Information about Business Relationships and Conflicts of Interest

The business relationship between **Desjardins Financial Services Firm Inc.** (DFSF), its mutual fund representatives and its clients is built on a solid foundation of ethics, integrity and transparency. DFSF, a mutual fund broker in the Desjardins caisse network, considers it vitally important that its clients have a good understanding of its products and services and receive recommendations that meet their needs. This document provides information on the key elements governing these relationships.

1. Business Relationships

What do we do for you?

Your representative's role is first and foremost to build your investor profile. To be able to advise you on suitable investments, they need to know you well, including information on your personal, family, professional and financial situation, and your financial goals, investment horizon, risk tolerance and investment knowledge. With that information, they'll be able to help you select investments that are in line with your needs and goals.

Our services

DFSF offers its clients advisory services and the following investment products: investment funds (Desjardins Funds), capital shares, guaranteed investment certificates (GICs) and daily interest accounts (DIAs). To offer you these products, your representative must be registered as a mutual fund representative. The products they offer you will be limited to this type of registration. Your representative exclusively offers Desjardins products.

What is meant by investment suitability?

Investment suitability is the match between your investor profile and your investments. The business relationship is based on mutual responsibility between the client and the broker, i.e., each client is responsible for their investment decisions and, as a mutual fund broker, DFSF has an obligation to ensure that the recommendations made by its representatives or the transactions you request are suitable for you and in your best interest.

Consequently, your representative must fulfill their suitability obligation by:

- validating the accuracy of the information gathered about you;
- showing you this information when you open your account or when you update the information in your file;
- ensuring that you fully understand all the features of the products being offered and their assessment in relation to the suitability of the product(s) in your account, while putting your interests first;
- knowing the actual and potential impacts of fees on the return on your investment;
- ensuring that accepting a transaction or recommending an account is suitable for you, based on your personal and financial goals and circumstances;
- ensuring that any requested transactions are suitable for you. Otherwise, they must notify you that the transaction is not suitable before following up on your request or refusing to go through with the transaction; and
- ensuring that the suitability of investments in your account(s) is assessed within a reasonable time frame, no later than the time of the first transaction, in the following circumstances:
  - when investing in an account at DFSF;
  - as soon as your representative becomes aware of a material change in your information;
  - when there is a change of designated representative for your account(s);
  - in other cases, at least once every 36 months.

If it's determined that the investments in your account(s) aren't suitable for you, your representative must notify you and make recommendations to correct any inconsistencies between the investments in your account(s) and your investor profile.

What is the Know Your Client information gathered about you used for?

To assess the suitability of your transactions and your account, your representative gathers specific information on your personal and financial situation.

Answers to certain questions allow your representative to determine your risk tolerance, investment objectives, investment horizon and investor profile, so they can make investment recommendations that are right for you. These four elements are defined in the *Application form and update request* and we compare them with the assets held in your account(s) to ensure that the proposed transactions are appropriate. Other information, such as investment knowledge, annual income, net worth, and age, serves two main purposes: to confirm that your investments are truly suitable for you and, if applicable, whether an investment loan is appropriate.

What we expect from you

DFSF and its representatives are required to continuously update the information they have on their clients, which means they must submit the information gathered when the account was opened and when the information was updated to their clients for validation. In other words, DFSF and its representatives must regularly confirm with the client that the information on file is up to date. This information helps the client understand their relationship with the representative and the representative will use it to assess the suitability of the client's investments. In order to actively participate in maintaining our business relationship with you, it is vitally important:

- that you make sure that the information contained in your account opening form is accurate and immediately inform your representative of any material changes to your situation;
- that you understand the service offer(s) and the account type(s) you have chosen. These choices are clearly indicated on the account opening form provided to you by your representative. If you have any doubts, discuss them with your representative as soon as possible;
- that you ask your representative all the questions you have about the products they recommend to you and that you understand the terms and conditions and risks involved;
- that you monitor your investments closely. As a client, you're encouraged to read the account information provided by DFSF and regularly review your investment mix and the return on your investments, as well as related fees.

What is a material change?

A material change is a change that affects a client's investment needs. This could include a change in their short-, medium- or long-term personal objectives, or an event that has had a significant impact on their financial, professional or personal situation since the last time their file was updated. A non-exhaustive list of types of information that need to be updated regularly includes risk tolerance, investment objectives, investment horizon, investor profile or any other information that would have a material impact on net worth or income, for example, a change in employment status, the birth of a child, the acquisition of property, etc.

It's in your best interest to notify your representative of any material changes to the information you provided when you opened your account or last updated it to ensure that your investments are still right for you.

What are the risks associated with an investment decision?

Each investment decision may cause certain risks based on the financial product for which the transaction is made. For example, investment funds are unsecured and depend on fluctuations in the stock market. So there's a market risk. There are also other risks associated with investment funds, which are described in the prospectus. It's important to consult your representative before making a decision.

Buying securities with borrowed funds carries more risk than buying them with cash. If you borrow money to buy securities, you have an obligation to repay your loan and pay the interest charged as per the terms and conditions of the loan, even if the securities you purchased have lost value. Read over the *Application form and update request* to find out the risks associated with buying securities with borrowed funds.

Desjardins Funds account

To help you make an informed decision, the following section explains the fees and compensation that DFSF may receive for the sale of products and the administration of your account. DFSF mitigates the risk of your representative recommending a product that's not suitable for you by conducting a suitability review of transactions posted to your account. The fees described below have consequences for you. They reduce your portfolio returns, which affects the growth of your capital over the period the fund is held. They also have a cumulative impact on investment returns over time.

A) Fund fees

All mutual fund accounts, that is, all Desjardins Funds distributed by DFSF, have fees payable to the various financial stakeholders for the various services they provide. These fees apply whether the return is positive or negative.

Management fees

A mutual fund, such as a Desjardins Fund, pays management fees by unit class in respect of the fund to the fund manager (Desjardins Investments Inc. is the manager of the Desjardins Funds). Management fees include costs incurred by the fund manager for fund administration, investment portfolio management, fund marketing and broker compensation.

Trailing commissions

The fund manager, Desjardins Investments, pays a portion of the management fees to DFSF for services and advice provided by your representative and DFSF.

The amount that DFSF receives is called a "trailing commission".

DFSF receives this compensation on Desjardins Funds units for as long as you hold them in your account(s), with the exception of F, S, O and P units, which have no trailing commissions. The commission amount depends on your portfolio value.

DFSF then pays administration fees to your caisse or financial institution for services rendered by their employees. Neither the trailing commission nor the management fees are billed directly to you. However, these fees have consequences for you, because they reduce the return on the fund in which you hold units.

Management expense ratio

The management expense ratio (MER) represents all management expenses (including trailing commissions), fund operating expenses paid by the fund manager in their day-to-day operations and fixed administration costs (unrelated to the day-to-day operations of the fund) paid by the fund to the fund manager, plus applicable taxes. It tells you how much it costs to administer and distribute the fund in the form of an annual percentage of the fund's net asset value. The MER directly reduces your fund's net return. The higher the MER, the greater the impact on your fund's net return. Please refer to the Fund Facts document to find out the MER associated with the class of units in the fund in which you've invested.

Fee-based funds – Option for Signature Service clients

Depending on your situation, your representative may recommend a fee-based fund with F, S, O or P units. However, since these fee-based funds are no longer offered to new investors, representatives will not be able to recommend them to clients who do not already hold one of these investment products in one of their accounts. These units have a lower management expense ratio than the fund's regular units. The MER is lower because the Desjardins Funds manager does not pay a trailing commission to the broker for these unit classes. Fees are the payment for the advice provided by your representative. They are the representative's compensation for fund and portfolio sales and purchase advice, as well as for the management of your investments.

B) Fees payable directly by investors

Front-end fees

Front-end fees applicable to mutual funds may be paid by the investor when purchasing units in a fund. Units in Desjardins Funds distributed by DFSF are not subject to any front-end fees.

Redemption fees

A mutual fund redemption fee may be paid by the investor when selling units of a fund; these are deferred acquisition fees and reduced deferred acquisition fees. Shares in Desjardins Funds distributed by DFSF are not subject to any deferred sales charges or reduced deferred sales charges.

In addition, the Desjardins Funds manager may charge short-term transaction fees to the investor's account if the investor sells their shares within **30 business days** from the date of purchase. These fees are indicated on the transaction confirmation notice.

Fees for transferring registered plans

Only a taxable administration fee of $50 applies to the transfer of RESPs, RRSPs, TFSAs, FHSAs, RRIFs, LIRAs, LIFs and other registered plans to another institution outside of Desjardins Group. These fees may change from time to time, and investors must be notified of any applicable fee increases, including RESP-specific fees. These fees are deducted from the investor's account.

C) Specifications

Fee limits on products

To mitigate concentration risk, a maximum of 10% of the total value of the client's investments should be invested in a single investment or in a "moderate-to-high" or "high" risk fund in a specific sector.

Liquidity risk

Desjardins Funds may be redeemed on a daily basis by the holder at fair market value. There are no restrictions on resale, including no minimum holding period. However, a penalty can apply to short-term transactions. Please refer to the Redemption Fee section. Any redemption request must include the name of the holder, the name of the fund and the number of units or value of the transaction. The request must be signed and forwarded to the holder's place of business.

Minimum balance

To maintain an open mutual fund account, the manufacturer may require a minimum holding balance. For all registered plans, except for RESPs and group RRSPs, a minimum balance of $1,000 must be maintained at all times after one year from the account opening.

For all automatic contribution programs, the minimum amount is $25 per contribution, regardless of how often contributions are made. If the contributions are spread across multiple funds, a minimum of $15 per fund is required.

Cash and cheque processing

DFSF does not accept any payment in cash or cryptocurrencies (bitcoin). Members and clients have the option of depositing cash in their bank accounts through the Desjardins network or their banking institutions. They can also deposit a cheque at the caisse counter to then purchase one or more DFSF products.

IMPORTANT: Never make a cheque out to your representative.

Capital shares account

A) Operating costs

Capital shares distributed by DFSF through the Desjardins caisse network are not subject to any sales charges.

Commissions payable

These accounts do not include commission fees.

B) Transaction fees

Redemption fees

A $30 fee may be charged if the shares are held for less than two years from the date of purchase.

Fees for transferring registered plans

Only a taxable $100 administration fee applies to the transfer of RRSPs, RRIFs, LIRAs, LIFs or other registered plans to another institution outside of Desjardins Group. These fees may change from time to time and investors must be notified of any applicable fee increases. Please refer to the Service Fee Directory or ask your representative. These fees are deducted from the investor's account.

C) Specifications

Fee limits on products

Investments in a single sector may be subject to greater volatility and risk than those that are well diversified. To mitigate concentration risk, a maximum of 10% of the total value of the client's investments should be invested in a single investment or in a "moderate-to-high" or "high" risk fund in a specific sector.

This product is available for Quebec residents only.

Liquidity risk

Capital shares may be redeemed only in the event of the liquidation, insolvency or dissolution of the Fédération des caisses Desjardins du Québec (Federation). Their reimbursement is subordinate to the deposits and other debts of the Federation, including subordinated debt securities issued by the Federation, as well as to the rights of investment shareholders.

A holder of Federation capital shares may submit a request to the Federation, through their trust fund, to buy back their capital shares in whole or in part. Such requests may be subject to wait times due to certain constraints. The Federation has no obligation to accept such requests and may, at its sole discretion, refuse to buy back capital shares, on the basis of the need to balance supply and demand.

Minimum amount

For capital shares, the minimum amount of each purchase is $100. The par value of the Federation's shares is set at $10 per share.

Cash and cheque processing

DFSF does not accept any payment in cash or cryptocurrencies (*bitcoin*). If you want to pay for your purchase by cheque, you can make a cheque out to yourself and deposit it in your caisse account.

IMPORTANT: Never make a cheque out to your representative.

Guaranteed investment certificates (GICs) and daily interest accounts (DIAs)

A) Operating charges

GICs and DIAs available through the registered education savings plan and distributed by DFSF through the Desjardins caisse network are not subject to any sales charges or enrollment fees.

Commissions

These accounts do not include commission fees.

B) Transaction fees

Redemption fees

GICs are non-redeemable before maturity. If a withdrawal is made before the GIC's maturity date, a $200 minimum fee could be charged. This fee is subject to change depending on the current interest rate and how much time is remaining in the term.

The DIA is a liquidity account, meaning it can be cashed at any time, without any fees or penalties.

Fees for transferring registered plans

Members and clients wanting to transfer an RESP or any other registered plan to a non-Desjardins entity are required to pay a $50 administration fee, plus tax. These fees may change from time to time, and investors must be notified of any applicable fee increases. For more information, you can refer to the Guaranteed investments – Guaranteed investment certificates – Daily interest accounts flyer or talk to your representative. These fees are deducted from the investor's account.

C) Specifications

Minimum amount

For GICs, the minimum amount is $5,000 for short-term investments (1 to 364 days) and $1,000 for long-term investments (1 to 5 years).

For DIAs, the minimum amount is $25 per automatic contribution, regardless of how often contributions are made.

Cash and cheque processing

DFSF does not accept any payment in cash or cryptocurrencies (bitcoin). If you want to pay for your purchase by cheque, you can make a cheque out to yourself and deposit it in your caisse account.

Never make cheques out to your representative.

Transactions in your accounts

Account statements and transaction confirmation notices

Please check the accuracy of each trade confirmation slip and your account statements upon receipt. In the event of an error, please notify your representative as soon as possible.

Investment statements

Every quarter, DFSF issues and sends its clients an investment statement that includes:

- the value and details of investments;
- a summary of activity for each account and transaction details per account for the quarter.

Each quarterly investment statement comes with the Investment Performance Report, which presents the changes in value of your investments since the start of the year or since you opened your account(s).

The investment statement for the last quarter of each year, dated **December 31**, presents a summary of certain annual information, such as annual distributions, capital losses or gains (non-registered accounts only) and management fee rebates. Your investment statement as at **December 31** also comes with the "Report on Charges and Other Compensation", which presents DFSF's fees and commissions for the services and advice you received throughout the year. We'll send you a **60-day** advance notice to inform you when those fees increase.

Transaction confirmation notices – Desjardins Funds

DFSF issues and sends transaction confirmation notices to its clients on the business day following the day each transaction was made, except for periodic investment plans (PACs) and systematic withdrawal plans (SWPs). For these plans, a single transaction confirmation is issued and sent to clients at the time the first purchase or withdrawal is made, or when the client gives instructions to make changes (amounts, funds, frequency) to these plans.

Guaranteed investment certificates and automatic renewals – GICs

After a GIC is purchased, Desjardins Trust produces a "Guaranteed investment certificate" outlining the conditions of the product and sends it to the client.

The conditions of the GIC are automatically renewed unless we receive alternate instructions from the investor no later than 15 days after the GIC reaches its maturity date.

Your return and benchmark indexes

To assess and track the return on your portfolio, you can compare it with a benchmark index representing the return generated by a specific asset class over a given period. A return benchmark index, such as a stock market or bond index, can be such a benchmark. To be relevant to your analysis, the index you use must reproduce as closely as possible the portfolio you're assessing. Comparing with a benchmark index can help you assess whether your investment strategy is appropriate to your goals. Benchmark indexes, such as stock market or bond indexes, can help you assess the return on your portfolio over a given period.

However, a benchmark index does not take into account your deposits or withdrawals or, in most cases, management and administrative fees. This makes it difficult to make a direct comparison between your total personal return and changes in a benchmark index.

External audit

At the end of each financial year, DFSF undergoes an external audit. The auditors' mandate is to confirm with you that the financial information on your account statement is accurate. This is also the right time to report any errors on your statement.

Complaint handling

In collaboration with **Desjardins Financial Services Firm** (DFSF), the complaints team has established a framework for managing member and client complaints fairly and efficiently, at no cost to members and clients. This framework complies with the quality standards set out in the applicable regulations. The complaint handling process at DFSF gives members and clients making allegations of misconduct access to an impartial review and investigation service for dispute resolution, and a response within a clearly defined time frame.

- You can file a complaint with the Ombudsman for Banking Services and Investments (OSBI) after contacting DFSF if either of the following events occurs: The DFSF compliance service hasn't replied to your complaint within **60 days** of receiving your complaint; or
- The DFSF compliance service has replied to your complaint, but you aren't satisfied with the reply. You then have **180 calendar days** to submit your complaint to the OBSI following receipt of DFSF's reply.

Please read the document "Desjardins Financial Services Firms Inc- Summary of Complaint Handling Policy- Canadian Investment Regulatory Organization brochure" for detailed information about the complaint handling process and to learn more about your options.

Trusted Contact Person and Temporary Holds

You can designate a trusted contact person for your account(s). The reason for doing so is so that this person can help DFSF or your representative protect your financial interests if you find yourself in one of the vulnerable situations described below:

- A situation that may affect your ability to make informed financial decisions;
- A situation that may affect your ability to understand financial issues that concern you or the consequences of a financial decision you have to make;
- Financial abuse.

The role of the trusted contact person is to provide you with support as needed or take steps that can help protect your financial interests. The trusted contact person will have no say in the management of your accounts. Some information may be shared with the trusted contact person so that you can obtain the help you need or validate our concerns about you.

If the trusted contact person believes that you're in a situation of financial abuse or that your cognitive abilities no longer allow you to make informed financial decisions, DFSF or your representative may be able to temporarily hold one or more instructions regarding your accounts. This is a measure to protect your financial interests.

If we have to temporarily hold one or more of your accounts, we'll contact you by phone or in writing to inform you of the reason for the hold and how long it will last, which may be 30 days or less. However, if we have to maintain the hold for a longer period of time, we'll contact you again.

2. General Provisions

Amendments

DFSF may amend the client's account opening agreement by providing 30 days' written notice to the client.

Termination

The client may terminate the account opening agreement with DFSF at any time by giving notice to that effect. The termination will then take effect upon receipt of the notice by DFSF. DFSF may terminate the client's account opening agreement by giving written notice to the client at their address, as entered in DFSF records.

Death

Upon the death of a client, DFSF will not accept any new instructions for any accounts held by the client with DFSF until the client's legal representative or successor has the authority to provide new instructions. Any instructions for accounts held by the client with DFSF, either in progress or signed prior to the client's death (including any pre-authorized debits, withdrawals and transfers), will be cancelled. DFSF shall not be liable for any direct or indirect loss or damage arising out of the application of this provision.

Miscellaneous

Any notice, document or correspondence given to the client as required pursuant to any statute or agreement between the client and DFSF may be sent to the client's address as indicated in the *Application form and update request*, or to such other address as the client may provide to DFSF. Account holders will be deemed to have received such notice, document or correspondence on the third business day following the date of mailing.

Unless otherwise specified, the client may forward any notice relative to the agreement between the client and DFSF, by regular mail to the following address:

DESJARDINS FINANCIAL SERVICES FIRM INC.
150 Des Commandeurs Street, 14th Floor
Levis (Quebec) G6V 6P8

Any agreement entered into between the client and DFSF shall apply for the benefit of DFSF and the client's successors or assigns — heirs, executors, estate administrators, legatees, liquidators and assigns, as the case may be — and shall be binding on them. Under no circumstances may the client assign an agreement with DFSF or any of the rights and obligations arising therefrom.

Any agreement between the client and DFSF is governed by and must be interpreted in accordance with the Canadian laws applicable in the client's province or territory of residence at the time the *Application form and update request* was signed.

The client account of a mutual fund dealer regulated by the Canadian Investment Regulatory Organization (CIRO) is protected by the Canadian Investor Protection Fund (CIPF) within defined limits.

However, if the mutual fund dealer is registered with the Autorité des marchés financiers, the client will be protected by the Fonds d'indemnisation des services financiers in the event of fraud.

Guaranteed investments (GICs and DIAs) are protected by the Canada Deposit Insurance Corporation (CDIC). This authority protects insurable deposits up to $100,000 (CAD) per depositor for each eligible deposit insurance category. Please refer to the CDIC website for more information.

The invalidity or unenforceability of a provision does not affect the other provisions of the account opening agreement, which apply as if this invalid or unenforceable provision were not incorporated. The provisions of the account opening agreement are separate and additional to any other provisions contained in any other agreement between the client and DFSF.

3. Conflicts of Interest

It is important for DFSF to inform its members and clients about any existing or potential conflicts of interest that may arise in the course of business. A conflict of interest arises when the interests of different parties (such as those of a member or client and those of DFSF or one of its representatives) are incompatible or divergent. DFSF takes reasonable measures to identify any material conflicts of interest that exist or that it can reasonably expect to arise. It assesses the level of risk associated with each conflict and avoids any circumstances that involve a serious conflict of interest or that present too high a risk for its clients. A conflict of interest is considered material when it can be reasonably expected that one or both of the following will occur: it affects the client's decisions in the circumstances; it has an impact on the recommendations or the decisions of DFSF or its representatives in the circumstances.

DFSF ensures that reasonable and equitable policies and measures are put in place to effectively control any type of conflict of interest. The code of professional conduct and the compliance manual set forth as a guiding principle that client interest will always take precedence over those of DFSF and its representatives. Representatives must also disclose to DFSF any situation that can be reasonably expected to hinder them in the performance of their duties or in their capacity to give objective and impartial advice.

Conduct of DFSF representatives

DFSF representatives must abide by strict professional standards. They must show discernment, impartiality and reasonable prudence, and conduct themselves with loyalty, integrity, honesty and fairness in all their interactions with members and clients, including disclosing any material conflicts of interest.

All representatives must have a licence to practise their profession, which is issued by the regulatory authorities after a background check and verification of their credentials. They are subject to ongoing oversight of their professional activities and a mandatory continuing education program.

In the normal course of their duties, DFSF representatives may find themselves in situations where their personal interests conflict with those of a member or client. The code of professional conduct and the compliance manual set forth standards that guide the conduct of DFSF representatives. For instance, these standards prohibit them from:

- Using confidential information acquired in the course of their duties or exploiting a situation for the purpose of obtaining an advantage of any kind
- Accepting or giving gifts, entertainment or compensation that could influence decisions to be made in the course of their duties
- Engaging in outside activities that could interfere or conflict with their duties
- Entering into financial transactions on a personal basis with DFSF clients
- Ordering transactions that they know conflict with the interests of DFSF clients
- Engaging in any activity, holding an interest in any business or participating in any partnership that could interfere or appear to interfere with the independence of their judgment as to the best interest of DFSF members and clients
- Having authority or total control over a client's financial affairs, except to the extent permitted

Exclusive Desjardins products

As part of its activities, DFSF offers products manufactured by Desjardins Group exclusively to its clients, including securities from the issuing entities listed below. As a result, the suitability determination conducted by DFSF and its representatives will not consider the larger market for products that are not exclusive to Desjardins Group, and the fact that those non-proprietary products may be better, worse or equivalent in meeting the client's investments needs and objectives. However, DFSF's extensive product offering can meet the needs of every investor profile. Note that representatives may refuse to complete transactions on a product that does not match the investor profile.

DFSF-related issuers

The following issuing entities may be considered related or connected to DFSF:

Desjardins caisses	Members of the Fédération des caisses Desjardins du Québec (the Federation).
Caisse Desjardins Ontario Credit Union Inc.	Formed on January 1, 2020, as a result of the merger of all Ontario credit unions (formerly the FCPO). Does business as Desjardins Ontario Credit Union.
Capital Desjardins inc.	A wholly owned subsidiary of the Federation, this company is responsible for issuing its own securities on capital markets and investing the proceeds in securities issued by Desjardins caisses or the Federation.
Capital régional et coopératif Desjardins (CRCD)	Investment company whose primary purpose is to promote investment in Quebec's resource regions and meet the capitalization needs of cooperatives. CRCD's operations, including its portfolio of investments impacting the Quebec economy and its portfolio of other investments, are managed by Desjardins Venture Capital Inc., a Desjardins Group company.
Desjardins Investments Inc.	Manager, promoter, agent in charge of recordkeeping and agent responsible for Desjardins Funds transfers. Desjardins Funds are reporting issuers.
Fédération des caisses Desjardins du Québec	Financial services cooperative of which Desjardins caisses are members. It is Desjardins Group's treasurer and financial agent on the Canadian and international markets. It offers financing, banking and international services to institutions and to large and medium-sized businesses.
Desjardins Trust	Desjardins Trust is a subsidiary of Desjardins Financial Group, a trustee and depositary of Desjardins Funds and an issuer of GICs and DIAs.

Dual duty

DFSF representatives, in addition to acting in this capacity, carry out another income-generating activity as the employee of a caisse or financial institution. As such, they receive a salary. They may also receive an additional remuneration established through sales incentive formulas. These activities as a caisse or financial institution employee are separate from those performed by DFSF and therefore do not fall under its responsibility.

Incentive compensation

In addition to their salary, representatives could receive or may also be rewarded with an incentive compensation in the form of a bonus after recommending or selling products manufactured or distributed by Desjardins Group. This is a common practice in the industry. Bonus programs are based on various criteria, including how profitable a product is for Desjardins Group and sales volumes. Representatives may be inclined to recommend a product to reach their sales goals even if it is not the best product to meet the clients' investments needs and objectives. Although this incentive compensation may potentially create a conflict of interest, DFSF and its mutual fund representatives are obligated to ensure that the recommendations and transactions they make are suitable for their members and clients. Bonus programs are also validated and approved by various sectors to ensure that a representative is not inclined to recommend a product that is not in the clients' best interests, that the incentive is not based solely on sales volumes, and that actions are taken against a representative in the event of inappropriate conduct.

Fee-based funds

Representatives have no incentive to sell or recommend fee-based funds instead of another category of funds. Their recommendations must be made based on member and client interests and needs.

Outside professional activities

Representatives may conduct paid or unpaid professional activities outside DFSF. In such case, they are required to disclose them to DFSF before exercising them. DFSF will examine the nature of the activity and the representative's relationship with the outside organization, the compensation they may receive and any potential conflicts of interest that may arise. Then DFSF will issue a decision. If the outside professional activity is allowed, the representative must agree to not solicit DFSF clients or use the data or equipment they have access to when conducting that activity.

Client referral agreement

DFSF has no client referral agreement.