

GOVERNANCE THAT HONOURS COOPERATIVE VALUES

Driven by its permanent values⁽¹⁾ as well as the founding cooperative principles and values upon which it is based, Desjardins has a modern style of governance that sets it apart from other financial institutions. It is unique not only in the nature of its goals, which are to meet the needs of its members, clients and communities, but also in its democratic processes and continuous efforts to evaluate the impact of its decisions on stakeholders.⁽²⁾ By gradually integrating sustainable development principles into its operations, Desjardins also demonstrates commitment on a social level.

For nearly ten years, the Fédération des caisses Desjardins du Québec (FCDQ) has gradually improved its governance program. To ensure consistent strategic management, its directors are the same as those for Caisse centrale Desjardins, Desjardins Venture Capital, Desjardins Trust and Capital Desjardins. In addition, each of Desjardins Group's components, subsidiaries, and now the caisses, has its own governance policies and programs, aligned with those of the FCDQ and adapted as necessary. With a view to continuous improvement, the Board of Directors ensures that all structures, policies and frameworks take into account the guidelines set by regulatory bodies as well as the best practices in proper governance.

HIGHLIGHTS

In 2008, Desjardins Group made numerous improvements and took on several initiatives that helped it maintain a style of governance adapted to its specific cooperative nature. Here are the highlights:

- The year was marked by the election of a new Desjardins Group President, supervised by a 256-person electoral college composed of members from the 17 Québec and Ontario councils of representatives. Now, for the first time in the organization's history, a woman is at the head of the largest financial institution in Québec and sixth largest in Canada.
- Following the election, the Board of Directors adopted the 2008-2012 Desjardins Group Development Plan: a structured approach to the general guidelines of the upcoming mandate which were adopted by the Board of Directors before the election, and to the commitments made by the new President during the electoral process. The plan contains five major "building blocks" intended to help develop and expand the 2010-2012 Strategic Plan. Under the plan, the Board of Directors has approved work on reviewing the organization's structure, optimizing the financial management of balance sheets, and revising Desjardins Group's business processes and information technology.
- The Assembly of Representatives, the role of which was expanded in 2006, met four times in 2008. In addition to electing the President and CEO, the Assembly was asked to review the highlights of the annual tour of the councils of representatives carried out by the former President and CEO of Desjardins Group, to study various strategic issues and to manage several orientation projects. This year in particular, the Assembly was called on to participate in the strategic reflections regarding the Desjardins Group Development Plan and the 2010-2012 Strategic Plan, as mentioned above, as well as the theme for the Congress of Elected Officers, which will take place in November 2009.
- The economic crisis was discussed at every Board of Directors meeting. Monthly presentations were given on market developments and negotiations for the signing of the Montréal Accord (restructuring of asset-backed commercial paper [ABCP]) and its impact on Desjardins Group. The Board progressively made decisions with respect to tightening frameworks and preventive risk management—including market, liquidity and credit risk—in the best interests of Desjardins, its members and clients. Desjardins Group's capital management also received special attention. The Risk Management Commission played a key role in monitoring the work surrounding the management of the impact of the crisis on Desjardins.
- In keeping with the responsibility-sharing introduced in 2004 in relation to Desjardins Group strategic functions, the following policies were adopted: the Framework Policy on Strategic and Financial Transactions, the Management Information Governance Policy, as well as a policy pertaining to Desjardins Group's liquidity contingency plan.
- Policies regarding Desjardins Group governance were adopted, such as the Desjardins Group Policy Framework for Managing Operational Risk and the Desjardins Group Business Continuity Policy.
- The formal request for Basel II certification relating to the standard approach for Desjardins Group operational risk was submitted to the Autorité des marchés financiers (AMF). Once again, the Risk Management Commission closely followed the work leading up to Desjardins Group's request for certification and stated that it was satisfied with the work completed.
- The Board of Directors was informed about the project to convert Desjardins to International Financial Reporting Standards and was assured that all deadlines would be met.
- The Governance Policy for the Caisse and its Centres (business centres and administrative centres) was adopted and implemented throughout the network. The Board of Directors also authorized the rollout of an overall performance management model for the caisses, inspired by a caisse network consultation exercise.

(1) Desjardins Group's permanent values are money at the service of human development, democratic action, personal commitment, integrity and discipline, and solidarity with the community.

(2) Stakeholders are the people or entities whose activities may have an impact on Desjardins Group and/or who may be affected positively or negatively by the organization's decisions. Among them are members and clients, employees, suppliers, local communities, governments, the media, etc.

- The Board of Directors adopted an integrated strategy on diversity so as to reflect, in both its membership and its democratic and organizational structure, the diversity of the communities it serves (gender; age; English-speaking, Aboriginal and cultural communities). Desjardins Group's openness to and recognition of diversity are a clear expression of the human values that drive the organization and are conveyed through its mission.
- The annual meetings are a key aspect of Desjardins Group's decision-making and democratic process. Participants now receive the applicable rules of procedure for Desjardins Group meetings every year, as was already the case for the rules governing the election of FCDQ officers. In the same vein, the *Caisse Guide on Prior Notices of Motion* and the *Guide sur le processus électoral de la Fédération des caisses Desjardins du Québec et de la Caisse centrale Desjardins à l'intention des dirigeants et dirigeantes de caisses* (FCDQ and Caisse centrale Desjardins electoral process guide for caisse officers) were updated.
- The Board of Directors held a symposium to discuss its operating methods and determine the best ways to fulfill its roles and responsibilities.

THE FCDQ'S GOVERNANCE POLICY

The governance policy adopted by the FCDQ describes what it must do to respect the corporate governance guidelines laid out by the Canadian Securities Administrators, while adapting these guidelines to the cooperative nature of Desjardins.

The first fundamental adaptation relates to the very purpose behind the FCDQ's Board of Directors' measures with respect to corporate governance. Ultimately, the purpose of Desjardins Group's governance practices is to enable it to carry out its mission, which is to contribute to improving the economic and social well-being of people and communities. It is guided by long-term objectives and is focused on creating economic value for its owner-users, the caisse members, who therefore benefit from the following:

- A competitive, comprehensive, integrated and accessible service offering
- Member dividends and contributions to the community
- Active contribution to local and regional development with an eye on sustainable development

This focus on value also allows Desjardins to help strengthen the cooperative financial sector in Canada, most notably through strategic partnerships.

To reach these objectives, Desjardins seeks to achieve reliable and sufficient profitability, which allows it to ensure its longevity and respect its cooperative difference.

APPLICATION OF CORPORATE GOVERNANCE GUIDELINES

MANDATE OF THE BOARD OF DIRECTORS

1) Management of the FCDQ

The Board of Directors assumes explicit managerial responsibility of the FCDQ by administering its business in a sound and prudent manner. It ensures that the procedures and structures required for it to fully assume its role are in place. Periodically, it reviews its operations from the standpoint of continuous improvement and ensures that the assets of Desjardins Group, its approximately 5.8 million members and its client are safeguarded.

The Board fulfils a dual role since its responsibilities apply both to the FCDQ as a business and to Desjardins Group as a cooperative financial group. The FCDQ is the organization that guides, plans, coordinates, monitors and ensures control of all Desjardins Group operations.

The Board exercises all the powers of the FCDQ, except for those which it may delegate from time to time to its commissions and committees. The Board assumes the following responsibilities in particular:

a. Culture of integrity

The Board of Directors is responsible for ensuring compliance with the permanent and cooperative values of Desjardins, namely: money at the service of human development, democratic action, personal commitment, discipline and integrity, and solidarity with the community. Consequently, the Board is also responsible for enforcing the *Desjardins Group Code of Ethics and Professional Conduct* among management staff, employees and elected officers. In 2008, as part of the educational aspect of Desjardins Group's mission, the Board gave the Board of Ethics and Professional Conduct the mandate to prepare recommendations, in collaboration with the Cooperative Orientations Commission, to update and clarify the description of Desjardins Group's values. The resulting tools for raising awareness will promote recognition of these values among employees and elected officers. This mandate will continue in 2009 and 2010, as in 2008 an issues paper was prepared and validation sessions were held with focus groups, whose conclusions were presented to both the Cooperative Orientations Commission and the Board of Ethics and Professional Conduct with a view to tabling recommendations to the FCDQ's decision-making bodies.

The Board of Ethics and Professional Conduct of the FCDQ is authorized by the FCDQ's General Meeting. It is responsible for updating the Code and issuing notices as needed. A support structure for the Board's activities enables it to carry out awareness-raising and training activities and provide an advisory service, thereby giving concrete form to Desjardins Group's efforts to ensure compliance with the Code, which in turn provides for the possibility of imposing penalties for violations. Desjardins also has a confidential mechanism for reporting violations of the Code and the regulatory framework. In 2008, the processes in place made it possible to respond quickly to a situation involving two members of Management at one of Desjardins Group's components.

The *Desjardins Group Code of Ethics and Professional Conduct* is available to the public via its Web site, *desjardins.com*, and the FCDQ's Intranet Portal. All individuals working at Desjardins are asked to demonstrate ethical values and behaviour based on honesty, transparency, social responsibility and altruism.

b. Strategic and financial planning process

The Board of Directors has a continuous strategic and financial planning process for Desjardins Group that includes the development of a capitalization plan and a financial plan. The Board is supported by the Desjardins Group Strategic Management Structure Committee, which helps the Board ensure that strategic and financial orientations and plans are incorporated throughout the caisses and the subsidiaries, and that business development strategies are consistent throughout, all while being mindful of the risk involved. The plan is communicated to all Desjardins components so that there is a shared understanding.

From the strategic and financial plan stems the cooperative network's business plan (known as PARC⁽³⁾), as well as a project plan. The responsibility for implementing Desjardins Group's Strategic Plan rests with Desjardins Group's Strategic Management Structure Committee, while responsibility for PARC and the project plan falls to the FCDQ Management Committee. The Board's role in this respect is one of follow-up, supervision and control. It also ensures that information is obtained to correct discrepancies when necessary.

The respective boards of directors of Caisse centrale Desjardins, Desjardins Venture Capital and Desjardins Trust each adopt a three-year strategic and financial plan that is updated annually.

c. Identification and management of main risks

The Board is responsible for identifying the main risks relative to the FCDQ and Desjardins Group and ensures that the required systems are in place for the integrated management of these risks. The FCDQ is supported by the Integrated Risk Management Executive Division, whose activities cover all of Desjardins Group. The FCDQ Board of Directors is backed by a Risk Management Commission and ensures that the Commission works consistently with the Audit and Inspection Commission, which remains responsible for risks relating to the process for disclosure of financial information. The same applies to Caisse centrale Desjardins, Desjardins Venture Capital and Desjardins Trust. The Desjardins Group Strategic Management Structure Committee also relies on the Board of Directors in carrying out this responsibility and annually receives a report on the overall risk situation for Desjardins as a whole. The Risk Management Commission holds closed-door sessions without the presence of Management.

d. Succession planning

The Board of Directors oversees the development of the succession planning program and is supported in this task by the Human Resources Commission and Desjardins Group's Human Resources Executive Division. The Commission oversees the program and reports to the Board of Directors, making recommendations, if need be.

One of the hallmarks of the Desjardins cooperative difference is that the successor to the Chair of the Board and Chief Executive Officer is chosen by a 256-person electoral college that includes representatives from Québec and Ontario⁽⁴⁾ caisses and the President and Chief Executive Officer of Desjardins Group. Although it does not have to appoint the incumbent,

the Board of Directors makes sure the succession is properly planned by determining the main parameters for the mandate of the President of Desjardins Group, who serves a four-year term. The electoral process is covered in an FCDQ by-law and overseen by an Election Committee composed of elected officers and independent members of the Board of Directors, who are responsible for establishing the rules of conduct as well as the electoral process. In 2008, the Election Committee oversaw the election of the new President. The Committee established the rules that apply to the electoral process and the guide for candidates and members of the electoral college, and then supervised the overall electoral process. It reported back to the FCDQ Board of Directors on its activities and formulated various recommendations for the next election process, with a view to continuous improvement.

e. Integrity of the internal control and management reporting systems

The Board of Directors, seconded by its Audit and Inspection Commission, ensures the implementation of effective control systems (accounting, administrative and management) to safeguard the integrity of its operations and obtain the required accountability from managers. The respective roles and responsibilities of the Audit and Inspection Commission and the Risk Management Commission with regard to these issues were clarified in 2008. The Board is supported in this responsibility by Desjardins Group's Internal Auditor, whose annual plan is approved by the Audit and Inspection Commission. Work is ongoing to improve documentation of the controls used during the financial reporting process. These efforts are monitored by the Chief Financial Officer of Desjardins Group who, together with Desjardins Group's Chief Executive Officer, is responsible for certifying the consolidated and combined financial statements of Desjardins Group.

The Board also ensures that Desjardins Group's Strategic Management Structure Committee and the FCDQ's Management Committee provide the Board and its commissions and committees with information that is reliable, timely and adapted to the particular needs of Board members so that they may take advantage of business opportunities and measure the risks involved. As files are submitted, Board members are invited to assess the quality of each decision-bearing file. A training session is available to staff who present such files to the FCDQ's decision-making bodies.

To effectively monitor primary performance indicators, management uses a scorecard; this benefits the Board, as it allows Board members to quickly obtain decision-bearing data.

In general, Board members receive a quarterly management information report that combines the main financial and non-financial indicators that will enable them to assess Desjardins Group's situation and the status of the FCDQ's projects. The Board ensures that appropriate policies and procedures are in place to facilitate the production and presentation of this information.

To effectively carry out its duties, the Board meets regularly according to a predetermined schedule. Board members receive the agenda in advance, along with any relevant documentation, to ensure productive discussions and to facilitate the decision-making process.

They also use technologies that give them access to meeting-related documentation and to the management frameworks for Desjardins activities.

(3) PARC is a one-year business plan that consolidates the business plans of the 513 caisses and the FCDQ and integrates the subsidiaries' contribution into the service offering for caisse member-owners.

The process leading to the establishment of the plan is reviewed periodically to meet caisse expectations.

(4) Members of the councils of representatives.

f. Strategic communications-related orientations

The Board of Directors adopts strategic communications orientations aligned with its strategic and financial planning by setting the actions to be taken and the results to be measured. The FCDQ also drafts internal and external communication policies in order to improve its relations with the caisses and their members, its employees, the subsidiaries and their clients, socio-economic and community organizations, opinion makers, the public, the media, rating and scoring agencies and governments. The FCDQ has a Desjardins-wide strategic communication plan, incorporating in particular the disclosure of financial information and of major changes that can affect Desjardins Group's financial position.

The FCDQ uses various channels to communicate effectively with its various stakeholders. These channels include the Communications and Public Affairs Division, the Ombudsman, the Ethics and Professional Conduct support team of the Secretariat General, the complaint handling process in the caisses (Your satisfaction is my priority) and within Desjardins Group, the annual general meetings, the release of Desjardins Group's quarterly financial results, Desjardins publications (including InfoD bulletins, the Annual Report, the *Social Responsibility and Cooperative Report*, *Espace D (My Money)*, *Entreprises and Partenaires* magazines, as well as information bulletins distributed to employees), a toll-free telephone number, an Intranet site, a Web site (which includes a "Member Relations" section), FCDQ Member Services (1-866-835-8444, ext. 8422), and the mechanism for reporting actions that violate the *Code of Ethics and Professional Conduct* and the regulatory frameworks.

In addition, the FCDQ communicates with international rating and scoring agencies and coordinates the relations of Desjardins Group with the various levels of government.

2) Composition of the Board of Directors

The FCDQ's Board of Directors consists of 22 members, the majority of whom are unrelated parties. The criteria for membership are listed in Paragraph 3.

The vice-presidents of the Abitibi-Témiscamingue—Nord et Ouest du Québec and the Bas-Saint-Laurent—Gaspésie—Îles-de-la-Madeleine regional councils of representatives also serve on the Board of Directors as managing directors.

3) Applying the definition of unrelated party

The Board of Directors includes five related officers, namely the Chair of the Board and Chief Executive Officer of Desjardins Group and four caisse general managers. The first is a related party because he or she is a member of FCDQ Management and the other four are related parties because they are employees of companies, namely caisses, belonging to Desjardins. In addition, the directors have no business or personal relationships with members of the Management Committee of the FCDQ, nor interests which, in the opinion of the Board, could significantly interfere with their ability to act in the best interests of the FCDQ or Desjardins Group, nor interests of any other nature which, again in the opinion of the Board, could reasonably be perceived as harmful.

For guidance in these matters, the Board refers to the provisions of the *Code of Ethics and Professional Conduct*, which governs the actions of its directors, and to the declarations of interests filed annually by the directors. The declarations of interests show that the directors focus their full attention on their role and responsibilities at Desjardins, as none of them sits on a board of directors of any other major company. They generally hold one or two directorial positions with not-for-profit organizations.

A list of directors along with their status (related or unrelated) can be found on page 13 of this Annual Report.

4) Nominations process

Given the cooperative structure of Desjardins Group and the principle of delegation which prevails within Desjardins, the FCDQ's Board of Directors is composed of persons elected by the delegates of the FCDQ's member caisses who, at regional or group caisse meetings, directly elect 17 of the 22 Board members. These individuals chair the councils of representatives.⁽⁵⁾ Thus, it is the caisse delegates who must choose, from among those interested, the candidates most capable of taking on two roles, namely, that of a director of the FCDQ and Desjardins Group as a whole and that of regional representative. Before nominations are accepted, candidates are reminded of the responsibilities and requirements related to the position of chair of a council of representatives. Because they are, at the same time, officers of a caisse, members of their councils of representatives and, finally, members of the Board of Directors of the FCDQ, the Board benefits from having directors with thorough knowledge of Desjardins Group activities, who are nonetheless independent of Management. This in-depth knowledge of the organization's activities is a significant advantage resulting from Desjardins Group's cooperative structure.

The chairs of the councils of representatives are also responsible for ensuring that the orientations, as defined by the Board, are understood by the caisses; for ensuring that the mechanisms for discussions, suggestions and consultations are effective; and for communicating to the Board the concerns of the caisses they represent. The energy and commitment of caisse officers inspires the members of the Board to make decisions for the common good of the members and other stakeholders of Desjardins Group.

The four remaining positions filled by caisse general managers are determined at an election held at an Assembly of Representatives of the FCDQ, and the final position is reserved for the Chair of the Board and Chief Executive Officer of Desjardins Group. Consequently, the Corporate Governance Commission does not play a role in the selection of the Board of Directors of the FCDQ, but is, however, in charge of the selection process of the directors of Desjardins Group subsidiaries.

The process of electing the directors of the FCDQ therefore ensures the independence of the members of the Board vis-à-vis the Chair of the Board and Chief Executive Officer of Desjardins Group since this individual has no influence on their selection.

(5) The councils of representatives are democratic bodies within the FCDQ whose decision-making responsibilities are, in each of the regions and for the group caisses, to ensure that associative activities remain dynamic through group action between the region's caisses and the FCDQ; its influence on decisions that affect major orientations and projects by actively participating in consultations; its contribution to the identification of regional issues and business development opportunities; its follow-up on member satisfaction and Desjardins Group's image in the region; as well as through institutional presence in the region. It directs associative affairs through the leadership role assumed by each member of the council of representatives. It also ensures that concerns expressed by the caisses in the region are considered by the FCDQ.

Moreover, the rules governing the composition of the Board foster a certain stability and continuity with respect to the corporate governance of Desjardins Group, given that its members have three-year renewable terms and that, each year, one third of the Board members are replaced. This affords the directors the time needed to deepen their understanding of issues and to actively participate in Board activities.

The composition of the Board is balanced by the presence of representatives from all regions of Québec, from the group caisses and from Ontario caisses populaires, as well as by their particular skills and experience (chartered accountants, lawyers, notaries, managers, professional mediators, professors of management, entrepreneurs, caisse general managers, etc.).

All the processes, terms, conditions and requirements relating to the responsibilities of an FCDQ Board member and the chair of a council of representatives have been listed in a guide available to caisse officers, which is intended to support individuals interested in applying for positions on the Board and also to assist those called upon to elect FCDQ officers.

5) Assessing the effectiveness of structures

The Board of Directors and its commissions and committees evaluate their performance annually by using quantifiable objectives set by the Board at the beginning of the year. Areas for improvement and points to be monitored are identified during this evaluation and written into an action plan recommended to the Board by the Corporate Governance Commission (which also oversees the plan). The Board also receives a mid-year progress report. The evaluation program for all FCDQ structures also calls for a personal self-assessment followed by a meeting between each director and the Chair of the Board. In 2008, the statutory evaluation meetings were suspended and replaced by a group engagement activity. Furthermore, the President held individual meetings with the Board members as she took up her new role. The Chair of the Board is responsible for the evaluation process, and the Corporate Governance Commission provides oversight.

The Cooperative Orientations Commission is also involved in evaluating the performance of the Board of Directors, and tables an annual report on how well the Board has achieved its primary annual objective, which is to ensure that its major decisions reflect all aspects of the cooperative difference.

6) Orientation and training program for new directors

The FCDQ offers its directors orientation sessions and ongoing training, and develops sessions tailored to their specific needs.

All new directors attend an integration session that involves meeting with members of Management and receiving a reference manual containing the information they need to carry out their duties. Every director receives a document reminding him or her of the expectations and duties that come with the position. Orientation sessions are also held to ensure the effective and efficient integration of new members of Board commissions and committees.

As needed and upon request, meetings with specialists from the FCDQ, Caisse centrale Desjardins, Desjardins Venture Capital and Desjardins Trust are also organized to give directors a more complete picture of the organization and of its main strategic projects.

The training program for Board members falls under the activities of the Desjardins Cooperative Institute, a training institute created for the managers and elected officers of Desjardins Group. The Institute's mission is threefold: Desjardins Awareness, Desjardins Governance and Management, and Desjardins Innovation.

7) Size of the Board

The composition of the Board of Directors is designed to provide adequate representation of the caisses in the 17 regions in the province of Québec plus part of Ontario, as well as the group caisses. Moreover, the presence of four caisse general managers ensures that the orientations adopted by the Board and their implementation are adapted to the realities of the caisses.

Efficient meeting organization and good discipline among the directors themselves compensate for the fairly large size of the Board. Furthermore, the Chair of the Board and Chief Executive Officer holds periodic, informal meetings with the directors that serve to increase the efficiency of formal meetings. The results of the performance evaluation of the Board of Directors reveal, from year to year, the very high relevance of these meetings. After each Board of Directors, committee or commission meeting, a closed-door session is held without the members of FCDQ Management, except for the Chair of the Board and Chief Executive Officer as long as he or she does not have to withdraw for independence reasons. This procedure has been in place for over three years.

8) Remuneration policy for directors

The Board annually reviews its policy on the remuneration of its directors, members of the Board of Ethics and Professional Conduct and members of the councils of representatives. The Board receives recommendations from the Corporate Governance Commission, a body that follows market trends in this domain very closely. Although it was reviewed in early 2008 and certain amounts increased, if all functions undertaken for the FCDQ, Caisse centrale Desjardins, Desjardins Venture Capital and Desjardins Trust boards are taken into account, the remuneration schedule of this policy remains slightly below industry trends. However, they do appropriately reflect Desjardins Group's culture and the responsibilities, requirements and risks inherent to those functions. It is also important to note that the President and Chief Executive Officer's compensation is the subject of a recommendation made by a specific Board committee, all of whose members are unrelated directors.

Note that in 2007, the Board of Directors adopted the status quo, as a result of the specific situation regarding the control of costs at that time. Board members have made the same decision in 2009 and will keep to the same amounts as 2008.

REMUNERATION SCHEDULE OF BOARD MEMBERS OF THE FCDQ, CAISSE CENTRALE DESJARDINS, DESJARDINS VENTURE CAPITAL AND DESJARDINS TRUST, AS WELL AS MEMBERS OF THE BOARD OF ETHICS AND PROFESSIONAL CONDUCT OF THE FCDQ AND OF CAISSE CENTRALE DESJARDINS

	FCDQ	Desjardins Venture Capital	Caisse centrale Desjardins	Desjardins Trust	Subsidiaries
Chair of the Board of Directors ⁽⁶⁾	None, as it is assumed by the President and CEO of Desjardins Group	\$20,000 paid to the FCDQ because it is assumed by the President and CEO of Desjardins Group	\$20,000 paid to the FCDQ because it is assumed by the President and CEO of Desjardins Group	\$20,000 paid to the FCDQ because it is assumed by the President and CEO of Desjardins Group	\$20,000, of which \$10,000 is earmarked for the director and \$10,000 for the Chair of the Board
Annual retainer for the chair of a commission ⁽⁷⁾	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Annual retainer for a member of the Board of Directors ^(8,9)	\$7,500	\$7,500	\$7,500	\$7,500	\$10,000
Annual retainer for a member of a Board of Directors' commission or committee ⁽¹⁰⁾	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Attendance allowance for Board meetings ⁽¹¹⁾	\$1,000 (maximum per day)	\$1,000 (maximum per day)	\$1,000 (maximum per day)	\$1,000 (maximum per day)	\$1,000 (maximum per day)
Attendance allowance for committee or commission meetings ⁽¹¹⁾	\$500 (per half-day)	\$500 (per half-day)	\$500 (per half-day)	\$500 (per half-day)	\$500 (per half-day)
Conference calls	\$200	\$200	\$200	\$200	\$200
Attendance allowance for members of the Board of Ethics and Professional Conduct or the Ethics Committee	\$1,500 for the Chair \$750 for members	\$500 (per half-day)	\$1,500 for the Chair \$750 for members	\$1,500 for the Chair \$750 for members	\$500 (per half-day)
Compensation for the chair of a council of representatives	\$10,000	N/A	N/A	N/A	N/A
Attendance allowance for members of the councils of representatives	\$300 per meeting	N/A	N/A	N/A	N/A
Chair of a discussion forum	\$1,000 for preparation time \$1,000 for the day	N/A	N/A	N/A	N/A

N/A: Not applicable

(6) The Chair of the Board of a subsidiary is generally held by a member of the Board of Directors of the FCDQ.

(7) For committees that hold fewer than four meetings, the attendance allowance is doubled and replaces the annual retainer.

(8) A member of the Board of the FCDQ receives \$30,000 as an annual retainer to serve as a director of the FCDQ, Caisse centrale Desjardins, Desjardins Venture Capital and Desjardins Trust. This amount is equally allocated among these four components. The two managing directors receive \$23,250, to which an amount of \$7,500 is added for their roles as vice-presidents of their respective councils of representatives.

(9) For the four general managers who are members of the Boards of Directors, the policy stipulates that the Board of Directors for their caisse is responsible for deciding if they keep all of their remuneration.

(10) The annual retainer is paid, regardless of the number of commissions or committees these members sit on at the FCDQ, Caisse centrale Desjardins (CCD), Capital Desjardins inc. (CDI), Desjardins Venture Capital (DVC) or Desjardins Trust. Therefore, only one retainer is paid for roles assumed for the FCDQ, CCD, CDI, DVC and Desjardins Trust. For members of commissions or committees who are not members of the Board of Directors, the retainer is \$5,000.

(11) Regardless of the number of Board, commission and committee meetings held on the same day, the maximum daily retainer is \$1,000 because every effort is made to concentrate meetings in a single day to keep costs down as much as possible.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

Disclosure of the remuneration paid to each Board member for the duties they assume for the Fédération des caisses Desjardins du Québec (FCDQ), Desjardins Venture Capital (DVC), Caisse centrale Desjardins (CCD), or Desjardins Trust, or for their role as the Chair of the Board of a subsidiary.

Name	Received from the FCDQ, DVC, CCD and Desjardins Trust		Other Fees ⁽¹²⁾		Total 2008
	Attendance Allowance	Annual retainer	Attendance Allowance	Annual retainer	
ARSENAULT, Dominique	\$ 31,400	\$ 32,750			\$ 64,150
BARIL, Jacques	\$ 46,150	\$ 65,917			\$ 112,067
BLAIS, Thomas	\$ 54,250	\$ 66,167	\$ 9,400 ⁽¹³⁾	\$ 15,000 ⁽¹³⁾	\$ 144,817
BOUDREAU, Laurier	\$ 36,250	\$ 32,000			\$ 68,250
CHAMBERLAND, Serges	\$ 43,850	\$ 73,500			\$ 117,350
CHARBONNEAU, Louise	\$ 35,550	\$ 32,000			\$ 67,550
DUGUAY, Denis	\$ 34,650	\$ 35,250			\$ 69,900
DUMAS, Alain	\$ 37,900	\$ 32,000			\$ 69,900
GAGNÉ, André (Chair of the Board, DAM) ⁽¹⁴⁾	\$ 33,750	\$ 47,000	\$ 9,000	\$ 28,500	\$ 118,250
GRANT, Norman	\$ 39,500	\$ 54,000			\$ 93,500
GRENON, Pierre ⁽¹⁵⁾	\$ 11,450	\$ 13,500			\$ 24,950
LACHAPPELLE, André (Chair of the Board, CRCD) ⁽¹⁴⁾	\$ 34,650	\$ 47,000	\$ 11,400	\$ 28,000	\$ 121,050
LAFONTAINE, Daniel	\$ 32,050	\$ 32,000			\$ 64,050
LAFORTUNE, Andrée	\$ 56,300	\$ 84,500			\$ 140,800
LAUZON, Marcel (Chair of the Board, DID) ⁽¹⁴⁾	\$ 36,950	\$ 47,000	\$ 6,900	\$ 28,000	\$ 118,850
LEBLANC, Pierre	\$ 57,700	\$ 61,917			\$ 119,617
MERCIER, Daniel	\$ 32,150	\$ 53,500			\$ 85,650
PARÉ, Denis	\$ 46,450	\$ 61,083			\$ 107,533
ROY, Michel	\$ 36,650	\$ 48,625			\$ 85,275
SAMSON, Clément (Chair of the Board, DGIG) ⁽¹⁴⁾	\$ 43,650	\$ 47,000	\$ 22,630 ⁽¹⁷⁾	\$ 30,500	\$ 143,780
ST-PIERRE BABIN, Sylvie (Chair of the Board, DFS) ⁽¹⁴⁾	\$ 28,400	\$ 51,438	\$ 17,415 ⁽¹⁷⁾	\$ 28,500	\$ 125,753
TARDIF, Pierre (Chair of the Board, Desj. Sec.) ⁽¹⁴⁾	\$ 99,000 ⁽¹⁶⁾	\$ 61,500 ⁽¹⁶⁾	\$ 7,800	\$ 35,000	\$ 203,300
TOURANGEAU, Serge	\$ 57,250	\$ 58,500			\$ 115,750
TURCOTTE, Benoit	\$ 53,500	\$ 42,938	\$ 6,038 ⁽¹⁷⁾		\$ 102,476
TOTAL	\$1,019,400	\$1,181,084	\$ 90,583	\$ 193,500	\$2,484,568⁽¹⁸⁾

(12) Amounts received for chairing the board of a subsidiary.

(13) Amount received as director of Desjardins Credit Union (DCU).

(14) Desjardins Asset Management (DAM), Capital régional et coopératif Desjardins (CRCD), Développement international Desjardins (DID), Desjardins General Insurance Group (DGIG), Desjardins Financial Security (DFS), Desjardins Securities (Desj. Sec.).

(15) Term of office ended in March 2008.

(16) Includes special remuneration of \$63,150 (including an attendance allowance of \$56,650 and a retainer of \$6,500) paid for to the Chair of the Reporting Follow-up Committee that intervened at CCD for the time it took to fulfil the mandate entrusted to it by the Board of Directors and lasting from March to December 2008.

(17) Includes an amount received as a trainer at Desjardins Cooperative Institute.

(18) 63% of this amount is related to duties assumed at the FCDQ alone.

REMUNERATION OF MEMBERS OF THE FCDQ BOARD OF ETHICS AND PROFESSIONAL CONDUCT

Name	Attendance Allowance
Béchar, Éric ⁽ⁱ⁾	\$ 8,300
Bourgeois, Isabelle	\$ 16,250
Cardinal, Marcel	\$ 15,500
Douvry, Josyane	\$ 17,200
Lee-Gosselin, Hélène	\$ 30,950
Pichette, Ronald	\$ 16,550
Perreault, Lise B. ⁽ⁱⁱ⁾	\$ 6,850
Sarrazin, Claire	\$ 14,450
St-Aubin, Jacques	\$ 16,800

(i) Term ended at the end of May 2008.

(ii) Began her term at the beginning of November 2008.

In accordance with the *Act respecting financial services cooperatives*, the total budget for the payment of attendance allowances to members of the Board of Directors, the councils of representatives and the Board of Ethics and Professional Conduct is authorized by the FCDQ's General Meeting. Note that it is the total remuneration budget (annual retainers plus attendance allowances) that is approved at the General Meeting. The General Meeting receives a report on changes to the remuneration budget from one year to the next. The overall budget allowance increased from \$1,654,000 in 2005, to \$2,011,000 in 2006, to \$2,011,900 in 2007, and to \$2,476,000 in 2008.

9) Composition of commissions and committees

The Board creates a number of committees and commissions and defines their mandates in order to support and streamline its orientation, planning, supervisory and control activities, as well as to lighten some of its workload. These commissions and committees are comprised entirely or almost entirely of unrelated parties. The composition and mandate of these commissions and committees are reviewed annually.

10) Responsibility for corporate governance

The Board gives the Corporate Governance Commission the responsibility of applying and updating the governance program in light of new industry trends. The Commission reports on its observations and makes recommendations to the Board of Directors. This commission holds closed-door sessions without the presence of Management.

11) Defining the authority of the Management Committee

The responsibilities of the Chair of the Board and Chief Executive Officer of Desjardins Group are set out in the FCDQ's Internal By-Laws. In addition, the Board has set out in writing a clear distribution of responsibilities between the Board of Directors and the Management Committee, and continually fine-tunes this distribution in order to improve governance efficiency and effectiveness.

The annual objectives of the Chair of the Board and Chief Executive Officer of Desjardins Group are recommended to the Board of Directors by the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group. The objectives of the President and Chief Operating Officer of the FCDQ are established by the President and Chief Executive Officer as part of his or her incentive plan.

The Board of Directors has guidelines for setting objectives to ensure sound management of incentive plans and an equitable application for all Desjardins components. The degree to which these objectives are achieved is measured through an annual review process. The Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group supervises the performance evaluation of the Chair of the Board and Chief Executive Officer of Desjardins Group, with each director participating anonymously in this review process using a grid prepared in advance by this committee and without the presence of Management.

(12) The Board's independence from the Management Committee

The Board has created different structures and procedures to ensure its independence from the Management of the FCDQ. These include the following:

- 1) Having only one member of FCDQ Management who is also an officer elected by representatives of members (Chair of the Board and Chief Executive Officer of Desjardins Group).
- 2) The position of Vice-Chair of the Board of Directors, created by the General Meeting, the holder of which presides over the Board's meetings when the issues being discussed require the withdrawal of the Chair of the Board and Chief Executive Officer. The Internal By-laws specify that the Vice-Chair of the Board replaces the Chair of the Board when the latter cannot act.
- 3) Periodic informal meetings are held among the directors. The Chair of the Board and Chief Executive Officer updates the President and Chief Operating Officer, who is not present at these meetings. Both unrelated directors and related directors, however, are present at these meetings, given that the discussions pertain to matters that do not bear any risk of conflicts of interest for the related directors.
- 4) Closed-door sessions, without the participation of Management (except for the Chair of the Board and Chief Executive Officer), are held at the end of each meeting of the Board of Directors and of the Executive Committee. The same is true for Board commissions.
- 5) The Chair of the Audit and Inspection Commission is an unrelated director.
- 6) Assigning responsibility to the Corporate Governance Commission (of which only one member is a related party) for:
 - a) Managing relations between the Board and the Management Committee of the FCDQ; and
 - b) Ensuring that the Board fulfills its duties. In addition, the responsibility of developing or supervising agendas for the Board of Directors and its committees is assigned to the Chair of the Board and Chief Executive Officer of Desjardins Group.
- 7) The creation of the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group on which only unrelated directors serve.
- 8) Ensuring that the members of the Human Resources Commission and the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group are seconded, when needed, by an external consultant with respect to matters dealing with the aggregate remuneration of officers.

The FCDQ also has a Board of Ethics and Professional Conduct, the members of which are elected by the General Meeting. Its members are all independent from Management and the Board of Directors.

POSITION AGAINST SEPARATING THE FUNCTIONS OF CHAIR OF THE BOARD AND PRESIDENT AND CHIEF EXECUTIVE OFFICER

The FCDQ's General Meeting of members (1,500 elected officers) decided not to separate the functions of Chair of the Board and of President and Chief Executive Officer of Desjardins Group. This decision has been integrated into the FCDQ's Internal By-laws.

Listed hereunder are the main reasons behind this decision:

- Unlike other companies, where the Chief Executive Officer is appointed by the Board of Directors, Desjardins elects this officer through an electoral college of 256 FCDQ member representatives. The CEO's primary responsibility is to protect the interests of the approximately 5.8 million members of Desjardins. The CEO's interests are therefore aligned with those of the members, who are also the owners of the business.
- The Chair of the Board and Chief Executive Officer of Desjardins has no influence over the choice of members serving on the Board of Directors, as they are elected by caisse representatives through democratic bodies in charge of their election.
- The Board of Directors created the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group, which is made up entirely of independent directors, to eliminate any conflict of interest with respect to remuneration.
- Owing to the complex nature of all aspects of Desjardins Group activity management, the Chair of the Board must possess in-depth knowledge about the activities, business and current affairs of both the FCDQ and Desjardins Group in order to effectively act as a leader, whether among elected officers, the management teams of various Desjardins components or caisse members.
- The position of President and Chief Operating Officer of the FCDQ exists to release the Chair of the Board and Chief Executive Officer from operational considerations. The same applies to Desjardins Group subsidiaries, who also benefit from having a Chief Executive Officer (the Chair of the Board and CEO of Desjardins Group) and a Chief Operating Officer.

13) Audit and Inspection Commission

The Audit and Inspection Commission (AIC), established under the *Act respecting financial services cooperatives*, acts as an audit committee for FCDQ activities related to the inspection of caisses. It is composed entirely of unrelated officers; two of the members, including the Committee Chair, have accounting expertise.

The roles and responsibilities of the AIC have been defined in such a way so as to give its members a very clear understanding of their oversight duties. The AIC has all the power and information it needs to fulfill its mandate. Its role is to review all financial information and supervise the implementation of an effective control process and the required rendering of accounts. It has direct communication channels with the persons responsible for internal audit at Desjardins Group, with the Desjardins Bureau for Financial Monitoring and Enforcement⁽¹⁹⁾ and with the external auditors in order to discuss and review certain issues, when necessary. The AIC holds closed-door sessions without the presence of Management.

The AIC ensures the independence of Desjardins Group Internal Audit and adopts its annual action plan.

14) Hiring outside advisors

A director may hire the services of an outside advisor at the FCDQ's expense. However, to ensure that such services are relevant, a request must be submitted to the Corporate Governance Commission.

(19) The Desjardins Bureau for Financial Monitoring and Enforcement provides independent opinions on caisse management and the caisses' financial statements. Consequently, through inspections and audits, it monitors the risks associated with network activities and determines whether these risks are managed based on sound and prudent management practices in compliance with legislation, standards and the rules of conduct in force; moreover, it audits the caisses' financial statements and co-audits the financial statements of Desjardins Group based on recognized audit standards and expresses an opinion on these statements.

MANDATES AND COMPOSITION OF THE COMMISSIONS, THE COMMITTEES AND THE BOARD OF ETHICS AND PROFESSIONAL CONDUCT OF THE FCDQ

As at December 31, 2008

N.B.: * unrelated person
** managing director

EXECUTIVE COMMITTEE (EC)

(composed of seven directors)

This committee has the same functions and powers as the Board of Directors, with the exception of those which the Board may reserve for itself or assign to another committee or commission. The EC held 10 meetings and 12 conference calls in 2008.

Members

Monique F. Leroux⁽ⁱ⁾, Chair of the Board
Pierre Tardif*, Vice-Chair of the Board
Clément Samson*, Secretary of the Board
Louise Charbonneau⁽ⁱ⁾
André Gagné*
Daniel Mercier*⁽ⁱ⁾
Denis Paré*⁽ⁱ⁾

⁽ⁱ⁾ Began their terms at the end of March 2008.
Alban D'Amours, André Lachapelle, Daniel Lafontaine and Marcel Lauzon were members until March 2008.

COOPERATIVE ORIENTATIONS COMMISSION (COC)

(composed of five directors)

This commission ensures compliance with the cooperative values and the permanent values of Desjardins Group as well as certain aspects of its cooperative difference. If required, it submits recommendations to the Board. The COC held seven meetings and two conference calls in 2008.

Members

Serge Tourangeau*, Chair
Dominique Arsenault**/*
Laurier Boudreault
Denis Duguay*⁽ⁱ⁾
Michel Roy*

⁽ⁱ⁾ Began his term at the end of March 2008.
Louise Charbonneau was a member until March 2008.

AUDIT AND INSPECTION COMMISSION (AIC)

(composed of five directors)

This commission oversees Desjardins Group Internal Audit and the Desjardins Bureau for Financial Monitoring and Enforcement, supports the Board in its monitoring and control responsibilities for the FCDQ and Desjardins Group, and examines in detail all elements related to the disclosure of financial information. In 2008, the AIC held 27 one-day meetings, three conference calls and three training sessions.

Members

Andrée Lafortune*, FCA, Chair
Thomas Blais*
Pierre Leblanc*, FCA
Serge Tourangeau*
Benoît Turcotte**/*

RISK MANAGEMENT COMMISSION (RMC)

(composed of six directors)

This commission assists the Board of Directors in the identification and tracking of major risks to the FCDQ and Desjardins Group. In 2008, it held seven meetings.

Members

Serges Chamberland*, Chair
Jacques Baril*⁽ⁱ⁾
Norman Grant*
André Lachapelle*
Marcel Lauzon*⁽ⁱ⁾
Michel Roy*⁽ⁱ⁾

Andrée Lafortune sits as an observer.

⁽ⁱ⁾ Began their terms at the end of March 2008.
Pierre Grenon and Pierre Tardif were members until March 2008.

HUMAN RESOURCES COMMISSION (HRC)

(composed of five directors)

This commission periodically reviews the positioning of Desjardins Group's overall remuneration system in order to enable Desjardins to remain competitive. It ensures that the remuneration practices in effect within Desjardins comply with Desjardins Group's policies and guiding principles. The mandate of this commission excludes the examination of issues concerning the conditions of employment of the Chair of the Board and Chief Executive Officer. The HRC held eight meetings in 2008.

Members

Monique F. Leroux⁽ⁱ⁾, Chair of the Board
Pierre Tardif*, Vice-Chair of the Board
Clément Samson*⁽ⁱ⁾, Secretary of the Board
Marcel Lauzon*
Denis Paré*

⁽ⁱ⁾ Began their terms at the end of March 2008.
Alban D'Amours and André Lachapelle were members until March 2008.

COMMITTEE ON THE AGGREGATE REMUNERATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF DESJARDINS GROUP (CAR)

(composed of four directors)

This committee, all of whose members are unrelated parties, is mandated to make recommendations to the Board regarding the remuneration and working conditions, as well as the annual objectives, of the President and Chief Executive Officer. The committee held five meetings in 2008.

Members

Pierre Tardif*, Vice-Chair of the Board
Clément Samson*⁽ⁱ⁾, Secretary of the Board
Marcel Lauzon*
Denis Paré*

⁽ⁱ⁾ Began his term at the end of March 2008.
André Lachapelle was a member until March 2008.

CORPORATE GOVERNANCE COMMISSION (CGC) (composed of five directors)

This commission supports the Board of Directors in applying and updating the corporate governance program. It also oversees the process for recommending candidates for seats on the boards of directors of Desjardins Group subsidiaries. In addition, it is responsible for supervising the performance review program for members of the Board of Directors and its commissions and committees, as well as for implementing the Sustainable Development Policy and the Voting Rights Policy. The Corporate Governance Commission held six meetings and two conference calls in 2008.

Members

Monique F. Leroux⁽ⁱ⁾, Chair
Serges Chamberland^{* (i)}
André Gagné*
Daniel Mercier*
Sylvie St-Pierre Babin*

(i) Began their terms at the end of March 2008.
Alban D'Amours and Pierre Leblanc were members until March 2008.

INVESTMENT COMMISSION (composed of four directors and one external member)

This commission is mandated to support the Board of Directors in establishing and monitoring the investment policies of Desjardins Funds and in overseeing the selection of securities advisors and sub-advisors. It also examines the performance of the fund and discretionary management and ensures that investment fund transactions are compliant. The Investment Commission held five meetings in 2008.

Members

Daniel Mercier*, Chair
Jacques Baril*
Normand Grégoire*
Pierre Leblanc*
Denis Paré*

DESJARDINS GROUP RETIREMENT COMMITTEE (DGRC) (composed of representatives of employers, members and retirees, plus one external member)

By virtue of the powers vested in it by the *Supplemental Pension Plans Act* and by the Desjardins Group Pension Plan Regulation, the Retirement Committee is in charge of properly administering the Pension Plan, managing the pension fund and paying members and their survivors the promised benefits. The members representing employees, employers and retirees share the role of pension fund trustees. The Retirement Committee met five times in 2008.

The Fédération des caisses Desjardins du Québec represents all Desjardins employers with respect to the Desjardins Group Pension Plan. The FCDQ's Board of Directors has decision-making power in certain areas, including the Plan Regulation, the nature and terms of benefit payments to members and retirees, contribution rates and the use of any surplus. Through its Board of Directors, the FCDQ stands surety for the obligations (employee pensions) resulting from the participation of all Desjardins Group employers in the Plan.

Employer representatives are appointed by the FCDQ's Board of Directors. Representatives of members and retirees are elected democratically by the group they represent.

Members from the Board of Directors, representing the employer

Denis Paré*, Chair
Jacques Baril*
Thomas Blais*
Serges Chamberland*
Norman Grant*
Pierre Leblanc^{* (i)}

(i) Began his term at the end of March 2008.
Pierre Grenon was a member until March 2008.

Representing the members

Vincent Coulombe
Mario Lévesque
Clément Roberge
Sylvain Rouleau

External representative

Reynald-N. Harpin*

Representing retirees and members entitled to a deferred pension

Normand Deschênes

Observer representing active members

Johanne Rock

Observer representing inactive members

Yvon Lesiège

INVESTMENT COMMITTEE

Under the responsibility of the Retirement Committee, which establishes investment policy, the Investment Committee's mandate is to ensure the execution of the policy as well as to coordinate the activities of the fund managers to whom management mandates are entrusted. The Investment Committee held six meetings and three conference calls in 2008.

Members

Jacques Baril*, Chair
Denis Paré*
Serges Chamberland*
Reynald Harpin*
Pierre Leblanc^{* (i)}
Clément Roberge

(i) Began his term at the end of March 2008.

AUDIT, PROFESSIONAL PRACTICES AND COMPLIANCE COMMITTEE

This committee is responsible for overseeing the financial reporting process, rules governing professional conduct and ethics, the Complaint Handling Policy, regulatory compliance management and governance. It held five meetings and one training session in 2008.

Members

Norman Grant*, Chair
Normand Deschênes, Secretary
Thomas Blais*(i)

(i) Began his term at the end of March 2008.
Pierre Grenon was a member until March 2008.

DESJARDINS GROUP STRATEGIC MANAGEMENT STRUCTURE COMMITTEE

(composed of 13 members of Management)

This committee supports the Chair of the Board and Chief Executive Officer of Desjardins Group and the Board of Directors in their responsibility of providing Desjardins Group with a single management structure. To achieve this, it helps the Board incorporate the strategic orientations of the cooperative network and the subsidiaries, and implement business development strategies. It held 16 meetings and 16 conference calls in 2008, mainly in the context of the financial crisis that has prevailed since 2007, where it acted as a crisis committee. At the beginning of 2009, the Desjardins Group Strategic Management Committee assigned this oversight role to the Finance and Risk Management Committee, which meets on a weekly basis and reports back to the Strategic Management Structure Committee.

Members

Monique F. Leroux, Chief Executive Officer of Desjardins Group and Chair of the Committee
Bertrand Laferrrière, President and Chief Operating Officer of the Fédération des caisses Desjardins du Québec and Vice-Chair of the Committee
Germain Carrière, President and Chief Operating Officer, Desjardins Securities
Jacques Dignard, Senior Vice-President, Human Resources, Desjardins Group
Richard Fortier, President and Chief Operating Officer, Desjardins Financial Security
Louis-Daniel Gauvin, Senior Vice-President, Integrated Risk Management of Desjardins Group
Gérard Guilbault, President and Chief Operating Officer, Desjardins Asset Management
Marc Laplante, Senior Vice-President, Fédération Finance and Credit and Desjardins Group Development
Raymond Laurin, Senior Vice-President and Chief Financial Officer, Desjardins Group
Bruno Morin, General Manager of Caisse centrale Desjardins
Sylvie Paquette, President and Chief Operating Officer, Desjardins General Insurance Group
Louis L. Roquet, President and Chief Operating Officer, Desjardins Venture Capital
Pauline D'Amboise, Secretary General of Desjardins Group, acts as secretary and functional head of this committee

Observers

Jacques Descoteaux, Senior Vice-President, Treasury of Desjardins Group
Hubert Thibault, Managing Vice-President, Institutional Affairs of Desjardins Group

This committee created Desjardins-wide coordination sub-committees in the following areas: Asset/Liability, Integrated Risk Management, Information Technology, Real Estate and Image (Branding).

BOARD OF ETHICS AND PROFESSIONAL CONDUCT OF THE FCDQ

(composed of eight elected officers)

Under the *Act respecting financial services cooperatives*, the FCDQ has a Board of Ethics and Professional Conduct that is independent of the Board of Directors, the eight members of which are elected officers of Desjardins. The Board of Ethics and Professional Conduct is supported by a team that reports to the Secretariat General of the FCDQ. In 2008, the Board held 13 regular meetings and seven conference calls. The members were invited to participate in a seminar in the same year.

One of the main responsibilities of the Board of Ethics and Professional Conduct is to ensure the independence and objectivity of the FCDQ's inspection and audit services (Desjardins Bureau for Financial Monitoring and Enforcement – see footnote on page 181) with respect to the caisses and to make recommendations to the Chair of the Board and Chief Executive Officer of Desjardins Group for the appointment of the person responsible for managing these services.

In addition to the responsibilities mentioned above, the role of the Board of Ethics and Professional Conduct includes adopting the rules of conduct applicable to the officers of Desjardins Group and the subsidiaries and to the employees of the FCDQ and the caisses, presenting them for approval to the Board of Directors and ensuring that they are complied with by the caisses and the FCDQ; supporting the caisses and the FCDQ in applying the rules of conduct; issuing notices, opinions, observations and recommendations with respect to ethical and professional conduct issues (especially in cases of misconduct); notifying the Board of violations to the rules of ethics and professional conduct and, if the FCDQ violates the provisions of the *Act respecting financial services cooperatives* or the regulations governing restricted party transactions and conflicts of interest, ensuring that complaints originating from the caisses or other members of the FCDQ (Caisse centrale Desjardins, holding companies, subsidiaries) are handled. This board holds closed-door sessions without the presence of Management.

Members

Hélène Lee-Gosselin*, Chair
Claire Sarrazin*, Secretary
Isabelle Bourgeois*
Marcel Cardinal*
Josyane Douvry*
Lise B. Perreault*(i)
Ronald Pichette*
Jacques St-Aubin*

(i) Began her term at the beginning of November 2008.
Éric Béchard was a member until May 2008.

RECORD OF ATTENDANCE OF THE BOARD MEMBERS OF THE FCDQ

Name ⁽²⁰⁾	BD	EC	CBDAB	COC	AIC	RMC	HRC	CAR	CGC	IC	DGRC	IC DGRC	APPCC DGRC	CORE
Arsenault, Dominique**	26/27			8/9										10/10
Baril, Jacques	27/27					5/5				4/5	5/5	9/9		13/13
Blais, Thomas	27/27			1/1		27/30					4/5		4/4	7/8
Boudreault, Laurier	26/27			9/9										7/9
Chamberland, Serges	27/27					7/7			6/6		5/5	9/9		10/10
Charbonneau, Louise	25/27	19/22		2/2										9/13
D'Amours, Alban	5/5	3/3					1/1		2/2					N/A
Duguay, Denis	22/22			7/7										11/11
Dumas, Alain	27/27													9/10
Gagné, André	25/27	25/25							8/8					8/8
Grant, Norman	25/27					5/7					5/5		4/5	10/10
Grenon, Pierre	5/5					2/2					1/1		1/1	11/11
Lachapelle, André	25/27	3/3				7/7	1/2	4/4						10/10
Lafontaine, Daniel	26/27	3/3												8/11
Lafortune, Andrée	24/27				30/30	7/7								11/11
Lauzon, Marcel	26/27	3/3				4/5	8/8	5/5						10/11
Leblanc, Pierre	26/27				30/30				2/2	5/5	4/4	5/5		10/10
Leroux, Monique F.	22/22	22/22		1/1			7/7		6/6					N/A
Mercier, Daniel	21/27	12/22							7/8	5/5				11/11
Paré, Denis	22/27	21/22					8/8	4/5		5/5	4/5	9/9		11/12
Roy, Michel	27/27			8/9		3/5								9/9
Samson, Clément	24/27	22/25					6/6	1/1						9/9
St-Pierre Babin, Sylvie	27/27			1/1					8/8					9/9
Tardif, Pierre	27/27	25/25		1/1		2/2	7/8	5/5						9/9
Tourangeau, Serge	27/27			9/9	30/30									11/11
Turcotte, Benoît**	26/27				30/30									12/12

(20) Board of Directors (BD), Executive Committee (EC), Canadian Business Development Advisory Board (CBDAB), Cooperative Orientations Commission (COC), Audit and Inspection Commission (AIC), Risk Management Commission (RMC), Human Resources Commission (HRC), Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group (CAR), Corporate Governance Commission (CGC), Investment Commission (IC), Desjardins Group Retirement Committee (DGRC), Investment Committee of the Desjardins Group Retirement Committee (IC DGRC), Audit, Professional Practices and Compliance Committee of the Desjardins Group Retirement Committee (APPCC DGRC), Council of Representatives (CORE).

Note

For the Board of Directors, 27 attendance allowance payments were made. The Board actually held nine two-day meetings. It also held five one-day meetings. The policy allows for a payment of \$1,000 per day. The other four meetings were conference calls.

For the EC, 12 of the 22 meetings were conference calls. The policy therefore allows for attendance allowance payments of \$200.

For the AIC, there were 30 attendance allowance payments. The AIC actually held one three-day meeting, five two-day meetings, 14 one-day meetings and three conference calls, including three training sessions. The AIC oversees the activities of the FCDQ, Desjardins Venture Capital, Caisse centrale Desjardins, Capital Desjardins and Desjardins Trust. It also gives advisory opinions to the boards of the various investment funds and to the Board of the Financial Services Firm.

RECORD OF ATTENDANCE OF MEMBERS OF THE BOARD OF ETHICS AND PROFESSIONAL CONDUCT OF THE FCDQ

Name	Number of Meetings
Béchar, Éric ⁽ⁱ⁾	8/8
Bourgeois, Isabelle	20/20
Cardinal, Marcel	18/20
Douvry, Josyane	20/20
Lee-Gosselin, Hélène	19/20
Pichette, Ronald	19/20
Perreault, Lise B. ⁽ⁱⁱ⁾	4/4
Sarrazin, Claire	19/20
St-Aubin, Jacques	18/20

(i) Éric Béchar was a member until May 2008.

(ii) Began her term at the beginning of November 2008.

The absences of the directors were due to professional duties or to the illness of relatives. In addition, when they are absent, the presidents of councils of representatives are replaced their by vice-presidents in the capacity of managing directors, thus assuring the region's continuous presence.

MEMBERS OF THE COUNCILS OF REPRESENTATIVES

Considering that 255 people are involved, the Board of Directors has decided to publish the attendance rate for the meetings of the 17 councils of representatives.

2008

	Attendance Rate (as a %)	Number of Meetings
Bas-Saint-Laurent–Gaspésie–Îles-de-la-Madeleine	92	10
Kamouraska–Chaudière–Appalaches	84	9
Québec-Est	89	8
Québec-Ouest–Rive-Sud	86	9
Saguenay–Lac-Saint-Jean–Charlevoix Côte-Nord	93	10
Centre-du-Québec	89	11
Mauricie	89	10
Estrie	87	12
Richelieu–Yamaska	93	11
Lanaudière	87	10
Rive-Sud de Montréal	88	9
Laval-Laurentides	87	11
Ouest de Montréal	90	11
Est de Montréal	84	13
Abitibi-Témiscamingue–Nord du Québec	87	12
et Ouest du Québec	96	9
Group Caisses	87	11
Ontario	90	8

ASSEMBLY OF REPRESENTATIVES

2008

	Number of representatives in attendance	Attendance rate (as a %)
March 15, 2008	249	97
March 28, 2008	242	94
June 7, 2008	210	82
September 20, 2008	208	81