or receives any payments that would be characterized as "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code, the payments will be reduced to the highest amount that may be paid to the executive without having any portion of any payment treated as an "excess parachute payment," but only if the effect of the reduction is that the executive would receive a greater amount of payments, as determined on an after-tax basis. If, on an after-tax basis, the payments the executive would receive would be greater without any reduction, then no reduction will apply.
- (6) Under the terms of the 2007 Equity Incentive Plan, the vesting schedule of the following unvested stock options would accelerate and the options would be fully vested: Mr. Nishibori: 157,071 shares; and Mr. Garcia: 78,662 shares. In addition, under the terms of the 2007 Equity Incentive Plan, the vesting schedule of 880 unvested shares of restricted stock held by Camille Cutino would accelerate and the shares would be fully vested. However, because the closing price of CAI's common stock on December 31, 2008 (\$3.17) was lower than the exercise price and purchase price (\$15.00) of the options and restricted shares, respectively, no benefit would be realized under the scenario outlined in this table.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of Mr. Dennis, Mr. Liebeck or Mr. Sawka, as the three members of the Compensation Committee, was at any time during the fiscal year ended December 31, 2008 or at any other time (i) an officer or employee of CAI or (ii) had any relationship requiring disclosure under Item 404 of Regulation S-K. No executive officer of CAI served as a member of the Compensation Committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of another entity, or as a director of another entity, where one of the other entity's executive officers served on the Compensation Committee of CAI or as a director of CAI.

COMPENSATION COMMITTEE REPORT

The Compensation Committee consists of three independent directors. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on that review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in CAI's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and CAI's proxy statement relating to its 2009 Annual Meeting of Stockholders.

Compensation Committee Report Submitted By:

William Liebeck, Chair

Marvin Dennis

Gary Sawka

AUDIT COMMITTEE REPORT

The Audit Committee appoints, determines funding for, oversees and evaluates the independent registered public accounting firm with respect to accounting, internal controls over financial reporting and other matters, and makes other decisions with respect to audit and finance matters. The Audit Committee also pre-approves the retention of the independent registered public accounting firm and fees for all audit and permitted non-audit services provided by the independent registered public accounting firm, and determines whether the provision of non-audit services is compatible with maintaining the independence of the independent registered public accounting firm. All members of the Audit Committee are able to read and understand financial statements and have experience in finance and accounting that provides them with financial sophistication.

Duties and Responsibilities

The Audit Committee operates under a written charter approved by the Board of Directors. Pursuant to authority delegated by the Board of Directors and the Audit Committee's written charter, the Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to:

the integrity of CAI's financial statements;

CAI's compliance with legal and regulatory requirements;

CAI's systems of internal control over financial reporting as established by management;

the independent registered public accounting firm's qualifications and independence;

the performance by CAI's independent registered public accounting firm;

CAI's internal audit activities and processes;

CAI's auditing, accounting and financial reporting processes generally; and

compliance with CAI's ethical standards for senior financial officers and all personnel.

In fulfilling its duties, the Audit Committee maintains free and open communication with the Board, the independent registered public accounting firm, financial management and all employees.

In connection with these responsibilities, the Audit Committee met with management to review and discuss CAI's audited financial statements. The Audit Committee also discussed with the independent registered public accounting firm the matters required by the Statement on Auditing Standards No. 61, Communications with Audit Committee. The Audit Committee also received from the independent registered public accounting firm the written disclosures and the letter required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, and has discussed with its independent registered public accounting firm that firm's independence.

Fiscal 2008 Audit

Based on the reviews and discussions described above, the Audit Committee recommended that the Board of Directors include the audited financial statements in CAI's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2008.

Audit Committee Report Submitted By:

Marvin Dennis, Chair

William Liebeck

Gary Sawka

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee appointed KPMG LLP to audit our financial statements for the year ending December 31, 2009. KPMG LLP audited our financial statements for the years ended December 31, 2006, December 31, 2007 and December 31, 2008. Representatives of KPMG LLP are expected to attend the annual meeting, where they are expected to be available to respond to appropriate questions and, if they desire, to make a statement.

AUDIT FEES

Fees billed to CAI by KPMG LLP for 2007 and 2008 were approximately as follows:

Services Rendered	2007	2008
Audit Fees ⁽¹⁾	\$ 643,154	\$ 795,000
Audit-Related Fees ⁽²⁾	735,190	169,975
Tax Fees ⁽³⁾	15,697	43,891
Other Fees ⁽⁴⁾		36,077
Total Fees	\$ 1,394,041	\$ 1,044,943

(1) Audit Fees consist of fees for professional services rendered for the audit of our 2007 and 2008 consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by KPMG LLP in connection with regulatory filings.

(2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements primarily in connection with the S-1 and S-3 filings with the SEC, and are not reported under Audit Fees.

(3) Tax Fees consist of fees billed for professional services rendered for tax advice relating to our domestic and foreign subsidiaries.

(4) All Other Fees consist of fees for products and services other than the services reported above.

Pre-Approval Policy. The Audit Committee pre-approves all audit and permissible audit-related and non-audit services provided to the Company by our independent registered public accounting firm and the associated fees for these services. All services and fees for 2008 were approved by the Audit Committee. Engagements must be separately pre-approved by the Audit Committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows common stock ownership on April 14, 2009, except as otherwise noted, by:

each person who beneficially owned more than 5% of CAI common stock on that date,

each of the executive officers named in the Summary Compensation Table on page 20 and each of the current CAI directors, and

all current CAI executive officers and CAI directors as a group.

The number of shares beneficially owned by each entity or person is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has the right to acquire as of June 14, 2009 through the exercise of any stock option or other right.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Class Beneficially Owned
Hiromitsu Ogawa ⁽¹⁾ c/o CAI International, Inc. One Embarcadero Center, Suite 2101 San Francisco, CA 94111	7,392,240	41.25%
Columbia Wanger Asset Management, L.P. ⁽²⁾ 227 West Monroe Street, Suite 3000 Chicago, IL 60606	2,396,000	13.37%
Development Bank of Japan Inc. ⁽⁴⁾ 1-9-1 Otemachi, Chiyoda-ku, Tokyo 100-0004 Japan	1,691,760	9.44%
Park West Asset Management LLC ⁽⁵⁾ Peter S. Park Park West Investors Masters Fund, Limited 900 Larkspur Landing Circle, Suite 165 Larkspur, California 94939	1,616,585	9.02%
Wasatch Advisors, Inc. ⁽⁶⁾ 150 Social Hall Avenue	761,406	4.25%

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Salt Lake City, UT 84111

Masaaki (John) Nishibori ⁽⁷⁾	686,910	3.83%
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c/o CAI International, Inc.

One Embarcadero Center, Suite 2101

San Francisco, CA 94111

Victor M. Garcia ⁽⁸⁾	65,100	*
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c/o CAI International, Inc.

One Embarcadero Center, Suite 2101

San Francisco, CA 94111

Gary M. Sawka ⁽⁹⁾	23,000	*
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c/o CAI International, Inc.

One Embarcadero Center, Suite 2101

San Francisco, CA 94111

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Class Beneficially Owned
Marvin Dennis ⁽⁹⁾ c/o CAI International, Inc. One Embarcadero Center, Suite 2101 San Francisco, CA 94111	20,000	*
William W. Liebeck ⁽⁹⁾ c/o CAI International, Inc. One Embarcadero Center, Suite 2101 San Francisco, CA 94111	20,000	*

Number of Shares and Free Float. The securities included in the SMI are weighted according to their free float. This means that shares deemed to be in firm hands are subtracted from the total market capitalization of that company. The free float is calculated on the basis of outstanding shares. Issued and outstanding equity capital is, as a rule, the total amount of equity capital that has been fully subscribed and wholly or partially paid in and documented in the Commercial Register. Not counting as issued and outstanding equity capital are the approved capital and the conditional capital of a company. The free float is calculated on the basis of listed shares only. If a company offers several different categories of listed participation rights, each is treated separately for the purposes of index calculation.

Fundamentally deemed to be shares held in firm hands are shareholdings that have been acquired by one person or a group of persons in companies domiciled in Switzerland and which, upon exceeding 5%, have been reported to the Exchange. Shares of persons and groups of persons who are subject to a shareholder agreement which is binding for more than 5% of the listed shares or who, according to publicly known facts, have a long-term interest in a company are also deemed to be in firm hands.

For the calculation of the number of shares in firm hands, the Exchange may also use other sources than the reports submitted to it. In particular, the Exchange may use data gained from issuer surveys that it conducts itself.

In general, shares held by custodian nominees, trustee companies, investment funds, pension funds and investment companies are deemed free-floating regardless of whether a report has been made to the Exchange. The Exchange classifies at its own discretion persons and groups of persons who, because of their area of activity or the absence of important information, cannot be clearly assigned.

The free-float rule applies only to bearer shares and registered shares. Capital issued in the form of participation certificates ("Partizipationsscheine") and bonus

certificates ("Genussscheine") is taken into full account in calculating the SMI because it does not confer voting rights.

The number of securities in the SMI and the free-float factors are adjusted after the close of trading on four adjustment dates per year, the third Friday of March, June, September and December. Such changes are provisionally pre-announced at least one month before the adjustment date, although the index sponsor reserves the right to take account of recent changes up to five trading days before the adjustment date in the actual adjustment.

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In order to avoid frequent slight changes to the weighting and to maintain the stability of the SMI, any extraordinary change of the total number of outstanding securities or the free float will only result in an extraordinary adjustment if it exceeds 10% and 5% respectively, occurs from one trading to the next and is in conjunction with a corporate action.

After a takeover, the index sponsor may, in exceptional cases, adjust the free float of the company in question upon publication of the end results after a five-day notification period or may exclude the security from the relevant index family. When an insolvency has been announced, an extraordinary adjustment will be made and the affected security will be removed from the SMI after five trading days' notice, and a replacement will be determined based on the current selection list.

The Exchange sponsor reserves the right to make an extraordinary adjustment, in exceptional cases, without observing the notification period.

Calculation of the SMI

The Exchange calculates the SMI using the "Laspeyres formula," with a weighted arithmetic mean of a defined number of securities issues. The formula for calculating the index value can be expressed as follows:

$$\text{Swiss Market Index} = \frac{\text{Free Float Market Capitalization of the SMI}^{\text{®}}}{\text{Divisor}}$$

The "free float market capitalization of the SMI" is equal to the sum of the product of the last-paid price, the number of shares, the free float factor, the capping factor and, if a foreign stock is included, the current CHF exchange rate as of the time the index value is being calculated. (As of October 3, 2014, all stocks in the SMI are denominated in Swiss Francs, known as CHF). The index value is calculated in real time and is updated whenever a trade is made in a Basket Component Constituent. Where any Basket Component Constituent price is unavailable on any trading day, the index sponsor will use the last reported price for such Basket Component Constituent. Only prices from the Exchange's electronic order book are used in calculating the SMI.

Divisor Value and Adjustments

The divisor is a technical number used to calculate the SMI and is adjusted to reflect changes in market capitalization due to corporate events.

Below are common corporate events and their impact on the divisor of the SMI.

Event	Divisor Change?
Regular cash dividend	No
Repayments of capital through reduction of a share's par value	No
Special dividends, anniversary bonds and other extraordinary payments that, contrary to the company's usual dividend policy, are paid out or declared extraordinary.	Yes
Share dividends (company's own shares)	No

Share dividend (shares of another company)	Yes
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The Exchange reserves the right to respond to any other corporate events with divisor adjustments or, in extraordinary circumstances, to depart from the provisions set forth above.

License Agreement

These Notes are not in any way sponsored, endorsed, sold or promoted by the SIX Swiss Exchange and the SIX Swiss Exchange makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the SMI and/or the figure at which the SMI stands at any particular time on any particular day or otherwise. However, the SIX Swiss Exchange shall not be liable (whether in negligence or otherwise) to any person for any error in the SMI and the SIX Swiss Exchange shall not be under any obligation to advise any person of any error therein.

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S&P/ASX 200 Index (“AS51”)

The AS51:

was first launched in 1979 by the Australian Securities Exchange and was acquired and re-launched by its current index sponsor on April 3, 2000; and is sponsored, calculated, published and disseminated by S&P Dow Jones Indices LLC, a division of S&P Global Inc. (“S&P”).

The AS51 includes 200 of the largest index-eligible stocks listed on the Australian Securities Exchange, which we refer to as the ASX; by float-adjusted market capitalization. As discussed below, the S&P/ASX 200 is not limited solely to companies having their primary operations or headquarters in Australia or to companies having their primary listing on the ASX. All ordinary and preferred shares (if such preferred shares are not of a fixed income nature) listed on the ASX, including secondary listings, are eligible for the AS51. Hybrid stocks such as convertible stocks, bonds, warrants, preferred stock that provides a guaranteed fixed return and listed investment companies are not eligible for inclusion. Stocks currently under consideration for merger or acquisition are not eligible for inclusion or promotion to the AS51.

As of April 30, 2018, the top 10 Basket Component Constituents by weight were the following: Commonwealth Bank of Australia, BHP Billiton Ltd., Westpac Banking Corp., National Australia Bank Ltd., ANZ Banking Group, CSL Ltd., Wesfarmers Ltd., Telstra Corp Ltd., Woolworths Ltd. and Macquarie Group Ltd.

As of April 30, 2018, the 11 GICS industry sectors represented by stocks in the AS51 include: Financials (33.5%), Materials (18.5%), Health Care (8.1%), Real Estate (7.9%), Consumer Staples (7.9%), Industrials (7.2%), Energy (5.5%), Consumer Discretionary (4.6%), Telecommunication Services (2.7%), Information Technology (2.2%) and Utilities (2.0%). Sector designations are determined by S&P using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices. S&P and MSCI, Inc. have announced that the Global Industry Classification Sector structure is expected to be updated after the close of business on September 28, 2018. Among other things, the update is expected to broaden the current Telecommunications Services sector and rename it the Communication Services sector. The renamed sector is expected to include the existing telecommunication companies, as well as companies selected from the Consumer Discretionary sector currently classified under the Media Industry group and the Internet & Direct Marketing Retail sub-industry, along with select companies currently classified in the Information Technology sector. Further, companies that operate online marketplaces for consumer products and services are expected to be included under the Internet and Direct Marketing sub-industry of the Consumer Discretionary sector, regardless of whether they hold inventory.

As of April 30, 2018, the countries of domicile included in the AS51 and their relative weights were: Australia (97.8%), New Zealand (1.2%), United States (0.7%) and United Kingdom (0.2%).

The S&P/ASX 200 Index is intended to provide exposure to the largest 200 eligible securities that are listed on the ASX by float-adjusted market capitalization. Basket Component Constituents for the S&P/ASX 200 Index are chosen based on market capitalization, public float and liquidity. All index-eligible securities that have their primary or secondary listing on the ASX are included in the initial selection of stocks from which the 200 Basket Component Constituents may be selected.

The float-adjusted market capitalization of companies is determined based on the daily average market capitalization over the last six months. The security's price history over the last six months, the latest available shares on issue and the investable weight factor (the "IWF") are the factors relevant to the calculation of daily average market capitalization. The IWF is a variable that is primarily used to determine the available float of a security for ASX listed securities.

Number of Shares

When considering the AS51 eligibility of securities for inclusion or promotion into S&P/ASX indices, the number of index securities under consideration is based upon the latest available ASX quoted securities. For domestic securities (companies incorporated in Australia and traded on the ASX, companies incorporated overseas but exclusively listed on the ASX and companies incorporated overseas and traded on other markets but most of its trading activity is on the ASX), this figure is purely based upon the latest available data from the ASX.

Foreign-domiciled securities may quote the total number of securities on the ASX that is representative of their global equity capital; whereas other foreign-domiciled securities may quote securities on the ASX on a partial basis that represents their Australian equity capital. In order to overcome this inconsistency, S&P will quote the number of index securities that are represented by CHESS Depository Interests (CDIs) for a foreign entity. When CDIs are not issued, S&P

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will use the total securities held on the Australian register (CHESS and, where supplied, the issuer sponsored register). This quoted number for a foreign entity is representative of the Australian equity capital, thereby allowing the AS51 to be reflective of the Australian market.

The number of CDIs or shares of a foreign entity quoted on the ASX can experience more volatility than is typically the case for ordinary shares on issue. Therefore, an average number on issue will be applied over a six-month period.

Where CDI information is not supplied to the ASX by the company or the company's share register, estimates for Australian equity capital will be drawn from CHESS data and, ultimately, registry-sourced data.

IWF

The IWF represents the float-adjusted portion of a stock's equity capital. Therefore, any strategic holdings that are classified as either corporate, private or government holdings reduce the IWF which, in turn, results in a reduction in the float-adjusted market capital. Shares owned by founders, directors of the company, trusts, venture capitalists and other companies are also excluded. These are also deemed strategic holders, and are considered long-term holders of a stock's equity. Any strategic shareholdings that are greater than 5% of total issued shares are excluded from the relevant float.

The IWF ranges between 0 and 1, is calculated as $1 - \text{Sum of the \% held by strategic shareholders who possess 5\% or more of issued shares}$, and is an adjustment factor that accounts for the publicly available shares of a company. A company must have a minimum IWF of 0.3 to be eligible for index inclusion.

S&P identifies the following shareholders whose holdings are considered to be control blocks and are subject to float adjustment:

1. Government and government agencies;
2. Controlling and strategic shareholders/partners;
3. Any other entities or individuals which hold more than 5%; excluding insurance companies, securities companies and investment funds;
4. Other restricted portions such as treasury stocks.

Liquidity Test

Only stocks that are regularly traded are eligible for inclusion. Eligible stocks are considered for index inclusion based on their stock median liquidity (median daily value traded divided by its average float-adjusted market capitalization for the last six months) relative to the market capitalization weighted average of the stock median liquidities of the 500 companies of the All Ordinaries index, another member of the S&P/ASX index family.

AS51 Maintenance

S&P rebalances the Basket Component Constituents quarterly to ensure adequate market capitalization and liquidity based on the previous six months' worth of data. The reference date used for the six months' worth of trading data is the last Friday of the month prior to the rebalancing. Quarterly review changes take effect after the market close on the third Friday of March, June, September and December. Eligible stocks are considered for AS51 inclusion based on their float-adjusted market capitalization rank relative to the stated quota of 200 securities. For example, a stock that is currently in the S&P/ASX 300 and is ranked at 175, based on float-adjusted market capitalization, within the universe of eligible securities may be considered for inclusion into the AS51, provided that liquidity hurdles are met. Stocks that fail the relative liquidation criteria are typically removed from the float-adjusted market capitalization rankings.

In order to limit the level of AS51 turnover, eligible securities will only be considered for AS51 inclusion once another stock is excluded due to a sufficiently low rank and/or liquidity, based on the float-adjusted market capitalization. Potential index inclusions and exclusions need to satisfy buffer requirements in terms of the rank of the stock relative to a given index. In order to be added to the AS51, a stock must be ranked 179th or higher, and in order to be deleted from the AS51, a stock must be ranked 221st or lower. The buffers are established to limit the level of index turnover that may take place at each quarterly rebalancing. The buffers serve as guidelines for arriving at any potential constituent changes to the AS51, however, these rules can be by-passed when circumstances warrant.

Between rebalancing dates, an AS51 addition is generally made only if a vacancy is created by an index deletion. AS51 additions are made according to float-adjusted market capitalization and liquidity. An initial public offering is added to the AS51 only when an appropriate vacancy occurs and is subject to proven liquidity for at least eight weeks. An exception may be made for extraordinary large offerings where sizeable trading volumes justify index inclusion.

Deletions can occur between AS51 rebalancing dates due to acquisitions, mergers and spin-offs or due to suspension or bankruptcies. The decision to remove a stock from the AS51 will be made once there is sufficient evidence that the

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transaction will be completed. Stocks that are removed due to mergers & acquisitions activity are removed from the AS51 at the cash offer price for cash-only offers. Otherwise the best available price in the market is used.

Share numbers for all Basket Component Constituents are updated quarterly and are rounded to the nearest thousand. The update to the number of issued shares will be considered if the change is at least 5% of the float adjusted shares or \$100 million in value.

Share updates for foreign-domiciled securities will take place annually at the March rebalancing. The update to the number of index shares will only take place when the 6-month average of CDIs or the total securities held in the Australian branch of the issuer sponsored register (where supplied) and in CHESS, as of the March rebalancing, differs from the current index shares by either 5% or a market-cap dollar amount greater than A\$ 100 million. Where CDI information is not supplied to the ASX by the company or the company's share register, estimates for Australian equity capital will be drawn from CHESS data and, ultimately, registry-sourced data.

Intra quarter share changes are implemented at the effective date or as soon as reliable information is available; however, they will only take place in the following circumstances:

- Changes in a company's float-adjusted shares of 5% or more due to market-wide shares issuance;
- Rights issues, bonus issues and other major corporate actions;
- Dividend Reinvestment Plan share issuances of more than A\$100 million in value; and
- Share issues resulting from index companies merging and major off-market buy-backs.

Share changes due to mergers or acquisitions are implemented when the transaction occurs, even if both of the companies are not in the same index and regardless of the size of the change.

IWFs are reviewed annually as part of the September quarterly review. However, any event that alters the float of a security in excess of 5% will be implemented as soon as practicable by an adjustment to the IWF.

The function of the IWF is also to manage the AS51 weight of foreign-domiciled securities that quote shares on the basis of CDIs. Due to the volatility that is displayed by CDIs, unusually large changes in the number of CDIs on issue could result. Where this is the case, the IWF may be used to limit the effect of unusually large changes in the average number of CDIs (and, thereby, limit the potential to manipulate this figure). Where the Australian Index Committee sees fit to apply the IWF in this manner, the rationale for the decision will be announced to the market. This will be reviewed annually at the March-quarter index rebalancing date.

AS51 Calculation

The AS51 is calculated using a base-weighted aggregate methodology. The value of the AS51 on any day for which an AS51 value is published is determined by a fraction, the numerator of which is the *sum* for all Basket Component Constituents of the products of the price of each stock in the AS51 *times* the number of shares of such stock included in the AS51 *times* that stock's IWF, and the denominator of which is the divisor, which is described more fully below.

In order to prevent the value of the AS51 from changing due to corporate actions, all corporate actions may require S&P to make an index or divisor adjustment. This helps maintain the value of the AS51 and ensures that the movement of the AS51 does not reflect the corporate actions of the individual companies that comprise the AS51.

The table below summarizes the types of index adjustments and indicates whether the corporate action will require a divisor adjustment:

Type of Corporate Action	Index Treatment	Divisor Adjustment Required
Cash dividend	None	No
Special Cash Dividend	Price adjustment needed	Yes
Stock dividend and/or split	Shares are multiplied by and price is divided by the split factor	No

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Type of Corporate Action	Index Treatment	Divisor Adjustment Required
Stock dividend from class A shares into existing class B shares, both of which are included in the AS51	Adjustment for price of A; adjustment for shares in B	Yes
Stock dividend of different class, same company and is not included in the AS51	Price adjustment	Yes
Reverse Split	Adjustment for price and shares	No
Rights Offering	Adjustment for price and shares	Yes
Rights offering for a new line	Adjustment for price	Yes
New share issuance	Adjustment for shares	Yes
Reduction of capital	Share adjustment	Yes
New addition to index	Share adjustment	Yes
Deletion from index	Share adjustment	Yes
Merger (acquisition by index company for stock)	Share increase	Yes

A company that is spun-off from a Basket Component Constituent will be added to the AS51 at a zero price on the ex-date. If the spun-off company is not eligible to be included in the AS51 based on its float adjusted market capitalization then it will be removed from the AS51 at least after one day of trading regular way.

In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, S&P will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade reported for each security before the exchange closed. If the exchange fails to open due to unforeseen circumstances, S&P treats this closure as a standard market holiday. The AS51 will use the prior day's closing prices and shifts any corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, S&P may determine not to publish the AS51 for that day.

S&P reserves the right to recalculate the AS51 under certain limited circumstances. S&P may choose to recalculate and republish an index if it is

found to be incorrect or inconsistent within two trading days of the publication of the index level in question for one of the following reasons:

1. Incorrect or revised closing price
2. Missed corporate event
3. Late announcement of a corporate event
4. Incorrect application of corporate action or index methodology

Any other restatement or recalculation of an index is only done under extraordinary circumstances to reduce or avoid possible market impact or disruption as solely determined by the Index Committee.

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Historical Information of the Basket Components

The graphs below set forth the information relating to the historical performance of each Basket Component.

The graphs below show the daily historical closing levels of each Basket Component from May 9, 2008 through May 11, 2018. We obtained the information regarding the historical performance of each Basket Component in the charts below from Bloomberg Professional® (“Bloomberg”).

We have not independently verified the accuracy or completeness of the information obtained from Bloomberg. The historical performance of a Basket Component should not be taken as an indication of its future performance, and no assurance can be given as to the Final Index Level of any Basket Component or the Final Basket Level. We cannot give you assurance that the performance of the Basket will result in any positive return on your initial investment.

Historical Performance of the EURO STOXX 50® Index

Historical Performance of the FTSE 100 Index

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Historical Performance of the TOPIX

Historical Performance of the SMI® Index

Historical Performance of the S&P/ASX 200 Index

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

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Hypothetical Information of the Basket

The following graph sets forth the hypothetical closing levels of the Basket for the period from May 9, 2008 through May 11, 2018, assuming that the closing level of the Basket was 100 on May 9, 2008. We derived the closing levels of the Basket based on (i) the method to calculate the basket closing level as described in this document and (ii) actual closing levels of the Basket Components on the relevant date. The closing level of the Basket has been normalized such that its hypothetical closing level on May 9, 2008 was 100. As noted in this document, the Initial Basket Level was set at 100 on the Pricing Date. The level of the Basket can increase or decrease due to changes in the levels of the Basket Components.

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Supplemental Discussion of U.S. Federal Income Tax Consequences

The U.S. federal income tax consequences of your investment in the Notes are uncertain. No statutory, regulatory, judicial or administrative authority directly discusses how the Notes should be treated for U.S. federal income tax purposes. Some of these tax consequences are summarized below, but we urge you to read the more detailed discussion under “Supplemental Discussion of U.S. Federal Income Tax Consequences” in the product prospectus supplement and discuss the tax consequences of your particular situation with your tax advisor. This discussion is based upon the Internal Revenue Code of 1986, as amended (the “Code”), final, temporary and proposed U.S. Treasury Department (the “Treasury”) regulations, rulings and decisions, in each case, as available and in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and non-U.S. laws are not addressed herein. No ruling from the U.S. Internal Revenue Service (the “IRS”) has been sought as to the U.S. federal income tax consequences of your investment in the Notes, and the following discussion is not binding on the IRS.

U.S. Tax Treatment. Pursuant to the terms of the Notes, TD and you agree, in the absence of a statutory or regulatory change or judicial or administrative ruling to the contrary, to characterize your Notes as pre-paid derivative contracts with respect to the Basket. If your Notes are so treated, you should generally recognize gain or loss upon the taxable disposition of your Notes in an amount equal to the difference between the amount you receive at such time and the amount you paid for your Notes. Such gain or loss should generally be long-term capital gain or loss if you have held your Notes for more than one year (otherwise such gain or loss should be short-term capital gain or loss if held for one year or less). The deductibility of capital losses is subject to limitations.

In the opinion of our special U.S. tax counsel, Cadwalader, Wickersham & Taft LLP, it would be reasonable to treat your Notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that your Notes could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization, such that the timing and character of your income from the Notes could differ materially and adversely from the treatment described above, as described further under “Supplemental Discussion of U.S. Federal Income Tax Consequences — Alternative Treatments” in the product prospectus supplement.

Except to the extent otherwise required by law, TD intends to treat your Notes for U.S. federal income tax purposes in accordance with the treatment described above and under “Supplemental Discussion of U.S. Federal Income Tax Consequences” of the product prospectus supplement, unless and until such time as the Treasury and the IRS determine that some other treatment is more appropriate.

Section 1297. In addition, we will not attempt to ascertain whether any Basket Component Constituent Issuer would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of Section 1297 of the Code. If any such entity were so treated, certain adverse U.S. federal income tax consequences might apply upon the taxable disposition of a Note. You should refer to information filed with the SEC or the equivalent governmental authority by such entities and consult your tax advisor regarding the possible consequences to you if any such entity is or becomes a PFIC.

Notice 2008-2. In 2007, the IRS released a notice that may affect the taxation of holders of the Notes. According to Notice 2008-2, the IRS and the Treasury are actively considering whether a holder of an instrument such as the Notes should be required to accrue ordinary income on a current basis, and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the Notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether non-U.S. holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments. Both U.S. and non-U.S. holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations on their investments in the Notes.

Medicare Tax on Net Investment Income. U.S. holders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income,” or “undistributed net investment income” in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), \$125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust. The 3.8% Medicare tax is determined in a different manner than the regular income tax. You should consult your tax advisor as to the consequences of the 3.8% Medicare tax to your investment in the Notes.

Specified Foreign Financial Assets. Certain U.S. holders that own “specified foreign financial assets” in excess of an applicable threshold may be subject to reporting obligations with respect to such assets with their tax returns, especially if such assets are held outside the custody of a U.S. financial institution. You are urged to consult your tax advisor as to the application of this legislation to your ownership of the Notes.

Non-U.S. Holders. This section applies only if you are a non-U.S. holder. For these purposes, you are a non-U.S. holder if you are the beneficial owner of the Notes and are, for U.S. federal income tax purposes:

- a non-resident alien individual;
- a non-U.S. corporation; or

an estate or trust that, in either case, is not subject to U.S. federal income tax on a net income basis on income or gain from the Notes.

If you are a non-U.S. holder, subject to Section 871(m) of the Code, as discussed below, you should generally not be subject to U.S. withholding tax with respect to payments on your Notes or to generally applicable information reporting and backup withholding requirements with respect to payments on your Notes if you comply with certain certification and identification requirements as to your non-U.S. status including providing us (and/or the applicable withholding agent) a properly executed and fully completed applicable IRS Form W-8. Subject to Section 871(m) of the Code, as discussed below, gain from the taxable disposition of the Notes generally should not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by you in the U.S., (ii) you are a non-resident alien individual and are present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied or (iii) you have certain other present or former connections with the U.S.

Section 871(m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“delta one specified equity-linked instruments”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

Based on our determination that the Notes are not “delta-one” with respect to any Basket Component or any U.S. Basket Component Constituent, our counsel is of the opinion that the Notes should not be delta one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the Notes. If withholding is required, we will not make payments of any

additional amounts.

Nevertheless, after issuance, it is possible that your Notes could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the Basket Components or your Notes, and following such occurrence your Notes could be treated as delta one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the Notes under these rules if you enter, or have entered, into certain other transactions in respect of the Basket Components or the Notes. If you enter, or have entered, into other transactions in respect of the Basket Components or the Notes, you should consult your tax advisor regarding the application of Section 871(m) of the Code to your Notes in the context of your other transactions.

Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the Notes, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the Notes.

As discussed above, alternative characterizations of the Notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the Notes cause payments with respect to the Notes to become subject to withholding tax, we (or the applicable withholding agent) will withhold tax at the applicable statutory rate and we will not make payments of any additional amounts.

Proposed Legislation. In 2007, legislation was introduced in Congress that, if it had been enacted, would have required holders of Notes purchased after the bill was enacted to accrue interest income over the term of the Notes despite the fact that there will be no interest payments over the term of the Notes.

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Furthermore, in 2013, the House Ways and Means Committee released in draft form certain proposed legislation relating to financial instruments. If it had been enacted, the effect of this legislation generally would have been to require instruments such as the Notes to be marked to market on an annual basis with all gains and losses to be treated as ordinary, subject to certain exceptions.

It is impossible to predict whether any similar or identical bills will be enacted in the future, or whether any such bill would affect the tax treatment of your Notes. You are urged to consult your tax advisor regarding the possible changes in law and their possible impact on the tax treatment of your Notes.

Both U.S. and non-U.S. holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the Notes, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction (including that of TD and the Basket Component Constituent Issuers).

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Supplemental Plan of Distribution (Conflicts of Interest)

We have appointed TDS, an affiliate of TD, as the agent for the sale of the Notes. Pursuant to the terms of a distribution agreement, TDS will purchase the Notes from TD at the public offering price less any underwriting discount set forth on the cover page of this pricing supplement for distribution to other registered broker-dealers, or has offered the Notes directly to investors. TD will reimburse TDS for certain expenses in connection with its role in the offer and sale of the Notes, and TD will pay TDS a fee in connection with its role in the offer and sale of the Notes.

Delivery of the Notes will be made against payment for the Notes on or about May 18, 2018, which is the fifth (5th) Business Day following the Pricing Date (this settlement cycle being referred to as “T+5”). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two Business Days (“T+2”), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes more than two Business Days prior to the Issue Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

Conflicts of Interest. TDS is an affiliate of TD and, as such, has a “conflict of interest” in this offering within the meaning of Financial Industry Regulatory Authority, Inc. (“FINRA”) Rule 5121. In addition, TD will receive the net proceeds from the initial public offering of the Notes, thus creating an additional conflict of interest within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of FINRA Rule 5121. TDS is not permitted to sell Notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

We, TDS or any of our affiliates may use this pricing supplement in the initial sale of the Notes. In addition, we, TDS or any of our affiliates may use this pricing supplement in a market-making transaction in a Note after its initial sale.

If a purchaser buys the Notes from us, TDS or any of our affiliates, this pricing supplement is being used in a market-making transaction unless we, TDS or any of our affiliates informs such purchaser otherwise in the confirmation of sale.

Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs

Regulation”), for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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Validity of the Notes

In the opinion of Cadwalader, Wickersham & Taft LLP, as special products counsel to TD, when the Notes offered by this pricing supplement have been executed and issued by TD and authenticated by the trustee pursuant to the indenture and delivered, paid for and sold as contemplated herein, the Notes will be valid and binding obligations of TD, enforceable against TD in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by Canadian law, Cadwalader, Wickersham & Taft LLP has assumed, without independent inquiry or investigation, the validity of the matters opined on by McCarthy Tétrault LLP, Canadian legal counsel for TD, in its opinion expressed below. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and, with respect to the Notes, authentication of the Notes and the genuineness of signatures and certain factual matters, all as stated in the opinion of Cadwalader, Wickersham & Taft LLP dated May 31, 2016 which has been filed as Exhibit 5.3 to the registration statement on form F-3 filed by the Bank on May 31, 2016.

In the opinion of McCarthy Tétrault LLP, the issue and sale of the Notes has been duly authorized by all necessary corporate action on the part of TD, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the Notes, the Notes will have been validly executed and issued and, to the extent validity of the Notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable therein, will be valid obligations of TD, subject to the following limitations: (i) the enforceability of the indenture is subject to bankruptcy, insolvency, reorganization, arrangement, winding up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally; (ii) the enforceability of the indenture is subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of a court; (iii) courts in Canada are precluded from giving a judgment in any currency other than the lawful money of Canada; and (iv) the enforceability of the indenture will be subject to the limitations contained in the Limitations Act, 2002 (Ontario), and such counsel expresses no opinion as to whether a court may find any provision of the indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date hereof and is limited to the laws of the Provinces of Ontario and the federal laws of Canada applicable thereto. In addition, this opinion is subject to: (i) the assumption that the senior indenture has been duly authorized, executed and delivered by, and constitutes a valid and legally binding obligation of, the trustee, enforceable against the trustee in accordance with its terms; and (ii) customary assumptions about the genuineness of signatures and certain factual matters all as stated in the letter of such counsel dated May 31, 2016, which has been filed as Exhibit 5.2 to the registration statement on form F-3 filed by TD on May 31, 2016.

