

TD Asset Management Proxy Voting Policy

April 2025 vs. April 2024: one change, and it is a significant one

TD Asset Management Inc.

Proxy Voting Policy

Effective April 2024 compared with effective April 2025

TDAM used to abstain entirely on anything touching TD. It now votes those shares, using an internal conflicts procedure instead.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
[proxyvotesnow.com](https://www.proxyvotesnow.com)

A note on dates, and on what this document is

Two things need saying before the analysis, because both affect how this report should be read.

First, the dates. The two files held for TD Asset Management are labelled 2026 and 2025, but the documents state their own effective dates on the cover: the newer one is 'Effective: April 2025' and the older is 'Effective: April 2024.' This report compares those two editions and is titled accordingly. A third capture in the archive is also the April 2024 text. TDAM appears not to have published a 2026 edition of this policy as at the date of this review.

Second, the scope. This is TDAM's Proxy Voting Policy - a procedural document of about 1,800 words covering who votes, how the external proxy consultant is used, how conflicts are handled and when TDAM abstains. It is not the document that says how TDAM votes on say-on-pay, director elections or climate proposals. Those positions live in a separate publication that the Policy calls 'the TDAM Proxy Voting Guidelines,' which is referenced here but not reproduced. Nothing in this comparison speaks to TDAM's substantive voting positions, because neither edition contains them.

The change that matters: TD's own shares

The 2024 policy contained a single-sentence blanket rule. It is gone from the 2025 policy, and has been replaced by a procedure.

April 2024, deleted:

"TDAM abstains entirely from voting on matters relating to TD and its affiliated issuers."

That sentence does not appear anywhere in the April 2025 document, in any form. In its place, the Conflict of Interest section gained two new paragraphs describing how TDAM will now vote those proxies rather than sit them out:

April 2025, new:

"In order to balance the interests of the Investment Accounts in exercising proxies with the desire to avoid the perception of a conflict of interest, TDAM has instituted procedures to help ensure that an Investment Account's proxy is voted: in accordance with the business judgment of the Portfolio Manager, uninfluenced by considerations other than the best interests of the Investment Accounts; free from any influence by TDAM's Affiliated Companies, including TD, and without taking into account any consideration relevant to those companies or any of its associates or affiliates."

April 2025, new:

"The procedure for voting those proxies may include escalation of the issue to TDAM's Independent Review Committee for its review and recommendations regarding the management of the potential conflict of interest. The responsibility for deciding whether and how to exercise the Investment Account's proxy votes remains with TDAM's Portfolio Managers."

Why this is a real change and not a formality

The Toronto-Dominion Bank is one of the largest constituents of the S&P/TSX Composite. Any TDAM fund tracking or benchmarked to that index holds TD shares, and TD's annual meeting carries the full set of contested items - director elections, say-on-pay, auditor ratification and, in recent years, shareholder proposals on climate financing, executive compensation and language rights. Under the April 2024 policy every one of those ballots was abstained on as a matter of course. Under the April 2025 policy they are voted, by the portfolio manager, subject to an internal conflicts procedure.

There are two defensible readings and they are worth stating side by side. The favourable one: abstention is itself a fiduciary failure - clients whose money is in a TD-holding fund were getting no representation at all on the governance of one of their largest positions, and TDAM has now accepted the harder job of voting them properly. The sceptical one: an asset manager owned by a bank has just given itself permission to vote its parent's shares, and the safeguard is an internal committee rather than an external one.

What to watch

This is testable. TDAM publishes proxy voting records; the April 2025 policy takes effect for the 2025-26 meeting season onward. The questions are whether TD shares are now actually voted rather than abstained, and whether TDAM's votes at TD's annual meeting differ in any respect from management's recommendations - particularly on say-on-pay and on shareholder proposals, where a rubber-stamp pattern would be the thing to look for.

The supporting edits, which all point the same way

Three smaller changes accompany the main one, and each is consistent with a manager that has decided to vote through conflicts rather than avoid them.

The conflict-based non-vote became conditional

When TDAM may decline to cast a vote at all

April 2024:

"in specific instances where TDAM or Affiliated Companies have actual or perceived conflicts of interest in the outcome of a proxy voting matter."

April 2025:

"in specific instances where TDAM or Affiliated Companies have actual or perceived conflicts of interest in the outcome of a proxy voting matter that cannot be properly resolved in the best interests of the Investment Account(s)."

In 2024 the existence of a conflict was enough to justify not voting. In 2025 the conflict must also be unresolvable. That is the general version of the TD-specific change: conflicts are now something to be managed through, and only a conflict that resists management produces silence.

TD is now named in the conflicts list, and employees were added

The opening of the Conflict of Interest section previously referred generically to 'its Affiliated Companies.' The 2025 text reads 'its Affiliated Companies, including TD' - naming the parent explicitly, which is precisely what becomes necessary once its shares are being voted rather than abstained. In the same paragraph, 2024's 'where TDAM or its affiliates have actual or perceived material interests' became 'where TDAM or its employees may have actual or perceived material interests,' and 'to vote in a way that favours its affiliates' became 'to vote in a way that favours TDAM or its affiliates.' The conflict is now described as running to individual employees and to TDAM itself, not only outward to the group.

Less gets individually analysed

What TDAM reviews by hand rather than by vendor recommendation

April 2024:

"Specific votes are individually analyzed by TDAM, on a case-by-case basis, particularly regarding investment related proposals, as explained in section 4.2 below."

April 2025:

"Certain investment-related proposals are individually analyzed by TDAM, on a case-by-case basis, as explained in section 4.2 below."

This is a genuine narrowing that is easy to miss. The 2024 wording described an open category - 'specific votes' - of which investment-related proposals were the leading example. The 2025 wording confines individual analysis to investment-related proposals and only 'certain' of them. Everything else runs on custom voting instructions executed automatically by the external proxy consultant. Section 4.2 is unchanged and still defines investment-related proposals as 'mergers, acquisitions and other matters that have a clear and direct impact on the securities held.' So director elections, say-on-pay and shareholder proposals are, on the face of this policy, handled by standing instruction rather than case-by-case judgement.

One definition added

'Portfolio Manager' is newly defined, as 'an employee of TDAM who has been identified and is registered as Advising Representative with regulatory authorities to exercise, discretionary authority to make investment decisions and provide trade instructions on behalf of an Investment Account.' The definition exists because the new conflicts procedure assigns the vote to that person by name - it is the mechanical consequence of the main change.

What did not change

Almost everything else. The two documents are close to identical outside the conflicts machinery.

- The purpose, scope and objective are word for word the same, including the commitment that TDAM 'votes in a manner that is most likely to enhance the economic value of the underlying securities.'
- The role of the external proxy consultant is unchanged: it analyses resolutions, recommends votes, executes ballots under TDAM's custom instructions and reports back. TDAM still monitors it at least annually for conflicts.
- The other grounds for not voting are unchanged: cost or notice making a vote uneconomic, and shares out on loan at the record date. The securities lending recall discretion is identical.
- Section 4.1 on documenting deviations from the consultant's recommendation, and section 4.2 on investment-related proposals, are unchanged.
- Section 4.3 still lists the same two grounds for abstaining. The 2024 text ended the second with the words 'TDAM must abstain'; the 2025 text drops them, but the opening line still says these are matters 'TDAM will abstain from voting on,' so the effect is the same.
- Every definition other than Portfolio Manager is unchanged, including Non-Routine Matters, which still gives 'gender diversity among boards of directors, remuneration of executives, and various environmental proposals' as its examples. TDAM did not strip diversity or environmental language from this document.
- A client with a segregated account may still choose to vote its own proxies, and sub-advisers may still vote the proxies of the portfolios they advise.

Presentationally, the numbered section headings (1. Purpose & Scope, 2. Objective, 3. Conflict of Interest, 4. Standing Custom Voting Instructions, 5. Definitions) were unnumbered in the 2025 edition, and a cross-reference to 'sections 4 through 4.3' was shortened to 'section 4.' Neither carries any meaning.

The bottom line

One substantive change in a short procedural document, and it goes to the single most obvious conflict a bank-owned asset manager has.

TDAM has moved from a bright-line rule - abstain entirely on TD and affiliated issuers - to a managed-conflict regime in which the portfolio manager votes, potentially after escalation to the Independent Review Committee. In the same edition it narrowed the circumstances in which a conflict justifies not voting at all, named TD explicitly in its conflicts disclosure, and extended the conflict concept to individual employees.

Whether this is an improvement depends entirely on execution, and execution is visible in the voting record rather than in the policy. Clients holding Canadian equity mandates through TDAM should now expect their TD shares to be voted, and are entitled to ask how.

Alongside that, the population of ballots TDAM says it analyses individually was narrowed from an open category to 'certain investment-related proposals.' Read together, the 2025 policy concentrates human judgement on transactions and on conflicted votes, and leans harder on standing instructions everywhere else.