ANNUAL INFORMATION FORM

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

Year ended December 31, 2022

March 9, 2023

TABLE OF CONTENTS

	AIF	AR incorporated by reference
Information incorporated by reference	4	
Caution concerning forward-looking statements	4	
Business structure	5	
Name, address and incorporation	5	
Members and auxiliary members	8	
Investment funds	8	
General development of the business	9	
Description of business	13	
Desjardins Group	13	
Fédération des caisses Desjardins du Québec	13	28-40
Caisse Network	15	
Regulation and control	19	7-11
Regulatory capital and capital management	24	50-56
Competitive conditions	25	28-40
Trademarks, trade names and service marks	25	
Social and environmental policies	26	
Risk factors	26	58-98
Capital structure	27	91-92,207-28
General description	27	
Risks Inherent to F Capital Shares of the Federation	28	
Notes and Obligations	29	90-91
Credit ratings	29	
Market for securities	30	91-92
Covered bonds	30	
Notes	32	
Directors and executive officers	33	
Directors	33	
Executive officers	36	
Securities held by directors and executive officers	36	
Cease trade orders or bankruptcies	37	
Penalties or sanctions	37	
Conflicts of interest	37	
Legal proceedings and regulatory actions	37	
Transfer agent and registrar	38	
Interests of experts	38	

	AIF	AR incorporated by reference
Additional disclosure	38	
Outstanding securities	38	
Transactions with restricted parties and related parties	38	100,221
Indebtedness of directors and executive officers	38	
Additional information	39	
Statement of the Federation's executive officer compensation	40	
Director compensation	65	
Audit committee information	67	
Corporate governance disclosure	69	222-244
Composition and nominations to the Board of Directors and Board of Ethics and Professional Conduct of the Federation	69	
Independent directors	70	
Non-independent directors and basis for that determination	70	
Directorships with other reporting issuers or the equivalent	70	
Independent directors and regularly scheduled meetings at which the non-independent director is not in attendance	71	
Attendance record	71	243
Mandate of the Board of Directors	72	224-227
Position description	72	
Orientation and continuing education	73	
Business ethics	73	
Compensation	74	
Other Board committees	74	
Performance reviews	76	238
Schedules		

A – Rating categories by credit rating agency
B – Audit and Inspection Commission Charter (Federation)
C – Policy: Independent auditors of Desjardins Group

AIF: Annual Information Form of the Federation for the fiscal year ended December 31, 2022
AR: Annual Report of Desjardins Group for the fiscal year ended December 31, 2022

INFORMATION INCORPORATED BY REFERENCE

Certain information contained in this Annual Information Form has been taken from the Annual Report of Desjardins Group for the fiscal year ended December 31, 2022 (Annual Report) and has been incorporated by reference in this Annual Information Form as indicated in the table of contents. The Annual Report of Desjardins Group is available on the SEDAR website at www.sedar.com (under the Fédération des caisses Desjardins du Québec profile) or on the Desjardins.com Website.

Unless otherwise indicated or if the context otherwise requires, the expression "Federation" refers to the *Fédération des caisses Desjardins du Québec* and its direct and indirect subsidiaries, its predecessor entities or its other constituent entities or the other entities it controls.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

The Federation's public communications often include oral or written forward-looking statements, within the meaning of applicable securities legislation, particularly in Quebec, Canada and the United States. Such forward-looking statements are contained in this Annual Information Form and may be incorporated in other filings with Canadian regulators or in any other communications.

The forward-looking statements include, but are not limited to, comments about the Federation's objectives regarding financial performance, priorities, operations, the review of economic conditions and financial markets, as well as the outlook for the Quebec, Canadian, U.S. and global economies, and the impact of the COVID-19 pandemic on its operations, results and financial position, as well as on economic conditions and financial markets. Such forward-looking statements are typically identified by words or phrases such as "target", "objective", "believe", "expect", "foresee", "anticipate", "intend", "estimate", "plan", "forecast", "aim" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. We caution readers not to place undue reliance on forward-looking statements as various factors, many of which are beyond Desjardins Group's control and the impact of which it is difficult for Desjardins Group to predict, may affect, in isolation or collectively, the accuracy of the assumptions made, the predictions, the forecasts or other forward-looking statements referred to in the 2022 Annual Report of Desjardins Group. It is also possible that such assumptions, predictions, projections or other statements, as well as the Federation's objectives and priorities may not materialize or may prove to be inaccurate, and that actual results differ significantly. Furthermore, the uncertainty created by the COVID-19 pandemic has greatly increased this risk by adding to the difficulty of making assumptions, predictions, forecasts or other forward-looking statements compared with previous periods.

Factors that may influence the accuracy of the forward-looking statements in this Annual Information Form include those discussed in Section 4.0, "Risk management" of the 2022 Annual Report of Desjardins Group, and include in particular credit, market, liquidity, operational, insurance, strategic and reputation risks, as well as environmental or social risk, and regulatory risks.

Additional such factors include factors related to security breaches, household and corporate indebtedness, technological advancement and regulatory developments, interest rate fluctuations, climate change, loss of biodiversity and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in regions in which the Federation operates; monetary policies; the critical accounting estimates and accounting standards applied by the Federation; new products and services to maintain or increase Desjardins Group's market share; geographic concentration; acquisitions and joint arrangements; credit ratings and reliance on third parties; ability to recruit and retain talent; tax risk and the Covid-19 pandemic. Other factors include benchmark interest rate reform, unexpected changes in consumer spending and saving habits, the potential impact on operations of international conflicts, health crises, such as pandemics and epidemics, or any other similar disease affecting the local, national or global economy and the ability to anticipate and manage the risks associated with these factors properly despite a disciplined risk management environment. Additional information about these factors is found in Section 4.0, "Risk management" of the 2022 Annual Report of Desjardins Group.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an adverse effect on Desjardins Group's results. Additional information about these and other factors is found in Section 4.0, "Risk management" of the 2022 Annual Report of Desjardins Group.

Although the Federation believes that the expectations expressed in these forward-looking statements are reasonable and founded on valid bases, it cannot guarantee that these expectations will materialize or prove to be correct. The Federation cautions readers against placing undue reliance on forward-looking statements when making decisions, given that actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly. Readers who rely on these forward-looking statements must carefully consider these risk factors and other uncertainties and potential events, including the uncertainty inherent in forward-looking statements.

The significant economic assumptions underlying the forward-looking statements in this document are described in Section 1.5, “Economic environment and outlook” of the 2022 Annual Report of Desjardins Group. These assumptions can also be updated in the quarterly management’s discussion and analysis of Desjardins Group under the section "Economic environment and outlook". Readers are cautioned to consider the above factors when reading this section. When relying on forward-looking statements to make decisions with respect to the Federation, they should diligently consider these factors, as well as other uncertainties and contingencies. To establish our economic growth forecasts, in general and for the financial services sector specifically, we mainly use historical economic data provided by recognized and reliable organizations, empirical and theoretical relationships between economic and financial variables, the judgment of experts and identified upside and downside risks for the domestic and global economies. Given the evolution of the COVID-19 pandemic and the war in Ukraine, as well as the impact of these events on the global economy, the financial market conditions, the business operations of Desjardins Group, its financial results and its financial position, a larger share of uncertainty is associated with our economic assumptions compared with periods preceding the beginning of these events, since these assumptions are made based on uncertain future developments and considering the difficulty of predicting the extent of these events’ long-term effects.

Any forward-looking statements contained in this Annual Information Form represent the views of management only as at the date hereof, and are presented for the purpose of assisting readers in understanding and interpreting the Federation’s financial condition as at the dates indicated or its results for the periods then ended, as well as its strategic priorities and objectives as considered as at the date hereof. These forward-looking statements may not be appropriate for other purposes. The Federation does not undertake to update any oral or written forward-looking statements that could be made from time to time by or on behalf of the Federation, except as required under applicable securities legislation.

BUSINESS STRUCTURE

Name, address and incorporation

The *Fédération des caisses Desjardins du Québec* is a financial services cooperative resulting from the amalgamation with the *Caisse centrale Desjardins* (Caisse Centrale) by absorption thereof on January 1, 2017 (the Amalgamation) pursuant to the *Act respecting financial services cooperatives*, C.Q.L.R., c. C-67.3 (AFSC) and the *Act respecting the Mouvement Desjardins* S.Q. 2000, c. 77 (repealed and replaced in 2018 by new AFSC provisions). The head office of the Federation is located at 100 Des Commandeurs Street, Lévis, Quebec G6V 7N5.

The Mouvement Desjardins (Desjardins Group or Desjardins) comprises the Desjardins caisses in Quebec and the Caisse Desjardins Ontario Credit Union Inc. (CDO), the Federation and its subsidiaries, and the *Fonds de sécurité Desjardins* (FSD). Pursuant to the AFSC, the Federation namely has the mission to manage Desjardins Group’s risks and capital and ensure the financial health and sustainability of the *Groupe coopératif Desjardins* (the Cooperative Group). The Cooperative Group is made up of Desjardins caisses in Quebec, the Federation and the FSD.

Unlike the Federation, Desjardins Group is not, on a combined basis, a reporting issuer subject to applicable securities regulations. In accordance with Decision No. 2021-FS-0091 of the Autorité des marchés financiers (AMF) dated April 23, 2021, the combined financial statements and management’s discussion and analysis of Desjardins Group are now filed by the Federation in lieu of the consolidated financial statements and management’s discussion and analysis of the Federation in order to satisfy the Federation’s financial disclosure obligations, as a reporting issuer, pursuant to *Regulation 51-102 respecting Continuous Disclosure Obligations* (Regulation 51-102) of the Canadian Securities Administrators (CSA), and the Federation maintains controls and procedures in respect of the combined financial statements and management’s discussion and analysis of Desjardins Group in accordance with *Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings* (Regulation 52-109). The controls provided for in Regulation 52-109 are applied to the Federation’s annual information form prepared under Regulation 51-102, and for purposes of Desjardins Group’s certification under Regulation 52-109, the annual information form of the Federation is considered to be Desjardins Group’s annual information form. As of April 23, 2021, and in accordance with the decision of the AMF and the CSA, the Federation uses Desjardins Group’s financial statements and management’s discussion and analysis for all relevant purposes under applicable Canadian securities laws.

The structure of Desjardins Group is determined based on the needs of members and clients, as well as the markets in which Desjardins Group operates. Accordingly, the caisses network in Quebec and the CDO can leverage three key business segments — Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance — to enhance its ability to develop its products and services. The different business segments work together as part of an integrated cooperative financial group.

Furthermore, to ensure consistency among Desjardins Group’s key business segments, certain functions affect all the activities of the Federation, its subsidiaries and the components of Desjardins Group. These functions consist primarily of Finance, Operations, Risk Management, Information Technology, Human Resources, Communications, Marketing, Security Office, Legal Affairs, Compliance and Cooperation, Governance and Sustainable Development. The Federation also carries out the roles of treasurer and official representative of Desjardins Group with the Bank of Canada and the Canadian banking system.

The main components and subsidiaries of the Federation include:

- Collabria Financial Services Inc., which is a credit card and payment solutions issuer;
- Desjardins Financial Services Firm Inc., which offers mutual fund brokerage and financial planning services;
- Desjardins Capital Management Inc., which provides development and venture capital fund management;
- Desjardins Financial Holding Inc., a holding company which is notably the parent company or the shareholder of:

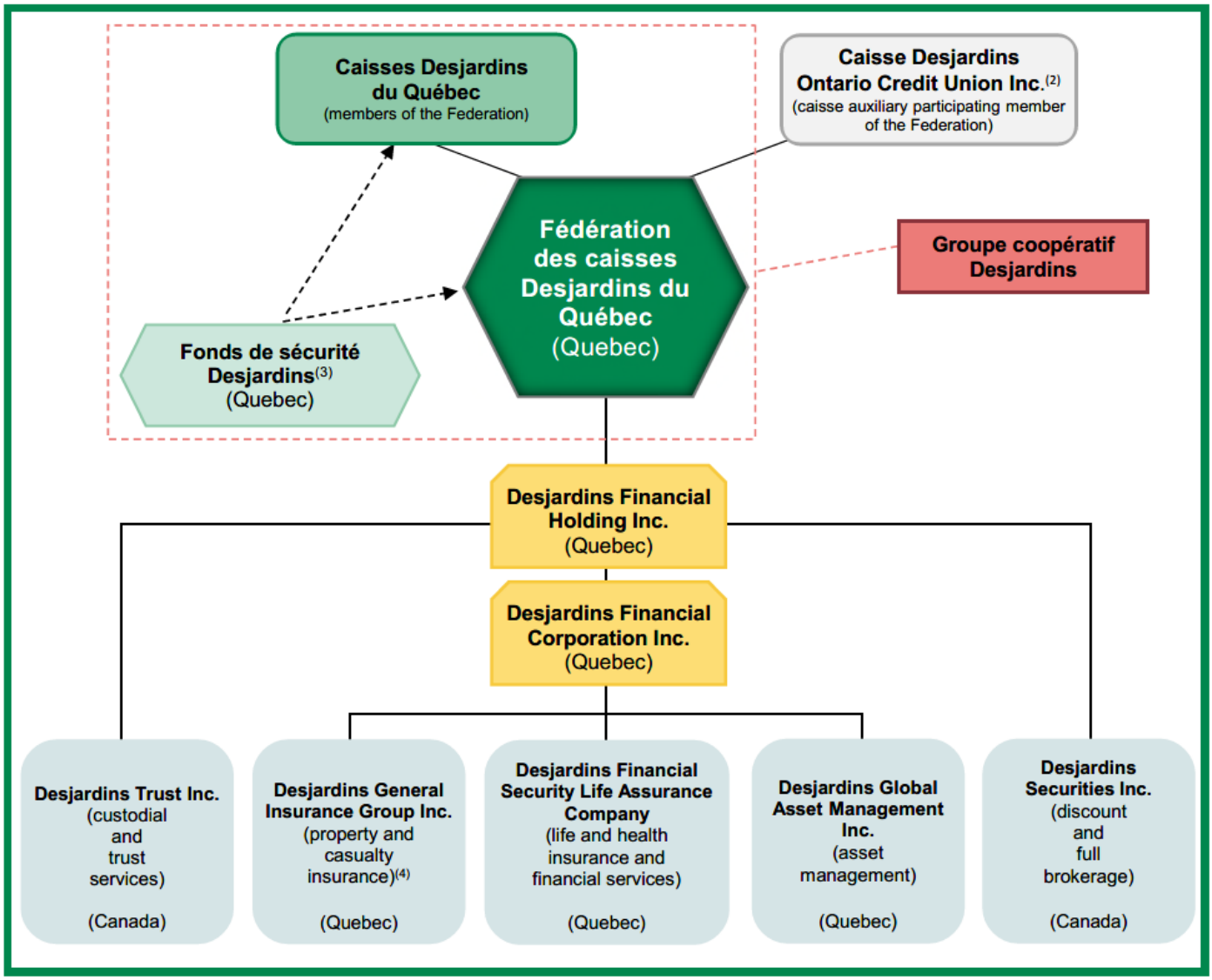
- Desjardins Trust Inc., which is active in asset custody and trust services;
- Desjardins Investment Management Inc., which acts as investment manager;
- Desjardins Real Estate Group Inc., which provides property and workspace management;
- Desjardins Shared Services Group Inc., which provides administrative services;
- Desjardins Technology Group Inc., which is responsible for the development, maintenance and modernization of Desjardins Group technology;
- Aviso Wealth, a wealth management company held in equal shares by Desjardins Group and the partnership between five provincial credit union centrals and CUMIS Group;
- Desjardins Securities Inc., which offers securities brokerage products and services;
- 9420-7404 Québec inc., which is active in the real estate services sector and operates mainly the brand DuProprio;

- Desjardins Financial Corporation Inc., a holding company which is notably the parent company of:
  - Desjardins Global Asset Management Inc., a group of investment experts that mainly manages the assets from insurance subsidiaries and items whose management is entrusted to it by other subsidiaries of Desjardins Group;
  - Desjardins General Insurance Group Inc., which offers property and casualty insurance products; and
  - Desjardins Financial Security Life Assurance Company, which offers life and health insurance products and financial services.

The Federation also manages various funds in accordance with the provisions of the By-laws of the Federation.

The following organizational chart presents a simplified view of the legal structure of Desjardins Group as at the date of this Annual Information Form and shows the relationships between the Federation and the main components of Desjardins Group, including its direct and indirect subsidiaries, which, except as indicated below, are all wholly owned (100%), and their respective jurisdiction of incorporation. The subsidiaries that have been omitted represent individually no more than 10% of the combined assets and no more than 10% of the combined revenues of Desjardins Group or, collectively, no more than 20% of the total combined assets and combined revenues of Desjardins Group as at fiscal year-end.

Simplified organization chart of Desjardins Group's legal structure(1)



(1) As defined in the AFSC, Desjardins Group and the Cooperative Group are not legal entities but are a financial group and a cooperative group, respectively. The Federation, the caisses Desjardins du Québec and Caisse Desjardins Ontario Credit Union Inc. are cooperative entities.

(2) CDO is the product of the merger of the *Fédération des caisses populaires de l'Ontario Inc.* and its eleven member caisses populaires on January 1, 2020.

(3) The FSD is a legal person governed by the AFSC. It is controlled by the Federation and is part of the Cooperative Group. By virtue of the powers conferred on it by the AFSC, the FSD must ensure, among other elements of its mission, that the distribution of capital and other assets between the legal persons belonging to the Cooperative Group allows each of those legal persons to perform its obligations to its depositors and other creditors in full, correctly and without delay. For details, see the Sub-Section entitled "*Fonds de sécurité Desjardins"* in this Annual Information Form.

(4) This entity is 90% owned by Desjardins Financial Corporation Inc. and 10% owned by *Groupe des Assurances du Crédit Mutuel SA* (France) as at the date of this Annual Information Form. In addition, Desjardins Financial Corporation Inc., *Groupe des Assurances du Crédit Mutuel SA* (France) and State Farm Mutual Automobile Insurance Company (United States) hold non-voting preferred shares series 1 issued by this entity as at the date of this Annual Information Form.

Members and auxiliary members

Apart from auxiliary members, only Quebec Desjardins caisses are members of the Federation. As a member of the Federation, each Quebec Desjardins caisse is entitled to receive notice of and be represented at the general meeting of the Federation by one or more delegates, based on the number of members of the caisse. Each delegate is entitled to one vote. The number of votes to which a delegate's vote is entitled is based on the number of members in his or her caisse. In addition, representatives of Quebec Desjardins caisses may be elected to office within the various bodies of the Federation and certain subsidiaries.

The Federation has several classes of auxiliary members, which are established by by-laws. Any service user, other than a Quebec caisse, may be admitted as an auxiliary member of the Federation. In principle, the rights of the auxiliary members of the Federation are more limited than those of the Quebec caisses. With the exception of caisse participating auxiliary members, the auxiliary members of the Federation are not entitled to vote and their representatives are not eligible to hold office. Certain classes of auxiliary members are entitled to attend the general meeting as observers, but may not participate in the discussions. However, these auxiliary members may speak at the general meeting during question periods. Certain auxiliary members have access to services, which the Federation agrees to provide. With the exception of participating auxiliary members, auxiliary members of the Federation have no other right to and may not participate in any allocation of surplus earnings, unless it is decided otherwise at the general meeting of the Federation.

The Federation created two classes of participating auxiliary members: "Federation participating auxiliary members" and "caisse participating auxiliary members". Any cooperative established outside Quebec whose mission is similar to the Federation's may be admitted as a "Federation participating auxiliary member". Any cooperative affiliated with a "Federation participating auxiliary member" whose mission is similar to that of a financial service cooperative may be admitted as a "caisse participating auxiliary member". This requirement does not apply to CDO in accordance with the By-laws of *Groupe coopératif Desjardins*.

A "Federation participating auxiliary member" must commit to the Federation to implement all necessary actions for its affiliated caisses to enjoy the same rights and comply with the same obligations as Quebec caisses, subject to its incorporating Act and the laws and regulations applicable to it outside Quebec and any specific agreements between the member and the Federation. Until December 31, 2019, the *Fédération des caisses populaires de l'Ontario Inc.* and its member caisses were respectively a "Federation participating auxiliary member" and "caisse participating auxiliary members". CDO, an entity resulting from the merger, which took effect on January 1, 2020, of the *Fédération des caisses populaires de l'Ontario Inc.* and its eleven member caisses populaires, has retained its status as a "caisse participating auxiliary member", but with specific conditions set out in the By-laws of *Groupe coopératif Desjardins*.

The members of the Quebec caisses are persons and partnerships that meet the conditions for membership prescribed in the AFSC and the caisse's by-laws, in particular the conditions relating to the common characteristic set forth in caisse articles or the AFSC, which, for group caisses, must be determined on the basis of occupation, on the basis of employment status with the same employer or with an employer belonging to a group of employers who are related to each other or who carry on their activities in the same economic sector, or on the basis of other criteria recognized by the Federation. As for any other caisse, which is a member of the Federation, the common characteristic of its members is to be resident of, to be domiciled in or to work in Quebec.

The caisses by-laws establish three classes of auxiliary members: (i) minors who open school caisse accounts; (ii) other minors, groups of persons or persons who do not meet the conditions relating to the common characteristic set forth in the AFSC or in caisse articles (except, in the latter case, for natural persons who are re-admitted as full members); and (iii) persons who do not meet the conditions relating to the common characteristic of the caisse, whose indebtedness to a third party is assigned to or acquired by the caisse.

Investment funds

Following the special general meeting of the members of the Federation held on October 13, 2021, and the approval of the Federation's board of directors on December 16, 2021, the various investment funds of the Federation were abolished and the capital shares relating to these investment funds were redeemed or converted, as the case may be, as of January 1, 2022. This development is part of the simplification of Desjardins Group's internal financial structure to better align its structure with our financial objectives and values.

The Federation is the registered holder, directly or indirectly, of the securities of its subsidiaries and other Desjardins Group components under its control. Prior to the coming into force of the changes described in the preceding paragraph as of January 1, 2022, one or more investment funds were set up for one or more of these subsidiaries, in accordance with the AFSC and the provisions of By-laws of the Federation concerning investment funds. The assets of these investment funds consisted primarily of the equity interests in the subsidiaries and other Desjardins Group components controlled by the Federation. Capital shares in relation to the various investment funds were issued to each of the Quebec caisses and, for some investment funds, they were also issued to the CDO. Such capital shares entitled the holder to a share in the net assets of the related investment fund, and the holders, namely the caisses, shared the net revenue (such as dividends received from subsidiaries and interest earned on various investments of the investment fund) in accordance with the Federation's By-laws.

For further details concerning the description of the shares existing prior to the coming into force of these changes to the capital, please see the "Capital Structure" section of this Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

Fiscal 2022

On November 30, 2022, Desjardins Group, acting through 9479-5176 Québec inc., an indirect, wholly-owned subsidiary of the Federation, agreed to acquire the independent life insurance and retail investment distribution operations of Guardian Capital Group Limited's by the acquisition, in particular by purchasing all the shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. for a total consideration of $750 million, subject to customary purchase price adjustments. The transaction closed on March 1, 2023. The results of these activities will be accounted for within the Wealth Management and Life and Health Insurance segment.

On December 9, 2022, 1000379969 Ontario Limited, an entity representing a consortium of purchasers comprised of Desjardins General Insurance Group Inc., an indirect subsidiary of the Federation, certain key members of management of The Insurance Company of Prince Edward Island (ICPEI), certain other employees of ICPEI and shareholders of ICPEI Holdings Inc., the parent company of ICPEI (ICPEI Holdings), as well as certain other investors, filed an offer to the shareholders of ICPEI Holdings to acquire the shares thereof in their entirety. Upon the closing of the transaction, Desjardins Group, through its holding in 1000379969 Ontario Limited, will have a minority interest in ICPEI Holdings in exchange for a cash consideration of $17 million. The transaction closed on February 28, 2023.

The Federation participated in new issues under the NHA Mortgage-Backed Securities Program, for a total amount of $2.5 billion in 2022. During the same period and at the beginning of 2023, the Federation also made the following issues of securities:

- On February 8, 2022, an issue totalling €750 million under its legislative covered bond program;
- On May 19, 2022, an issue totalling $1.0 billion, subject to the bail-in regime, under its Canadian medium-term note program;
- On August 23, 2022, an issue totalling US$1,250 million, subject to the bail-in regime, under its multi-currency medium-term note program;
- On August 23, 2022, an issue totalling $1.0 billion in notes eligible as Non-Viability Contingent Capital (NVCC) under its Canadian NVCC subordinated notes program;
- On August 31, 2022, an issue totalling €750 million under its legislative covered bond program;
- On October 14, 2022, an issue totalling US$1.0 billion under its legislative covered bond program;
- On November 16, 2022, an issue totalling $1.0 billion, subject to the bail-in regime, under its Canadian medium-term note program;
- On November 28, 2022, an issue totalling €750 million under its legislative covered bond program;
- On January 23, 2023, an issue totalling US$600 million, subject to the bail-in regime, under its multi-currency medium-term note program;
- On January 31, 2023, an issue totalling 325 million Swiss francs under its legislative covered bond program.

Outstanding notes issued under the Federation's medium-term funding programs amounted to $34.0 billion as at December 31, 2022, compared to $29.3 billion as at December 31, 2021. The outstanding notes for these issues are presented under "Deposits – Business and government" on the Combined Balance Sheets.

For 2022, Desjardins Group reported surplus earnings before members dividends of $ 2,050 million, down $892 million, or 30.3%, compared to 2021. This decrease in surplus earnings was largely due to a rise in the cost of automobile and property insurance claims in the Property and Casualty Insurance segment. Fiscal 2022 was marked by an increased frequency of automobile insurance claims, which was lower in 2021 in the context of the pandemic, the impact of inflation and more adverse weather conditions. The decrease in surplus earnings can also be attributed to investments in projects planned in accordance with Desjardins Group's strategic directions and an increase in spending on personnel. This reduction in surplus earnings was partially offset by an increase in net interest income and other operating income,[(1)], the effect of higher interest rates on actuarial liabilities in life and health insurance, and an overall more favorable experience in group insurance.

This result reflects the contribution of the Personal and Business Services segment, which amounted to $1,126 million, or 54.9%, of surplus earnings compared to the same period in 2021. Surplus earnings for the Wealth Management and Life and Health Insurance segment and those for the Property and Casualty Insurance segment provided contributions of $692 million and $450 million respectively, representing 33.8% and 21.9% of surplus earnings. The activities grouped under the Other category were in deficit of $218 million or (10.6)% of surplus earnings

On February 24, 2022, a new Operations Executive Division, led by Di-Thai Hua, formerly Vice-President, Accès Desjardins, commenced service. This Executive Division consists of more than 4,700 employees and managers, and is responsible for carrying out primarily the operations of Desjardins Group, whether banking, procurement, real estate services or administrative, as well as federative accounting operations. Mr. Hua has been appointed Executive Vice President Operations and serves on the Desjardins Group Management Committee since February 24, 2022. As a result of these changes, the Finance, Treasury and Administration Executive Division changed its name to Finance Executive Division, to reflect the redefined scope of its activities, which now focus on Desjardins Group's finances, treasury, economic studies and pension plan.

On April 4, 2022, a new Cooperation, Director Support and President's Office Executive Division was inaugurated, headed by Isabelle Garon, who held prior to that date the position of Vice-President, President's Office, Cooperation and Directors Support.

On June 14, 2022, the Superior Court of Québec approved the settlement agreement entered into between Desjardins and the plaintiffs on December 16, 2021, following the class action suits filed in relation to the personal information breach announced in June 2019. The combined financial statements as at December 31, 2021 had already reflected the financial impact of this settlement.

[(1)] See the "Non-GAAP and other financial measures" section of the 2022 Annual Report of Desjardins Group.

In October 2022, Francine Champoux, Executive Vice-President, Risk Management, announced that she will be retiring in March 2023 after a remarkable 25-year career with Desjardins Group. Ms. Champoux will remain with the Risk Management Executive Division until she leaves for her retirement in order to ensure a seamless transition. A process has been initiated to find her replacement.

Fiscal 2021

On September 1, 2021, Desjardins Global Asset Management Inc., an indirect wholly-owned subsidiary of the Federation, acquired the assets of Hexavest Inc., an investment firm which served primarily institutional clients located for the most part in Canada and also on a global level. Results of acquired operations are recorded in the Wealth Management and Life and Health Insurance segment.

Moreover, the Federation participated in new issues under the NHA Mortgage-Backed Securities Program for a total amount of $1.7 billion during 2021. During the same period, the Federation also made the following issues of securities:

- On January 21, 2021, an issue of $1.0 billion, subject to the bail-in regime, under its Canadian medium-term note program;
- On April 8, 2021, an issue totalling €500 million under its legislative covered bond program;
- On May 21, 2021, an issue totalling US$1.25 billion, subject to the bail-in regime, under its multi-currency medium-term note program;
- On May 28, 2021, an issue of $1.0 billion in NVCC eligible notes under its Canadian NVCC subordinated notes program;
- On August 23, 2021, an issue of $500 million under its Canadian medium-term note program due in August 2022 and CORRA-based. This issuance supports the CDOR reform;
- On September 10, 2021, an issue of $500 million, subject to the bail-in regime, under its Canadian medium-term note program and in compliance with the Desjardins Sustainable Bond Framework;
- On October 14, 2021, an issue of US$750 million under its legislative covered bond program.

Moreover, on February 8, 2022, the Federation made an issue of €750 million under its legislative covered bond program.

Outstanding notes issued under the Federation's medium-term funding programs amounted to $29.3 billion as at December 30, 2021, compared to $28.5 billion as at December 31, 2020. The outstanding notes for these issues are presented under "Deposits – Business and government" on the Combined Balance Sheets.

For fiscal 2021, Desjardins Group recorded surplus earnings before dividends to members of $ 2,942 million, up $523 million, or 21.6%, compared to fiscal 2020. The growth in surplus earnings was mainly due to a lower loss experience for the Property and Casualty Insurance segment, a decrease in the provision for credit losses, the growth of net interest income and other operating income. [(1)] This increase is mitigated by a rise of non-interest expense, mainly due to larger investments in strategic projects with Desjardins Group-wide reach.

This result reflects the contribution of the Personal and Business Services segment, which amounted to $1,459 million, or 49.6%, of surplus earnings compared to the same period in 2020. Surplus earnings for the Wealth Management and Life and Health Insurance segment and those for the Property and Casualty Insurance segment provided contributions of $463 million and $ 1,197 million respectively, representing 15.7% and 40.7% of surplus earnings. The activities grouped under the Other category were in deficit of $177 million or (6.0)% of surplus earnings.

On December 15, 2021, Desjardins Capital Inc. (DCI) proceeded with the early redemption of all of its outstanding Series J Senior bonds in the amount of $500 million. DCI no longer has any outstanding bonds since that date. Concurrently with the early redemption of the DCI's senior notes, the caisses proceeded with the early redemption of the subordinated notes. As of December 20, 2021, DCI was granted the revocation of its reporting issuer status. As a result, DCI is no longer subject to issuer-specific requirements under applicable securities regulations, including continuous disclosure requirements. The mandate of DCI was to issue securities in the financial markets and then invest the proceeds in subordinated notes issued by Québec caisses. The borrowing programs of DCI, which were established by prospectus, came to maturity in the previous years and were never renewed.

On December 16, 2021, the Board of Directors of the Federation approved the payment of interest on F capital shares in the amount of $208 million to holders.

Also on December 16, 2021, Desjardins Group announced that a settlement agreement was reached with the plaintiffs following the filing of the class actions relating to the personal information breach announced in June 2019. The settlement agreement, which was subject to the approval of the Superior Court of Québec (which was granted in June 2022), provides that a maximum amount of $201 million will be paid in the form of individual payments to eligible persons who will submit a claim following approval by the Court. The combined financial statements as at December 31, 2021 reflect the financial impact of this settlement. On February 7, 2022, a judgment of the Superior Court of Québec authorized an application for pre-approval of the agreement.

The financial information presented below for fiscal 2020 and 2019 has been adjusted from the information presented in the Federation's Annual Information Form dated March 11, 2021 in order to reflect Desjardins Group's financial data in accordance with the presentation of the current fiscal year, all according to the Decision No 2021-FS-0091 of the AMF dated April 23, 2021 to the effect that the Federation uses the financial statements and management's discussion and analysis of Desjardins Group for all relevant purposes under applicable Canadian securities laws. See the "Business Structure" section of this Annual Information Form for details.

[(1)] See the "Non-GAAP and other financial measures" section of the 2022 Annual Report of Desjardins Group.

Fiscal 2020

On February 1, 2020, the Federation acquired a portfolio of quality home mortgages from La Capitale, for a total consideration of $474 million. This acquisition consolidated Desjardins Group's leadership position in Quebec's residential mortgage market.

As announced on October 31, 2019, the Federation has been gradually phasing out in-store Accord D financing since May 1, 2020. These activities were presented in the Personal and Business Services segment.

On July 15, 2020, the Federation, through 9420-7404 Québec inc., acquired the Canadian real estate business of Purplebricks Group plc for a total amount of $62 million. 9420-7404 Québec inc mainly operated two brands, DuProprio and FairSquare (Purplebricks Canada, prior to December 1, 2021). The acquired businesses have more than 500 employees, with over 300 in Quebec and some 200 across Ontario, Manitoba and Alberta.

Moreover, the Federation participated in new issues under the NHA Mortgage-Backed Securities Program for a total amount of $2.5 billion for the fiscal year. During the same period, the Federation launched a new issue in the amount of US$1.0 billion, subject to the bail-in regime, under its multi-currency medium-term note program. On May 26, 2020, the Federation issued $1.0 billion in NVCC eligible notes under its Canadian NVCC subordinated notes program. In addition, on September 24, 2020, the Federation completed an issue under its legislative covered bond program for €500 million. On October 7, 2020, the Federation completed an issue under its legislative covered bond program for US$750 million. Lastly, on January 21, 2021, the Federation completed a new issue of $1.0 billion, which is subject to the bail-in regime, under its Canadian medium-term note program.

Outstanding notes issued under the Federation's medium-term financing programs amounted to $28.5 billion as at December 31, 2020, compared to $27.2 billion as at December 31, 2019. The outstanding notes for these issues are presented under "Deposits – Business and government" on the Combined Balance Sheets. Desjardins Capital Inc.'s senior notes outstanding totaled $0.5 billion as at December 31, 2020, compared to $1.4 billion as at December 31, 2019.

In the context of the COVID-19 pandemic, the Canadian government, through the Bank of Canada and CMHC, deployed a number of financing initiatives aimed at supporting the Canadian financial system by preserving a source of business financing. Like the Canadian banks, Desjardins Group used these programs for $10.6 billion as at December 31, 2020. These additional sources of funding allow Desjardins Group to maintain adequate levels of liquidity to address the impacts of this pandemic.

Among other things, under the *Insured Mortgage Purchase Program* (IMPP) implemented by CMHC, the Federation sold NHA mortgage-backed securities for $0.5 billion to CMHC. Under this program, the Government of Canada may purchase up to $150 billion of NHA-insured mortgage pools from financial institutions through CMHC. Furthermore, on March 30, 2020, the Federation launched an issue of own-name covered bonds (self-held) in the amount of $2.5 billion, in order to participate in the Bank of Canada's Term Repos program. The total amount of these covered bonds was pledged as collateral to the Bank of Canada under the program on March 31, with settlement on April 2, 2020.

On April 14, 2020, the Federation also issued own-name covered bonds (self-held) in the amount of $1.5 billion, for purposes of participating in the Bank of Canada's Term Repos program. The total amount of these covered bonds was pledged as collateral to the Bank of Canada under the said program on April 15 and 20, 2020.

On April 23, 2020, just like the Canadian banks, Desjardins Group also accessed the Standing Term Liquidity Facility that the Bank of Canada set up to support the liquidity of the financial system. Under the terms of this facility, eligible financial institutions can borrow from the Bank by giving as collateral a large pool of securities. As such, financial institutions are better able to finance new loans.

These initiatives are included in the Federation's total participation in the Bank of Canada's and CMHC's initiatives for $10.6 billion.

Overall, these transactions made it possible to adequately meet the liquidity needs of Desjardins Group, to better diversify its sources of funding and to further extend the average term.

In addition, on December 17, 2020, the Board of Directors approved the payment of interest on F capital shares in the amount of $209 million to holders.

For fiscal 2020, Desjardins Group reported surplus earnings before dividends to member caisses of $2,419 million, a decrease of $179 million, or 6.9%, compared to 2019. Surplus earnings adjusted[(1)] for specific items, namely the gain related to the sale of the entire portfolio of merchants receiving services from the Federation under the Monetico brand recognized in 2019 were up $130 million, or 5.7%.

This result reflects the contribution of the Personal and Business Services segment, which totalled $1,314 million, or 54.3% of surplus earnings. Wealth Management and Life and Health Insurance and Property and Casualty Insurance segments contributed $609 million and $622 million respectively, representing 25.2% and 25.7% of surplus earnings. The activities grouped under the Other category had a $126 million deficit, or (5.2)% of surplus earnings.

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(1) See the "Non-GAAP and other financial measures" section of the 2022 Annual Report of Desjardins Group.

Personal Information Breach

On June 20, 2019, Desjardins Group announced that the personal information of 2.7 million individual members and 173,000 business members was shared with individuals outside the organization (the personal information breach). The ill-intentioned employee who caused the situation was quickly identified and then fired. Subsequently, on November 1, 2019, Desjardins Group announced that it had been informed by the *Sûreté du Québec* that the data of all its members were affected by the personal information breach. On December 10, 2019, the internal audits and analyses of Desjardins Group revealed that the former employee responsible for the breach also had access to the personal information of credit card holders and clients with in-store financing (current and former). In total, the former employee responsible for the information breach had access to the personal information of 9.7 million members and clients (current and former). However, to the knowledge of Desjardins Group, the personal information of 4.2 million current caisse members was sent outside the organization. There is no confirmation that the personal information of other members and clients has been sent outside the organization.

Desjardins Group was not the victim of a cyberattack and its computer systems were not affected in any way. Given the situation, additional measures have been implemented by Desjardins Group to protect the personal and financial information of all members and clients, including the Desjardins Identity Protection, offered at Desjardins' expense to all members and clients, as well as the Equifax credit monitoring service for current Desjardins members and clients and former members and clients holding credit cards or in-store financing. The expenses to cover the costs incurred and the provision for the implementation of Desjardins Identity Protection totalled $108 million for the year ended December 31, 2019.

As soon as the situation came to light in May 2019, Desjardins stepped up its efforts to create one of the most secure environments of any financial institutions. It also stepped up the pace of implementing personal information protection measures that were already underway, including:

- The Desjardins Group Security Office (DSO) was created in December 2019. The office brings together nearly 900 experts in cybersecurity, fraud prevention, personal information protection, anti-money laundering and financial crimes, from teams across four executive divisions. The mandate of the DSO is to keep implementing best practices to protect personal information and enhance information security.
- A Chief Data Officer was appointed to oversee information security, data security and data warehousing best practices.
- The work to review data retention timeframes was accelerated based on the applicable regulations.
- New custom data monitoring products were developed in partnership with local businesses.
- The evolution of a restricted analysis environment that governs, limits and monitors data use and extraction.
- The data protection program was enhanced, including the implementation of *Data Loss Prevention*.
- Policies and guidelines regarding the security and use of confidential data were reviewed to reflect best practices.
- A security intelligence centre was created in early 2021. It provides fast and efficient protection for members and clients. It will focus primarily on prevention, detection and incident management. It will be integrated with the DSO and will bring together experts in cybersecurity, fraud prevention, personal information protection and anti-money laundering and financial crimes. It will take action whenever the synergy of specialists from at least two of these fields is required. Its implementation, in which artificial intelligence plays a central role, responds to the growing need to analyze data for the prevention and detection of security and financial crime events.

Further to Desjardins Group's declaration that there was a breach of personal information to the *Commission d'accès à l'information du Québec* (CAI) under the *Act respecting the protection of personal information in the private sector* (Quebec Privacy Act) and to the Office of the Privacy Commissioner of Canada (OPC) under the *Act respecting the protection of personal information and electronic documents* (Canada) (PIPEDA), the CAI and the OPC launched a joint investigation into Desjardins Group's personal information protection policies and procedures. Concurrently, the AMF heightened its monitoring of the Federation's compliance with the requirement of the AFSC to apply sound and prudent management practices ensuring good governance in order to adequately manage the risks related to the personal information breach.

On June 9, 2020, Desjardins Group filed plans with the CAI, OPC and AMF to implement specific enhanced practices for sound and prudent management and governance practices as well as for the adequate management of risks relating to data security and the protection of personal information.

On December 14, 2020, the CAI released the results of its investigation in respect of the personal information breach in which it found that the Federation had contravened certain provisions of the Quebec Privacy Act by failing to take the necessary measures to ensure the protection and security of personal information of current and past members and clients or to take the necessary measures to limit or end the use of inactive files containing personal information. The CAI also issued an order requiring the Federation to submit a report to the CAI every 6 months on the progress of the plans until such plans are fully implemented by the end of 2021 and also on data retention measures which should be completed by June 2022, and to engage an independent audit firm approved by the CAI to evaluate all of the measures taken by Federation to ensure the protection of personal information of current and former members and clients by December 14, 2022. The OPC issued a report on the same day in which it found, with respect to the personal information breach, that the Federation had contravened analogous principles of PIPEDA and set out recommendations similar to the measures included in the CAI order. The AMF also issued an order on December 14, 2020 in which it found, with respect to the personal information breach, that the Federation had failed with regards to its obligation to apply sound and prudent management practices, in particular, sound governance and compliance with the laws governing its activities. The AMF also identified significant deficiencies in each of Desjardins Group's three lines of defense: operational management, oversight functions and internal audit. The AMF order namely requires the Federation to implement all of the measures set out in the plans within the timeframe set out in the plans or as otherwise agreed with the AMF. The AMF order also requires the Federation to hire an independent expert, which will report directly to the AMF. The AMF will determine the scope of the expert's mandate, which will include supervising the governance and control mechanisms put in place and certifying that Desjardins Group meets the expectations set out in the AMF's guidelines and industry best practices. The AMF also stated that its order does not call into question the solvency of the Desjardins Group, including its capital adequacy, liquidity and profitability. Neither of the regulatory orders impose any penalties or sanctions on Desjardins Group.

The credit ratings assigned by the ratings agencies DBRS, Fitch, Moody's and Standard & Poor's to Desjardins Group's senior securities remained unchanged following the personal information breach announcements made by Desjardins in 2019. It should also be noted that on December 14, 2020, following the reports and orders from regulatory authorities, the DBRS and Fitch rating agencies maintained their ratings on Desjardins Group instruments, while Moody's confirmed its ratings. To justify their actions, the agencies mentioned the importance of the resources Desjardins Group has dedicated to information security controls, fraud prevention and improved governance. Moreover, the assessment of Desjardins Group's ratings by the Standard & Poor's rating agency remained unchanged. In addition, on January 13, 2021, Fitch confirmed the ratings for Desjardins Group instruments and increased its outlook from negative to stable. This change in perspective reflects the assessment that Fitch believes that Desjardins Group has strong assets, but also a strong presence in Quebec as a leader in the savings, residential mortgage, wealth management and insurance markets.

DESCRIPTION OF BUSINESS

Desjardins Group

Desjardins Group is North America's leading financial cooperative group, with assets of $407.1 billion. As at December 31, 2022, Desjardins Group brings together 212 caisses in Quebec, the Caisse Desjardins Ontario Credit Union Inc., the *Fédération des caisses Desjardins du Québec* and its subsidiaries and Desjardins Security Fund. A number of its subsidiaries and components are active across Canada, whereas Desjardins Group is also present in the United States through Desjardins Bank, National Association and Desjardins Florida Branch.

With its Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance segments, Desjardins Group offers a full range of financial services designed to meet the needs of its members and clients. As one of the largest employers in the country, Desjardins Group is driven by the skills of more than 58,700 employees and the commitment of nearly 2,460 directors in the caisses.

Fédération des caisses Desjardins du Québec

The Federation is the cooperative entity responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group, while serving as a financial agent in Canadian and international financial markets. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. The AFSC gives the Federation broad normative powers to act as a supervisory and control body for the caisses and to carry out, among other things, its mission to manage the risks, capital, assets and liquidity of Desjardins Group and to ensure the financial health and sustainability of the Cooperative Group, which comprises the Desjardins Quebec caisses, the Federation and the FSD. Such standards are adopted by the Federation and they relate to, among other things, business practices of the caisses, capital and asset management, complaint handling and dispute resolution, investment activities of the caisses and provisions for doubtful debts and contingent losses.

The AFSC provides for various measures to enable the Federation to intervene with relation to the affairs of the caisses and enforce compliance with the provisions of the AFSC or a normative instrument adopted thereunder. For more details, see the Sub-Section "Federation" in Section "Intervention Mechanisms" of this Annual Information Form.

The Federation enables the caisses and other Desjardins Group components to accelerate their development and better meet the needs of their members and clients.

Furthermore, the Federation provides financial services to Desjardins Group, governments, public and parapublic sector institutions, individuals as well as medium-sized and large businesses. It meets the financial needs of Desjardins Group caisses and other Desjardins Group components. The Federation's mandate is to provide institutional funding for the Desjardins network and to act as financial agent, in particular by supplying interbank exchange services, including clearing house settlements. Its activities in Canadian and international markets complement those of other Desjardins Group entities.

The Federation's governance policies and practices and the compensation paid to the members of Federation's Board of Directors and Executive Officers are presented elsewhere herein. See sections "Statement of the Federation's executive officer compensation" and "Corporate governance disclosure" in this Annual Information Form.

The Federation's structure has been designed to accommodate the needs of Desjardins Group members and clients, as well as the markets in which it operates. Accordingly, the Federation and the caisse network in Quebec can leverage three key business segments—Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance—to increase their ability to develop their products and services.

For further details, see the "Business structure" Section of this Annual Information Form.

Personal and Business Services

The Personal and Business Services segment is central to Desjardins Group's operations. With a comprehensive, integrated line of products and services designed to meet the needs of individual and businesses members, institutions, non-profit organizations and cooperatives, Desjardins Group is a leader in financial services in Quebec and a player in the Ontario financial services market.

This line of products and services meets a range of needs including day-to-day financial management, savings, payments, wealth management, financing, specialty services, access to capital markets, development and venture capital, and business ownership transfers and advice, and comprises life and health insurance, and property and casualty insurance products offered via its distribution network.

In addition, members and clients can rely on Quebec's largest advisory team, consisting of professionals who provide dedicated and continuous support throughout all stages of their life cycle or entrepreneurial path.

To meet the constantly changing expectations of its members and clients, Desjardins Group offers its services through the caisse network and the Desjardins Business centres, the Signature Service centres, as well as through complementary distribution networks and specialized teams, in person, by phone, online, via applications for mobile devices and at ATMs.

For more information about the Personal and Business Services segment, see Section 2.2.1 "Personal and Business Services" on pages 29-33 of the MD&A in the Annual Report, which is incorporated herein by reference.

Wealth Management and Life and Health Insurance

The Wealth Management and Life and Health Insurance segment combines various categories of service offers aimed at growing and protecting the assets of Desjardins Group members and clients. These offers are intended for individuals, businesses and their employees.

This segment designs life and health insurance product lines, and investment solutions. It also includes asset management and trust services for institutional clients. This segment is among the Canadian leaders in responsible investment and responsible insurance.

The diversity and Canada-wide scope of the distribution networks is one of the main strengths of the segment:

- Desjardins caisse network;
- Desjardins agent networks;
- Desjardins Financial Security Life Assurance Company partner networks;
- External insurance and investment solutions networks;
- Actuarial consulting firms and brokers.

To meet member and client needs according to their preferences, certain product lines are also offered directly via Client Relations Centres, online or through applications for mobile devices. Online services are constantly evolving to meet changing client needs.

On November 30, 2022, Desjardins Group, acting through 9479-5176 Québec inc., an indirect, wholly-owned subsidiary of the Federation, agreed to acquire the independent life insurance and retail investment distribution operations of Guardian Capital Group Limited, in particular by purchasing all the shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. The transaction closed on March 1, 2023. The results of these operations will be accounted for within the Wealth Management and Life and Health Insurance segment.

For more information about the Wealth Management and Life and Health Insurance segment, see Section 2.2.2 "Wealth Management and Life and Health Insurance" on pages 33-36 of the MD&A in the Annual Report, which is incorporated herein by reference.

Property and Casualty Insurance

The Property and Casualty Insurance segment offers insurance products to protect Desjardins Group members and clients to protect their assets and protect themselves against damage and loss. It includes the business of Desjardins General Insurance Group Inc. and its subsidiaries, and offers, across Canada, a line of property and automobile insurance products to individuals, as well as insurance products to businesses. Its products are distributed through property and casualty insurance agents (damage insurance agents in Quebec) in the Desjardins caisse network in Quebec, and at Caisse Desjardins Ontario Credit Union Inc., the Desjardins Business Centres, a number of client contact centres, and through an exclusive agents network of close to 500 agencies in Ontario, Alberta and New-Brunswick. This exclusive agent network distributes property and casualty insurance and a host of other financial products. Members and clients also have access to a variety of services available on digital and mobile applications.

Desjardins General Insurance Group Inc., which serves over 3.7 million clients, markets its products to the individual and business markets across Canada under the Desjardins Insurance banner, and to the group insurance market, namely members of professional associations and unions and employers' staff under The Personal brand.

On December 9, 2022, 1000379969 Ontario Limited, an entity representing a consortium of acquirers comprising Desjardins General Insurance Group Inc., an indirect subsidiary of the Federation, certain key members of management of The Insurance Company of Prince Edward Island (ICPEI), certain other employees of ICPEI and shareholders of ICPEI Holdings Inc., the parent company of ICPEI (ICPEI Holdings), as well as certain other investors, submitted a bid to the shareholders of ICPEI Holdings to acquire all of the shares of ICPEI Holdings. At the date of closing of the transaction, Desjardins Group, through its interest in 1000379969 Ontario Limited, will hold a minority interest in ICPEI Holdings acquired for a cash consideration of $17 million. The transaction closed on February 28, 2023.

For more information about the Property and Casualty Insurance segment, see Section 2.2.3 “Property and Casualty Insurance” on pages 37-40 of the MD&A in the Annual Report, which is incorporated herein by reference.

Other Support to Desjardins Group Entities

The Other category includes financial information that is not specific to a single line of business. It primarily includes the treasury activities and the financial intermediation between surplus and liquidity needs of the caisses. It also provides the results of the support functions offered by the Federation to Desjardins Group as a whole, including finance, administration, risk management, human resources, communications, marketing and the Security Office. It also includes the operations of Desjardins Technology Group Inc., which covers all of Desjardins Group’s IT operations. In addition to various adjustments required to prepare combined financial statements, intersegment balance eliminations are also classified in this category.
The Federation serves as financial agent and treasurer to Desjardins Group. The Federation is a member of the Canadian Payments Association and of The Canadian Depository for Securities Limited (“CDS”) which provide clearing settlements for payment instruments and securities transactions in Canada.

The Federation supplies Desjardins Group with financing and also provides various treasury products. It obtains its funds primarily from short-, medium- and long-term depositors on the Canadian and international capital markets. It also manages the assets and liabilities, and the securities and derivative financial instruments portfolios, as well as the funds of Desjardins Group. To this end, as Desjardins Group treasurer, the Federation develops and implements liquidity management and asset/liability matching strategies.

For further details regarding the Other segment, see Section 2.2.4 “Other Category” on page 40 of the MD&A in the Annual Report, which is incorporated herein by reference.

Total revenue from operating segments

	% of Desjardins Group’s total revenue 2022	% of Desjardins Group’s total revenue 2021	% of Desjardins Group’s total revenue 2020
Personal and Business Services	**48.0**	**39.0**	35.4
Wealth Management and Life and Health Insurance	**23.3**	**34.9**	39.2
Property and Casualty Insurance	**33.8**	**28.8**	27.1
Others	**(5.1)**	**(2.7)**	(1.7)

For further details regarding revenue from operating segments, see the information on pages 22-40 of the MD&A in the Annual Report, which is incorporated herein by reference.

Caisse Network

The AFSC specifically provides that no one is the holder of control of a financial services cooperative, of a mutual company or of any other group that confers voting rights on a one member, one vote basis. As a member of the Federation, each caisse is entitled to receive notice of and be represented at the general meeting of the Federation by one or more delegates, based on the number of members of the caisse. Each delegate is entitled to one vote. The number of votes to which a delegate’s vote is entitled is based on the number of members in his or her caisse. See the "Corporate Governance Disclosure" section of this Annual Information Form for details on how to elect the members of the Board of Directors and its Chair. As a result of the foregoing, among other things, the caisses exert a collective influence on the Federation, but the caisses do not control individually or collectively the Federation.

Principal cooperative rules

The caisses are separate legal entities organized as financial services cooperatives pursuant to the provisions of the AFSC. A financial services cooperative is defined in the AFSC as a legal person in which persons having economic needs in common unite to form a deposit and financial services institution. The mission and rules of cooperative action are set out in the AFSC. Every Desjardins caisse in Quebec must be a member of the Federation to be initially constituted and to maintain its existence. As a general rule, the activities of a caisse are exercised mainly for its members and for their benefit.

The members of a caisse share in its development by respecting a range of cooperative action rules consisting primarily of the following:

- There is no restriction on the number of members for each caisse. To become a member, a person must subscribe and pay for the number of qualifying shares determined by the caisse’s by-laws. These shares are redeemable upon termination of membership;

- A member is only entitled to one vote regardless of the number of shares held. Proxy vote is not allowed, but a natural person may act as a proxy and represent a single legal person or company member;
- Each caisse must establish and maintain a general reserve (retained surplus), comprising all or a portion of its annual surplus earnings (excess of revenues over expenses, otherwise defined as surplus earning). No portion of this reserve may be distributed among members; and
- The annual surplus earnings of a caisse are allocated by the general meeting of its members in accordance with the provisions of the AFSC and the Federation's standards. An order of priority is established as follows: allocation to the capital gains reserve, allocation to the payment of the dividends, allocation to the reserve for future dividends and allocation to the general reserve.

Business of the caisses

To support members in all their financial needs, each caisse may receive deposits from its members and invest them for profit, provide credit, mainly through mortgage loans, and offer various other financial products and services adapted to members' needs, including financial consultation and planning services, brokerage services as well as property and casualty insurance and life and health insurance products, through other Desjardins Group entities. The caisse's mission is to foster cooperation among its members and throughout its community while participating in the promotion of financial, social and cooperative economic education.

However, the insurance product offering of the CDO is limited to certain insurance products authorized under the laws of that province.

Credit activities

A caisse, directly or through its centres (including the Desjardins Business centres) or complementary Desjardins channels, extends credit to individuals (residential mortgage, consumer and other), to agricultural, commercial, industrial and other businesses and to public sector entities in accordance with the frameworks adopted by the Federation.

A caisse's general manager or the manager of a Desjardins Business Centre (specializing in business services) authorizes all loans extended by the caisse in accordance with the credit practices and authorization limits prescribed by the Federation, and may also delegate this authority to any other person appointed by the caisse's Board of Directors. Accordingly, a caisse may extend credit to a borrower or a group of entities with the same risk up to its authorization limits, above which prior approval from the Federation is required.

At each balance sheet date, a provision for expected credit losses is recorded.

A loan is written off, in whole or in part, when there is no reasonable expectation of recovery, that is, when all possible restructuring or collection activities have been undertaken and, based on an assessment of the entire file, there is no other way to recover it.

Deposit activities

Deposits made by caisse members and clients are protected by the following internal and external mechanisms:
- Each caisse must maintain assets to meet its commitments as they become due in any fund established and administered by the Federation;
- Each caisse must create and maintain a general reserve;
- The caisses benefit from a security fund governed by the AFSC;
- Desjardins Group must satisfy regulatory capital ratios for a domestic systemically important financial institution (D-SIFI), as described in the "Regulatory capital and capital management" section of this Annual Information Form; and
- The caisses are registered with the AMF under the *Deposit Institutions and Deposit Protection Act*, as such, depositors are guaranteed repayment of their deposits up to $100,000 per caisse and per depositor, subject to the applicable limits. Certain types of deposits may be separately guaranteed up to the same amount.

In addition to complying with the requirements of its constituting act with respect to capital and liquidity adequacy, CDO is also subject to the deposit insurance program of the Financial Services Regulatory Authority of Ontario (formerly the Deposit Insurance Corporation of Ontario).

Investment business structure

The AFSC requires the Federation to adopt a standard concerning the investments that may be made by the caisses. Pursuant to that standard, subject to the conditions stipulated, the caisses may invest in:
- immovables located in Quebec to the extent that such immovables are used primarily for its own use;
- stocks or shares or any subordinated debt securities issued by a cooperative governed by the AFSC, a federation of such cooperatives or a legal person controlled by any of them;
- shares or subordinated debt securities of companies located in its territory;
- Desjardins investment funds or Desjardins exchange-traded funds ("Desjardins ETF'').

For each of these eligible investments, conditions and limitations are specified in the standard. For example, for shares, units or any debt security, where permitted, such investments may not represent, in the aggregate, on the date of any investment, more than 2% of the assets of a caisse, and no such investment may entitle a caisse to acquire or hold contributed capital securities issued by a legal person or a partnership or participations in a

trust in excess of (i) 30% of the value of those securities or (ii) the number of those securities allowing it to exercise more than 30% of the voting rights. Pursuant to the AFSC, the restrictions on caisse investments apply collectively to all entities of the Cooperative Group.

In addition to a trust fund, the Federation has established a deposit fund, a liquidity fund, a development assistance fund, various investment funds (abolished on January 1, 2022), a Caisse centrale fund (abolished on January 1, 2022) and an administration fund. The trust fund is administered by Desjardins Trust Inc. and is used to purchase capital shares or investment shares already issued by the caisses. The trust fund is also used to purchase capital shares or investment shares that have been issued by the Federation to a member of a caisse. The capital shares and the investment shares issued by the Federation and purchased in this manner may only subsequently be sold to a member of a caisse. The trust fund is never required to purchase a share issued by a caisse or the Federation.

Pursuant to the standards adopted by the Federation, substantially all investments made by a caisse must be in the form of deposits or investments in the funds established by the Federation. The Federation is entrusted with the management of the funds, but may mandate a third party to assume this responsibility subject to approval by the AMF. The assets of the funds, except for the liquidity fund and the trust fund, are not separate from those of the Federation. However, separate books and accounts of the transactions are maintained for each fund.

The deposit fund allows each caisse and the Federation to clear payment instruments drawn between them. Liquidity surpluses of the Quebec caisses are deposited in the deposit fund and, as at December 31, 2022, such surpluses totalled $13.4 billion.

The purpose of the liquidity fund is to combine, for administration purposes, the funds that the Quebec caisses are required to maintain to meet the Federation's standards for sufficient liquidity. The net assets of the liquidity fund are separate from the Federation's assets and totalled $11.5 billion as at December 31, 2022.

The purpose of the development assistance fund is to contribute to the development of people and corporations through investments, credit or any other form of assistance.

Investments by the caisses in the main affiliates of Desjardins Group originated from the investments in the investment funds of the Federation and totalled $8.8 billion as at December 31, 2021. The various investment funds of the Federation were abolished, and the capital shares related to these investment funds have been redeemed or converted, as the case may be, on January 1, 2022.

The administration fund enables the Federation to manage its own assets and the services provided to the caisses. The Federation uses the administration fund to compute and manage all of the expenses and income derived from the services it provides to the caisses.

The Caisse centrale fund complements the activities of the administration fund and served to administer the Federation's activities relating to the provision of banking, international and financial products and services to all Desjardins Group entities, to public sector organizations and medium and large businesses. The Caisse centrale fund has been abolished on January 1, 2022.

The caisses' deposits or investments in the funds may be invested only in accordance with the investment and credit powers of the Federation and applicable standards and policies.

Any deposit made by a caisse in a fund constitutes a debt of the Federation to the caisse ranking equally with its other debts.

The AFSC empowers the Federation to create, by by-law, any other fund deemed necessary.

Share capital

The share capital of a caisse consists of non-interest bearing qualifying shares. They are redeemable at the discretion of the caisses in the cases set out in the AFSC. The qualifying share gives the holder member a single voting right at the caisse that issued it, regardless of the number of qualifying shares held in the caisse. A caisse may also issue capital shares and investment shares subscribed for by its members and include these shares in its share capital. The number, price, privileges, rights and restrictions of each series of capital shares or investment shares are determined by resolution of the Board of Directors of the caisse, as approved beforehand by the Federation.

In 2014, the AMF authorized, under certain conditions, the redemption for cancellation of all of the dividend shares, and in 2018, authorized, under certain conditions, the redemption for cancellation of all the permanent shares. During the fiscal year ended December 31, 2022, the caisses redeemed for cancellation all of the permanent shares and dividend shares.

Boards and committees

At each annual general meeting of a caisse, its members elect at least one third of the members of its Board of Directors. Following the annual general meeting, the Board of Directors of the caisse selects from among its members a president, a vice-president and a secretary for the caisse. The president and the other members of the boards are compensated in accordance with the standards of the Federation. Pursuant to the AFSC, no employee of a caisse, of the Federation, or of another legal person or partnership belonging to the financial group may be elected to the Board of Directors of a caisse that is part of Desjardins Group. The general manager of a caisse may not serve on the Board of Directors of a Caisse. Also, the *Desjardins Code of Professional Conduct* – Desjardins caisses in Quebec provides that a former employee of a caisse in which he or she has worked or which thereafter merged with another caisse cannot be a director. Each member of the Board of Directors of a caisse is elected for a term of three years. The AFSC stipulates that the by-laws of a caisse must provide for a rotation to ensure that one third, to the nearest whole number, of the members of its boards of directors be replaced annually.

Taking into account the post-pandemic situation, the vast majority of the annual general meetings of the Quebec caisses were held in a virtual manner, whereas others were held in a hybrid format (virtual and live). As a result, the members were able to participate in various ways in this annual democratic exercise and elect directors to the board of directors of each caisse.

The Board of Directors is composed of at least 9 members, subject to special authorization the Federation may have granted, and no more than 15 members, and it is responsible for managing the affairs of the caisse and shall, in order to do so, ensure compliance with the orientations and guidelines that emanate from the Federation.

The AFSC also imposes various duties and specific obligations upon caisse directors and an infringement thereof may result in the personal liability of the non-complying director. Directors are required to act with prudence and diligence, as well as with honesty and loyalty towards the entities which comprise the Cooperative Group, and in the interest of the Cooperative Group. Should a caisse's interests not correspond to those of the Cooperative Group, the caisse directors must promote the interests of the Cooperative Group. They must also abide by the law, the articles of the caisse, the government regulations, the by-laws of the caisse and the Federation, the rules of ethics and professional conduct, as well as the standards, orders and instructions incumbent on them under the AFSC.

Pursuant to the *Internal by-laws of the caisse*, the Board of Directors must create two mandatory committees, the Audit and Professional Conduct Committee and the Governance and Ethics Committee, which will comprise a number of members set by the board.

The Audit and Professional Conduct Committee has the following responsibilities: (1) it reviews the reports prepared by the Desjardins Group Monitoring Office and reports to the Board of Directors advising with regard to the required follow-up, if any; (2) it follows up on the implementation of the measures taken under (1); and (3) it reviews the financial report provided for in the AFSC and recommends its adoption by the Board of Directors. It also ensures that professional conduct principles and rules are respected. The Audit and Professional Conduct Committee may also exercise any other function determined by the Board of Directors.

Accordingly and in order to play an active role in monitoring financial reporting, internal control, risk management and financial governance, the board may entrust the following additional duties to the Audit and Professional Conduct Committee: (a) review the financial performance of the caisse and its centers, namely following reports from the Federation; (b) ensure the quality of financial reporting to Desjardins Group; (c) review reporting on risk, compliance and internal control; (d) review the annual certification of the effectiveness of financial internal controls.

The mandate of the Governance and Ethics Committee is to support the Board of Directors of the caisse in analyzing and implementing governance practices that respect Desjardins Group's framework and values. In particular, it performs the following functions: (1) it supports the Board in the process of establishing the enhanced collective profile and the strategies to achieve it; (2) it ensures that an integration process for new directors is put in place and monitored; (3) it monitors the implementation of the mandatory training program for directors and the President.

In this regard, it plays an active role in reviewing the election process for Board officers and committee members, reviewing annually the terms of reference for non-compulsory Board committees and reviewing the application of frameworks relating to director compensation, expense reimbursement, and probity and competency management.

It also oversees the evaluation process of the performance of the Board of Directors and committees, and supports the President in implementing the resulting action plan, the quality and relevance of the information presented to the Board, with the exception of financial information, and reviews the ethical dimension of the caisse's activities based on the values of Desjardins Group. Finally, the Governance and Ethics Committee may exercise any other responsibilities assigned by the Board of Directors of the caisse.

Financial disclosure

The Finance Executive Division must prepare for each caisse (with the exception of caisses in a merger situation) an annual report containing excerpts from its financial report, as well as certain information regarding loans, deposits, the address of its head office, its general manager, its directors and its number of members. The annual report of each caisse must also include the total amount of loans extended to restricted parties.

The annual report of a caisse is submitted to its Board of Directors for approval. The caisses must provide the AMF, upon request, with the financial reports, statistical data, reports and other information it deems necessary for the application of the AFSC.

In addition, the caisses are required to provide the Federation with statistic data, reports and other information that the Federation deems appropriate for the purpose of ensuring oversight over their loans and investment activities. With this in mind, the caisses have also undertaken to provide the Federation with extensive access to their books, to enable the Federation to fulfil its duties.

On December 8, 2021, Bill No. 3, an *Act to amend various legislative provisions mainly in the financial sector* (Bill 3), was assented to and entered into force. Bill 3 amends the AFSC to provide, among other things, for reductions in the financial disclosure requirements for certain components of the Cooperative Group, including the removal of the requirement to file financial statements that present the results of the caisses on a combined basis.

Regulation and Control

Information appearing under “Regulatory environment” on pages 7-11 of the MD&A in the Annual Report is incorporated herein by reference.

Regulatory requirements

Act respecting Financial Services Cooperatives and other applicable legislation

Desjardins Group’s activities are governed by the AFSC and the *Insurers Act*. The Minister of Finance of Quebec is responsible for the application of the AFSC and the AMF is in charge of its administration. The AMF is the main government authority responsible for the supervision and oversight of deposit-taking institutions (other than banks) and insurance companies operating in Quebec and governed by provincial law, including the caisses, the Federation and its insurance subsidiaries. Other regulations issued provincially, federally or by regulators may also govern some operations of Desjardins Group entities, such as regulations of the Office of the Superintendent of Financial Institutions (OSFI) relating to property and casualty insurance, asset custody and trust services. The AFSC prescribes, among other things, the rules for organizing a network of financial services cooperatives and a financial group as well as the rules for issuing capital shares and investment shares.

Financial solidarity within the Cooperative Group

The AFSC contains a chapter concerning the Cooperative Group, which is comprised of the Desjardins caisses of Quebec, the Federation and the FSD and specifies the financial solidarity mechanisms within the cooperative group. Under the AFSC, one of the Federation’s missions is namely to ensure risk and capital management within Desjardins Group as well as the Cooperative Group’s financial health and sustainability. To that end, the Federation and the FSD are granted special powers of supervision and intervention for ensuring the protection of creditors, including depositors. In addition, the Federation can, in accordance with its mission and when it considers that the Cooperative Group's financial situation warrants it, issue written instructions to any caisse or order it to adopt and implement a compliance program. In addition to the annual assessments required from the caisses established by resolution of the Board of Directors of the Federation in accordance with the AFSC and its By-laws, the Federation may, under the AFSC and by resolution of its Board of Directors, make such assessments as it deems necessary for the performance of its missions.

As to FSD, it must namely ensure that the distribution of capital and other assets between the components of the Cooperative Group allows each of them to perform its obligations to the depositors and other creditors in full, correctly and without delay. Among other things, the AFSC gives it the right to fix and collect assessments from the Cooperative Group entities. The FSD requires and collects assessments from the Quebec caisses each year. It is also required to intervene in respect of a component of the Cooperative Group each time it appears necessary to do so in order to protect its creditors. In such circumstances, the FSD may order the transfer of any part of the business of a caisse, order the amalgamation or dissolution of caisses or form a legal person to facilitate the liquidation of bad assets of a caisse. Moreover, the FSD mutualizes the cost of its interventions among the components that are part of the Cooperative Group. In addition, if it considers that its financial resources are insufficient to fulfil its mission, it may set and require any component of the Cooperative Group to make a special assessment.

The AFSC also provides that the Quebec caisses, the Federation and the FSD can be amalgamated into one legal entity, to be liquidated. Those entities cannot otherwise be liquidated. Thus, in a liquidation scenario, the capital and assets of the Cooperative Group as a whole (and, indirectly, of Desjardins Group) are available to satisfy all of the debts of the Cooperative Group.

The AFSC also provides that the directors and officers of a financial services cooperative that belongs to the Cooperative Group are bound, toward these cooperatives and the FSD, in the performance of their duties, to act with prudence and diligence, honesty and loyalty, in the interest of the Cooperative Group and not only in the interest of the cooperative. Where the interest of the cooperative does not correspond to the interest of the Cooperative Group, they must favour the interest of the latter. In determining whether something is in the interest of the Cooperative Group, the latter must be considered as a single legal person comprising the cooperatives (including the Federation and the Quebec caisses) and the FSD that is include in this group, even though the group is not a legal person.

The assessment and intervention powers of the Federation and the FSD, combined with the primacy of interest of the Cooperative Group and the universal amalgamation wind-up mechanism, as described above, are the basic principals of the financial solidarity mechanisms, which are one of the key elements of the financial structure of Desjardins Group and the Cooperative Group.

For more information on the powers of the Federation and FSD, see the Section entitled “Intervention mechanisms” of this Annual Information Form.

The *Deposit Institutions and Deposit Protection Act* also provides settlement and resolution mechanisms in the event of default by deposit-taking institutions, which are part of the Cooperative Group. For information, see the Sub-Section entitled “Internal recapitalization (bail-in) regime and total loss absorption capacity” below.

Regulatory capitalization requirements

Desjardins Group is subject to the regulatory capitalization requirements issued by the AMF. For details on Desjardins Group’s integrated capital management framework, see the “Regulatory Capital and Capital Management” section of this Annual Information Form.

It should be noted that in June 2013, the AMF ruled that Desjardins Group met the criteria designating it as a (D-SIFI, which makes it subject to, among other things, higher capitalization requirements and enhanced disclosure requirements in accordance with AMF instructions.

Internal recapitalization (bail-in) regime and total loss absorption capacity

The *Deposit Institutions and Deposit Protection Act* and its regulations, as well as certain other laws, regulations and guidelines, collectively provide for a resolution process and internal recapitalization (bail-in) regime for domestic systemically important financial institutions belonging to a cooperative group. The objective of resolution operations, including the bail-in regime, is to ensure the sustainability of the operations of deposit institutions belonging to a cooperative group despite their failure, without resorting to public funds, and to have holders of contributed capital securities and creditors absorb losses, thereby minimizing taxpayer exposure to the losses.

Among other resolution operations, the AMF may (i) amalgamate the Cooperative Group and have it continued as one Quebec savings company, (ii) establish a bridge institution in order to have it assume the liabilities, in relation to deposits of money, of deposit institutions belonging to the Cooperative Group, (iii) establish an asset management company with a view to transferring any part of the assets or liabilities of a legal person belonging to the Cooperative Group to such asset management company, except liabilities in relation to deposits of money, and/or (iv) transfer the assets and liabilities of a legal person belonging to the Cooperative Group to any acquirer.

In addition, in the event any deposit institution belonging to the Cooperative Group becomes non-viable, the AMF may convert any part of the capital shares issued by the deposit institutions belonging to the Cooperative Group (such as F capital shares) and/or of certain other debt securities prescribed by regulation issued by the Federation into contributed capital securities of the Federation, of a deposit institution belonging to the Cooperative Group, or of another legal person otherwise constituted for such purpose or resulting from the resolution process of the Cooperative Group. Covered bonds, certain derivatives and structured notes, senior unsubordinated debt instruments that (i) have a maturity of less than 400 days (including explicit or embedded extension options) or (ii) are not assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and subordinated notes that are non-viability contingent capital instruments are all excluded from the application of the bail-in regime. Holders of converted capital shares or debt instruments may be eligible for indemnification as set forth under applicable regulations.

The AMF released on March 21, 2019 the *Notice relating to the bail-in power set out in the second paragraph of section 40.50 of the Deposit Insurance Act*, which clarifies the AMF’s current intention with respect to the application of the bail-in regime. In this context, the AMF plans to convert negotiable and transferable unsecured debt into capital shares of the Federation in accordance with the conversion measures set out in the regulations. The AMF would then carry out an amalgamation/continuance operation, the purpose of which would be to amalgamate the entities belonging to the Cooperative Group and have them continued as one Quebec savings company. This operation would result in the capital shares issued by the amalgamating entities being converted into common shares of the savings company. In addition, Bill 3, assented to on December 8, 2021, amended the *Deposit Institutions and Deposit Protection Act* to remove the cancellation and write-off powers of the AMF from the bail-in powers. As a result, the AMF’s power to write off any portion of the negotiable and transferable unsecured debts and to cancel any portion of the capital shares issued by the Federation was removed.

The bail-in regime applicable to Desjardins Group is substantially similar to the Canadian federal regime to which Canadian banks are subject. In addition, the bail-in regime is not retroactive in respect of debt instruments and does not apply to any debt instruments issued prior to March 31, 2019. The bail-in regime could adversely affect the Federation’s cost of funding.

Furthermore, the AMF's *Guideline on total loss absorbing capacity* (the TLAC Guideline) applies to and establishes standards for Desjardins Group. As such, since April 1, 2022, Desjardins Group is required to maintain at all times a minimum loss absorbing capacity composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support its recapitalization in the event of a default. For more information, see Sub-Section “Regulatory framework and internal policies” of the “Regulatory Capital and Capital Management” section of this Annual Information.

U.S. Regulations

Desjardins Bank, National Association (DB N.A.), a wholly owned subsidiary of Desjardins FSB Holdings, Inc. (DFSBH), is authorized to carry on banking operations as a national banking organization under the charter issued to it by the Office of the Comptroller of the Currency of the United States (OCC), an independent office of the United States Department of the Treasury and the regulator that oversees it. The American operations of DFSBH, a bank holding company and wholly owned subsidiary of the Federation, are subject to the supervisory and regulatory authority of the Federal Reserve Bank of Atlanta. The Federation also operates a branch in Florida, namely Desjardins Florida Branch (DFLB), that has been given the status of a Limited Federal Branch of a Foreign Banking Organization by the OCC. DFLB is subject to regulation by the International Banking Supervision

division of the OCC's Large Banks Supervision department. Desjardins Group is governed by the *Bank Holding Company Act* (BHC Act), as amended by the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (Dodd-Frank Act), and the U.S. Federal Reserve regulations. On October 22, 2015, the Board of Governors of the U.S. Federal Reserve System determined that Desjardins Group, the Federation and DFSBH may each be treated as a Financial Holding Company (FHC). To maintain the status of FHC, Desjardins Group must continue to demonstrate that the subject entities of Desjardins remain "well capitalized" and "well managed" in accordance with the established standards and regulations of the U.S. Federal Reserve.

In accordance with U.S. Federal Reserve policies, the Federation must be a source of financial solidity for DB N.A. U.S. federal laws limit DB N.A.'s capacity to make certain transactions with affiliates of Desjardins Group. Each of these transactions is limited to an amount equal to 10% of DB N.A.'s capital and the total amount of all such transactions may not exceed an amount equal to 20% of its capital. In addition, such transactions should be subject to terms as favourable to DB N.A. as those entered into with unrelated third parties.

Government regulations

The AFSC confers wide-ranging regulatory powers on the Quebec government and the AMF regarding the caisses and the Federation, in particular in respect of the standards respecting the management of the capital base and assets of the Federation and the caisses, and the additional information that must be provided in the auditor's report.

The government may also adopt regulations applicable to the caisses regarding, among other things, their business practices, the management of their capital and assets, the handling of complaints and the settlement of disputes should the Federation fail to adopt standards in that regard.

The CDO, participating auxiliary member of the Federation, is governed by the *Credit Unions and Caisses Populaires Act*, 2020 (Ontario) and subject to Ontario regulatory authorities.

Autorité des marchés financiers

The AMF performs monitoring and control functions over financial institutions. Among its responsibilities, the AMF supervises and inspects deposit-taking institutions (other than banks) operating in Quebec. In particular, it is responsible for administering the AFSC and performing the duties and exercising the powers conferred to it under the AFSC. The AMF may issue orders to ensure implementation of the AFSC and any regulations adopted by the government.

The AMF must ensure the adoption by the Federation of a satisfactory standard regarding the content of caisses' financial reports. The AMF must also ensure that the internal affairs of the caisses and their activities are inspected in accordance with the provisions of the AFSC. The AMF can require that the annual audit of the activities of the Federation be repeated or extended, or that a special audit be carried out on a member caisse of the Federation and, for this purpose, it can name an auditor who will be compensated by the caisse in question. It may, at any time, conduct any examination or investigation it considers necessary or expedient in respect of the internal affairs and activities of a caisse. It may also order an inquiry into any matter within its jurisdiction, if it is of the opinion that public interest so requires. Where the AMF is of the opinion that the value of real property securing a claim of a caisse is less than the amount of the loan granted and interest accrued, or where it considers the real property to be insufficient security, it may require an appraisal of the real property. Following the appraisal, it may reduce the book value of the loan. Likewise, where the AMF is of the opinion that the market value of any asset of a caisse is less than the book value, it may require an appraisal of the asset concerned and reduce its book value.

The AFSC empowers the AMF to establish guidelines for all financial services cooperatives or a single class of such cooperatives, or for caisses or for a federation of which such caisses are members. The AFSC also gives the AMF the power to impose a compliance program on the Federation and the caisses when it considers that the network's capital is insufficient to ensure its sustainability. The AMF may give the Federation or a caisse any written instructions it deems appropriate while such a compliance program is in effect. It may also implement such a compliance program should the Federation fail to do so.

The AMF may exercise the powers conferred to the Federation by the AFSC in lieu of the Federation if, in the opinion of the AMF, the Federation fails to exercise such powers. Thus, the AMF may give written instructions to the Federation concerning the adequacy of the capital base of its network as well as its assets and liquidities or to the Federation or the caisses concerning the investments they may make. The AMF may also provide the Federation or the caisses with guidelines concerning any sound and prudent management practice. The AMF may also issue an order to a caisse where it is of the opinion that the caisse does not adhere to sound and prudent management practices or is not in compliance with the AFSC, a government regulation, written instructions, guidelines, a compliance program or an undertaking entered into under the AFSC or the rules of ethics pertaining to insider trading and conflicts of interest. In such a case, it may order a caisse to cease such practices and to implement specific measures. The AMF must be informed of a caisse's failure to comply with written instructions or orders given or issued by the Federation. The AMF may approve the instructions or orders of the Federation with or without amendments. The AFSC stipulates that once approved, these instructions or orders are deemed to be written instructions of the AMF.

Furthermore, the AMF may, by motion, apply to the courts for an injunction in respect of any matter relating to the AFSC.

Intervention mechanisms

Certain intervention mechanisms have been established by the Federation and the FSD in accordance with the AFSC, to support Cooperative Group entities and ensure the protection of their depositors and other creditors.

Federation

Federation assessments

In order to ensure the financing necessary for the performance of the Federation's missions and to ensure the provisioning of its reserves necessary to maintain a sound financial position, each caisse is required to pay an annual assessment – contribution to the Cooperative Group for each fiscal year, which annual assessment – contribution is fixed by the Federation's Board of Directors under the AFSC and the By-laws of the Federation. This annual assessment – contribution to the Cooperative Group ensures, among other things, the development of the Federation, the financing of its operations and the positive provisioning of its reserves in order to ensure its sustainability and that of the Cooperative Group.

In addition to the annual assessments – contribution to the Cooperative Group, the Federation may establish, pursuant to the AFSC and by resolution of its Board of Directors, such assessment it considers necessary for the pursuit of its missions. Under the AFSC, the caisses are bound to pay these assessments.

Guiding principles for the Federation's intervention

In accordance with its mission, if the Federation considers that a caisse is not adhering to sound and prudent management practices or sound commercial practices, has contravened the AFSC, has failed to resolve a conflict of interest, has failed to maintain a satisfactory financial position, or if the financial situation of the Cooperative Group warrants it, it may exercise one of the special powers set out in the AFSC against any caisse belonging to this group. The AFSC grants the Federation power to, amongst other things, give written instructions to a caisse respecting the measures it considers appropriate to remedy the situation, and specify the time within which the caisse is required to comply with those instructions; and order the caisse to adopt and implement a compliance program in accordance with its directives, within the time it prescribes and for the reasons it specifies. If a caisse fails to comply with the instructions of the Federation, the AFSC further provides that the Federation may take, among others, one or more of the following measures: designate a person to work, under the control of the Federation, with the Board of Directors, an officer or a manager for the period determined by the Federation; or suspend the powers of a board for the period determined by the Federation, dismiss and replace an officer or manager of the caisse, or appoint a provisional administrator or extend his or her term, as the case may be. In addition to these measures, the Federation may also request the FSD to take any other special intervention measures granted to it by the AFSC. For more information on this subject, see the section entitled "Guiding principles for the intervention of the *Fonds de sécurité Desjardins*" in this Annual Information Form. The Federation may also withdraw or restrict the power of any member caisse of the Cooperative Group to allocate its surplus earning or its shareable reserves.

The Federation also has intervention powers with respect to CDO. These powers are recorded in the contractual agreements between the two parties. In particular, the Federation may, under the *Entente complémentaire au protocole d'affiliation*, and in the event that the Federation determines that CDO is in default of its commitments, give written instructions, require CDO to establish a Board Committee, which is composed of members identified by the FCDQ and whose mandate would be to correct any identified issues, restrict the liquidity and/or capital support or terminate the affiliation protocol between CDO and FCDQ. In addition, as a "caisse participating auxiliary member" of the Federation, the CDO is required to make the annual assessment – contribution to the Cooperative Group required by the caisses and established by the Federation's Board of Directors under the AFSC and the By-laws of the Federation.

Fonds de sécurité Desjardins

In 1980, Desjardins Group created the FSD to reinforce the financial security of the caisses. Pursuant to the AFSC, the FSD has the mission to (1) establish and administer a security fund for the benefit of the Quebec caisses, (2) to assist in the payment of any losses sustained by the members of a Quebec caisse in the event of its winding-up, (3) to take part in the capitalization operations of the network of Quebec caisses that are members of the Federation, and (4) to avoid or reduce payments made by the AMF under the *Deposit Institutions and Deposit Protection Act*. In addition, the FSD must ensure that the distribution of capital and other assets between the entities of the Cooperative Group allows each of those entities to perform its obligations to its depositors and other creditors in full, correctly and without delay. To that end, the FSD shall intervene with regard to a financial services cooperative of the Cooperative Group each time it appears necessary to do so in order to protect the cooperative's creditors.

Without superseding the provisions of the AFSC and subject to exceptional circumstances, the FSD remains a "last resort entity", which means the FSD intervenes only after a caisse has taken action to rectify a problematic situation and the Federation has intervened, in accordance with the Federation's support and intervention process and the framework for evaluating the caisses' financial performance.

Assessments of *Fonds de sécurité Desjardins*

The AFSC defines the powers that the FSD may exercise in the pursuit of its mission. Namely, it confers upon the FSD the right to determine and collect assessments from the Cooperative Group entities The FSD levies and collects assessments from the Quebec caisses annually and may pool, where applicable, the cost of its interventions between financial services cooperatives that are part of the Cooperative Group. For fiscal 2022, the assessment for each caisse is determined as follows: 50% according to risk-weighted assets and 50% according to total member deposits. The Quebec caisses are bound by the AFSC to pay this assessment, which serves, among other things, to cover the operating expenses of the FSD, settle the deposit insurance premium payable by the Quebec caisses pursuant to the *Deposit Institutions and Deposit Protection Act* and fund the reserve. If the FSD finds that a caisse is not practising sound and prudent management, the FSD may fix and require from the caisse a special assessment. In addition, when the FSD considers that its financial resources are not sufficient for the fulfillment of its mission, it may fix and require from any financial service cooperative, which is a member of the Cooperative Group, a special assessment for each of the fiscal years determined by the FSD.

Guiding principles for the intervention of the *Fonds de sécurité Desjardins*

The FSD has adopted an intervention policy, which provides certain details regarding the FSD's preferred intervention mechanisms with entities of the Cooperative Group. This policy is not intended to replace the intervention provisions of the AFSC or to compromise its discretion to intervene at any time and whenever its intervention appears necessary for the protection of creditors.

In order to improve the financial situation of a caisse, the FSD prefers to intervene in the form of grants at its sole discretion whenever its intervention appears necessary to protect the caisse's creditors in particular when its reserves are exhausted. This method of intervention may be exercised alone or in conjunction with other powers provided for in the AFSC in a given caisse, including the correction of management practices.

Where circumstances warrant, the FSD may also take any other special intervention measure with a caisse provided for in the AFSC. Under its special powers, the FSD may order the assignment of any part of the enterprise of a caisse or order the transfer of any such part between such caisses; order the amalgamation or dissolution of a caisse; or establish a legal person to facilitate the liquidation of a caisse's bad assets. The FSD may exercise these powers on its own initiative when it considers that the situation could compromise the satisfaction of the caisse's obligations to depositors and creditors, or when the Federation formally requests the FSD to do so.
The caisse's Board of Directors must undertake to comply with all conditions imposed by the FSD during any intervention and to submit all reports and information required at that time.

Finally, in accordance with the provisions of the AFSC, the FSD may also intervene with the Federation. As such, the FSD prefers to intervene in the form of a grant to the Federation at its sole discretion whenever its intervention appears necessary to protect the Federation's creditors.

The financial structure of the FSD is based on net equity of $1,268 million as at December 31, 2022.

Investments

The investment policy of the FSD, which must be approved by the AMF, regulates the investment activities of the FSD. Under this policy, only investment grade securities may be acquired.

Desjardins Group Monitoring Office (DGMO)

The DGMO carries out its internal audit mandates across Desjardins Group, including the Desjardins caisse network.

The DGMO mainly receives its mandate from and is accountable to the Desjardins Group Audit and Inspection Commission (AIC) and the audit committees of the components.

The Internal Audit Charter of the DGMO is the document on which the DGMO relies to carry out its mandate with respect to Desjardins Group components. The Charter sets out the DGMO's mandate, status and responsibilities as well as the means at its disposal to discharge its duties. It includes all of DGMO's mandates across Desjardins Group, including its internal audit activities of Desjardins caisses, the Federation, FSD, as well as all Desjardins Group components controlled, directly or indirectly, by the Federation.

The internal audit plan is based on themes aligned with the orientations and horizon of Desjardins Group's strategic plan, as well as on prioritizing mandates based on a risk analysis. It also takes into account the statutory requirements to which Desjardins Group is subject. The plan is validated by Desjardins Group executive officers and is approved by the AIC while the audit committee of Desjardins Group components (other than the caisses) approves or is informed of the plan.

In accordance with the AFSC, the DGMO audits the internal affairs and activities of the caisses and informs the AMF, the caisse's Board of Directors and the FSD of the results of its audits.

The Chief Monitoring Officer of the DGMO reports functionally to the AIC and administratively to the President and Chief Executive Officer of Desjardins Group. The function of the Federation's Board of Ethics and Professional Conduct (BEPC) is to ensure the independence and objectivity of the Federation's inspection service. In turn, the AIC, in conjunction with the BEPC, ensures the protection of the independence and objectivity of the internal audit function of the DGMO. To this end, the AIC is required to issue annually an opinion to the BEPC confirming that the Chief Monitoring Officer has performed his role without interference from management. The AIC is also part, through the BEPC, of the process of recommending the appointment or removal of the Chief Monitoring Officer to the Board of Directors of the Federation as head of the internal audit function.

Regulatory Capital and Capital Management

Information appearing under Section 3.2 "Capital Management" on pages 50-56 of the MD&A in the Annual Report is incorporated herein by reference.

Desjardins Group Integrated Capital Management Framework, including the Federation

Broadly speaking, Desjardins Group's Integrated Capital Management Framework sets forth the policies and processes required to set targets for its capitalization, to establish strategies to ensure that targets are met, to quickly raise capital, to ensure that the components contribute to the capitalization of Desjardins Group and to optimize internal capital flow and utilization procedures.

In addition, the Internal Capital Adequacy Assessment Process (ICAAP) enables Desjardins Group to ensure the adequacy of capital to cover all material risks to which it is exposed and to implement capital management strategies that take into account changes in its risk profile.

The stress-testing program serves to determine and measure the effect of various integrated scenarios, i.e. in simulating various economic scenarios and assessing the financial and regulatory repercussions. This process makes it possible to determine whether the level of capital is adequate for the risks to which Desjardins Group is exposed.

Regulatory framework and internal policies

Desjardins Group's capital management is the responsibility of the Federation's Board of Directors. To support it with this task, it has mandated the Management Committee, through the Finance and Risk Management Committee, to ensure that Desjardins Group maintains an adequate capital base, taking into account its strategic objectives and regulatory requirements. The Finance Executive Division is responsible for preparing on an annual basis a capitalization plan to forecast capital trends, devise strategies and recommend action plans to meet capital objectives and targets.

The current situation and the forecasts show that, overall, Desjardins Group maintains a solid capital base, allowing it to remain among the best-capitalized Canadian financial institutions.

On September 16, 2020, the AMF issued a notice indicating that the Federation's capital ratios must be calculated based on the exposure of all the entities making up Desjardins Group. This change stems from the changes to the AFSC in 2018, which formalized the financial solidarity and winding-up mechanisms unique within the Cooperative Group. Depositors and creditors are protected by all of the capital of the Desjardins Cooperative Group.

Desjardins Group's regulatory capital ratios are calculated according to the AMF's *Ligne directrice sur les normes relatives à la suffisance du capital de base* (Base capital adequacy guideline) applicable to financial services cooperatives. This guideline takes into account the requirements set out in Basel III global regulatory framework for more resilient banks and banking systems issued by the Bank for International Settlements.

Accordingly, a minimum amount of capital must be maintained on a combined basis by all the Desjardins Group components. Some of those components have separate regulatory capital, liquidity and funding requirements, as established by regulators governing trusts, credit cooperatives, insurers and securities, among other things. Desjardins Group monitors and manages those entities' capital requirements to ensure effective use of capital and ongoing compliance with applicable regulation.

In this regard, it should be noted that Desjardins Financial Corporation Inc., a holding company, is subject to the *Capital Adequacy Requirements Guideline - Life and Health Insurance* issued by the AMF. As a result, for regulatory capital purposes, Desjardins Financial Corporation Inc., a holding company consisting mainly of insurance companies, is deconsolidated and presented as a partial capital deduction under the significant participation rules set forth in the *Capital adequacy guideline - Financial services cooperatives*.

The capital ratios are calculated according to the *Capital adequacy guideline - Financial services cooperatives* and are expressed as a percentage of regulatory capital against risk-weighted assets (RWA). Designated as a domestic systemically important financial institution by the AMF, Desjardins Group must meet a minimum Tier 1A capital ratio of 8%. In addition, the Tier 1 capital ratio and the total capital ratio must be above 9.5% and 11.5%, respectively. The AMF may also, at its discretion, set higher target capital ratios where circumstances warrant. To this end, since March 31, 2019, the AMF can activate the countercyclical buffer if it considers that excessive credit growth is associated with a build-up of system-wide risks. According to this assessment, a countercyclical buffer requirement ranging between 0% and 2.5% of the total RWA would be put in place when circumstances warrant. This requirement would be released when that risk has dissipated or materialized.

Desjardins Group calculates RWA for credit risk, market risk and operational risk.

Credit risk

- Desjardins Group uses the Internal Ratings-Based Approach for credit risk.
- This approach is used for credit risk related to retail exposures – Personal as well as for most exposures in the asset classes consisting of sovereign borrowing, financial institutions, businesses and SMEs similar to other retail client exposures.
- The Standardized Approach is used to measure the credit risk of certain exposures related to components of lesser importance, as well as asset classes that are not significant in terms of amount and perceived risk profile.

Market risk

- Desjardins Group uses internal market risk models for trading portfolios.
- The Standardized Approach is used for foreign exchange risk and commodity risk in the banking portfolio.

Operational risk

- Desjardins Group uses the Standardized Approach to calculate operational risk.

Desjardins Group is also subject to a RWA floor.

The AMF further requires that Desjardins Group maintain a leverage ratio above 3.5%. This ratio is determined by dividing Tier 1 capital by the exposure measure. The exposure measure is independent of risk and includes: (1) on-balance sheet exposures, (2) securities financing transaction exposures, (3) derivative exposures and (4) off-balance sheet items.

In addition, the *Total Loss Absorbing Capacity (TLAC) Guideline* issued by the AMF came into effect on March 31, 2019. Since April 1, 2022, Desjardins Group is required to maintain at all times a minimum loss absorbing capacity consisting of unsecured external long-term debts that meet the relevant criteria or regulatory capital instruments to support its bail-in in the event of default.

In accordance with the TLAC guideline, the AMF expects Desjardins Group to maintain a TLAC ratio of at least 21.5% of risk-weighted assets and a TLAC leverage ratio of at least 6.75% at the level of the resolution group, which is deemed to be Desjardins Group, excluding Caisse Desjardins Ontario Credit Union Inc. Furthermore, Desjardins Group carried out the issue of debts that are eligible for the TLAC guideline since October 1, 2019 and that, for a total amount of $9.2 billions as at December 31, 2022, including $3.9 billions during the year 2022.

On December 15, 2022, the Board of Directors approved the payment of interest on F capital shares in the amount of $262 million to holders.

Desjardins Group and all its components that are subject to minimum regulatory requirements with respect to capitalization were in compliance with said requirements as at December 31, 2022.

Competitive Conditions

The Federation's main competitors include the major Canadian banks and insurance companies that do business in all of the Canadian provinces. For more information about the competitive conditions in each of the Federation's three main business segments, see the Section 2.2 "Analysis of business segment results" on pages 28-40 of the MD&A in the Annual Report, which is incorporated herein by reference.

Trademarks, Trade Names and Service Marks

The Desjardins Group relies on applicable intellectual property legislation to protect the many trade names and trademarks it owns for the various financial products and services offered to its members and its clients. In addition to the rights resulting from the use of the trade names it owns, Desjardins Group registers trademarks when possible and takes appropriate measures to prevent their unauthorized use by third parties where necessary. To make this document easier to read, the trademarks and trade names of Desjardins Group may be used herein without the ™ or ® symbol but that does not mean that Desjardins Group will not enforce its rights or the rights of the licence holders of such trademarks and trade names to the extent permitted by applicable law. We note that the Desjardins brand is registered with the Canadian Intellectual Property Office since October 8, 2020.

Social and Environmental Policies

Because it believes that building environmental, social and governance (ESG) factors into its business model is critical to its sustainability, Desjardins Group has been implementing a sustainable development policy since 2005. Revised in 2020, it is adopted by all Desjardins Group's targeted entities

and the caisses. Following a review of the governing structures applicable to the caisses, the policy evolved into a standard at the end of 2022. Thus, the standard applies *de facto* to all caisses in Québec.

In 2017, Desjardins Group took a clear position with regards to Desjardins' contribution to the objectives of the Paris Agreement. In 2020, it set a corporate positioning on the coal industry, considered one of the most robust in the world by the *Reclaim Finance* association. Finally, in April 2021, it renewed its climate ambition, with a target of net zero emissions by 2040 in its extended operations and in its financing and capital investment activities in three key areas: energy, transportation and real estate.

Year after year, Desjardins Group has been improving its business and management practices with the aim of measuring its progress. The year 2022 was marked by the continued gradual introduction of environmental, social and corporate governance (ESG) criteria in business decisions, including financing, investment and insurance operations. In May 2022, Moody's ESG upgraded the rating given to Desjardins Group, assigning it again the highest score in the "Diversified Banks" category in North America for including ESG concerns.

Desjardins Group adheres to the three international frameworks for integrating ESG criteria into its business model, namely the Principles for Responsible Investment (since 2010), the Principles for Responsible Insurance (2019), and in June 2019, became the first Canadian financial institution to sign the Principles for Responsible Banking. In 2021, it also committed to supporting the inclusion and financial autonomy of its members and clients by becoming a founding signatory to the *Commitment for Financial Health and Inclusion*. These frameworks are internationally recognized United Nations initiatives.

In 2022, Desjardins joined ranks with close to 60 signatories of the Action Declaration on Climate Policy Engagement, led by Corporate Knights. The Action Declaration is a clear promise made by the world's most committed businesses to sustainable development that they will support policy-makers' implementation of initiatives and standards aligned with the goals of the Paris Agreement.

Desjardins signed the Finance for Biodiversity Pledge, which included more than 120 signatories at the end of 2022 with more than $20,000 billion in assets under management. This initiative aims to protect and restore biodiversity through financial activities.

Desjardins Group has established indicators for measuring the impacts of its strategic objectives, aiming, among other things, to make a tangible contribution to a sustainable and responsible economy. These indicators make it possible to monitor the success of responsible products offered to its members and clients, the growth of investments and financing in renewable energies, the reduction of the carbon footprint in the management of its extended operations (buildings, travel and supply chain) and the reduction of its carbon footprint related to the management of its investments.

Recognizing that its socio-economic leadership is supported by financial levers tailored to the needs of the community, Desjardins Group has established the GoodSpark Fund. Between 2016 and 2024, this $250 million fund will have supported development projects that promote people and communities, both in the regions and nationally.

By ensuring rigorous management of operations, a stimulating work environment for its employees and sustained support to the social and economic development of communities, Desjardins Group strives to achieve both financial and social recognition for its performance.

With this goal in mind, Desjardins Group enhances its disclosures related to its top-priority social responsibility issues based on the Guidelines of the Global Reporting Initiative (GRI) and the issues that may have an impact on value creation in accordance with the Sustainability Accounting Standards Board (SASB) standard. With regard to the climate issue, Desjardins Group makes each year a disclosure related to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an initiative launched by the Financial Stability Board (FSB), itself created under the aegis of the G20, whose mandate is to monitor and make recommendations regarding the global financial system.

Through its membership in the Partnership for Carbon Accounting Financials (PCAF), Desjardins aims to adopt and promote internationally standardized methods for measuring funded greenhouse gas emissions. In line with this objective and our renewed climate ambition, Desjardins has committed, by joining the international Business Ambition for 1.5°C initiative in September 2021, to defining, prior to the fall of 2023, science-based targets for reducing its greenhouse gas emissions. It is the first financial institution in Canada to join this coalition.

Risk Factors

Information appearing under Section 4.0 "Risk Management" on pages 58 to 98 of the MD&A in the Annual Report is incorporated herein by reference. The risk factors inherent in the F capital shares of the Federation are found on pages 28 to 29 of this Annual Information Form.

CAPITAL STRUCTURE

General Description

As at the date of this Annual Information Form, the Federation's authorized capital stock comprised the following qualifying shares and capital shares:

An unlimited number of qualifying shares with a par value of $5. These shares can only be issued to members of the Federation and are redeemable only at the Board of Directors' option under certain conditions stipulated in the by-laws.

An unlimited number of H Capital Shares having a par value of $1 and an unlimited number of F Capital Shares and of Z Shares – contingent capital (the Z Capital Shares) having a par value of $10. F Capital Shares can be issued only to members of the Desjardins caisses in Quebec, including their auxiliary members, while H Capital Shares can be issued only to members of the Federation in connection with a conversion of capital shares related to an investment fund. Z Capital Shares may be issued to any person pursuant to the AFSC, but only upon conversion of contingent capital instruments in the event of non-viability or at the discretion of the Federation after such conversion. The Federation has the right, by resolution of the Board of Directors and with the AMF's authorization, to redeem, at any time, unilaterally, all or part of the F Capital Shares and Z Capital Shares, if any. The Federation may also at any time, subject to applicable laws, and with the authorization of the AMF, redeem all or part of the F Capital Shares and Z Capital Shares, if any, by private agreement. The Federation has the right, by resolution of the Board of Directors, to redeem, at any time, unilaterally, all or part of the H Capital Shares. The Federation may, at any time, purchase all or part of the H Capital Shares by private agreement. In addition, all or part of the H Capital Shares may be converted at any time, by resolution of the Board of Directors, into another class of shares issued for such purpose. The rate of interest on F Capital Shares, H Capital Shares, and Z Capital Shares, if applicable, is determined by the Board of Directors of the Federation and the latter approves annually the surpluses that may be allocated to the payment of interest on these capital shares. The return of capital and the payment of interest on F, H and Z Capital Shares, if applicable, are subject to compliance conditions.

The holders of qualifying shares and capital shares of the Federation are not entitled to notice of or to attend or vote at meetings of the Federation's members.

At a special general meeting of the members of the Federation held on October 13, 2021, certain changes were approved to simplify the capital structure of the Federation. These changes included the elimination of A, G, INV and SER capital shares, and the conversion of FIN-5A capital shares into H capital shares. Thus, prior to the coming into force of these changes as of January 1, 2022 following their approval by the Board of Directors of the Federation, the authorized share capital of the Federation was composed of the following capital shares, in addition to the F capital shares and Z capital shares described above:

- An unlimited number of A and G Capital Shares with a par value of $5. A and G Capital Shares could only be issued to members of the Federation. The Federation had the right, by resolution of the Board of Directors, to make a capital call in the form of G capital shares with its members, including to meet the requirements of a regulatory body with respect to capital adequacy or for other considerations. Any member subject to the call for capital was required to acquire and pay for the G capital shares allocated to such member. The Federation had the right, by resolution of the Board of Directors and with the authorization of the AMF, to redeem, at any time, unilaterally, all or part of the A and G Capital Shares. The Federation could also, at any time and with the authorization of the AMF, purchase all or part of the A and G Capital Shares, if any, by private agreement. In addition, A and G Capital Shares could be converted, at any time by resolution of the Board of Directors, in whole or in part, into another class of shares issued for that purpose. The rate of interest on the A and G Capital Shares, if applicable, was determined by the Board of Directors of the Federation and the Board of Directors approved annually the surplus earnings available to be used to pay interest on such Capital Shares. The return of capital and the payment of interest in respect of A and G Capital Shares, if any, were subject to compliance conditions.

- An unlimited number of FIN-5A, INV and SER Capital Shares in relation to an investment fund. These shares could be issued only to members of the Federation; they were without par value and bore no interest. Subject to the provisions of the Federation's By-laws, the holders of these shares were entitled to share the net income of the funds. These shares were redeemable, with the AMF's authorization, at the option of the Board of Directors or by mutual agreement. All or part of these shares could also, by resolution of the Board of Directors, be converted into another class of shares issued for such purpose.

- In the event of the disposition by the Federation, in whole or in part, of investment fund assets, or of their repurchase or repayment to the Federation, in whole or in part, the holders of the capital shares relating to the investment funds could receive, save and except any other class of shares, but based on the number of investment fund capital shares outstanding, their proportionate share of the price or net proceeds of the disposition, repurchase or repayment of the investment fund assets received by the Federation, net of any applicable disbursements, costs or expenses charged by the Federation, if any.

- In the event of liquidation, insolvency, dissolution or winding-up of the Federation in accordance with applicable law, the holders of the capital shares in relation to the various investment funds would have shared in the remaining assets, after the holders of investment shares, if any, rateably and without preference or distinction with respect to the holders of capital shares in relation to an investment fund, but in priority to holders of any other class of shares, proportionately, according to the book value of the outstanding capital shares in relation to the relevant investment fund in comparison to the aggregate book value of all of the capital shares in relation to investment funds, up to the net value of the relevant investment fund. Holders of capital shares in relation to an investment fund were not entitled to any other share in the property of the Federation. The same principles applied in the event of the liquidation, dissolution or winding-up, in whole or in part, of the legal persons whose securities made up the assets of these investment funds.

Risks Inherent to F Capital Shares of the Federation

An investment in the Federation's F Capital Shares is subject to certain risks. In addition to the risk factors set forth below, prospective investors should consider the factors described in the MD&A in the Annual Report and in the Interim MD&A, which are incorporated by reference herein. The risks described herein are not the only ones to which the Federation is exposed. Additional risks and uncertainties, which are not currently known to the Federation or which the Federation currently deems not material, could also have a material adverse effect on the Federation's business, balance sheet or results of operations.

Subordination, payment of interest and redemption

F Capital Shares are subordinate, in all circumstances, with respect to the payment of interest, to the rights of the holders of investment shares and of the holders of prior-ranking capitalization instruments, if any. Subject to the foregoing, the F Capital Shares shall rank, with respect to the payment of interest, equally with the capital shares of all other classes. The Federation may not determine or pay any interest on F Capital Shares if there are reasonable grounds for believing that, by doing so, either (i) it cannot or could not maintain adequate capital to ensure its own sustainability or sufficient liquidity to meet its needs and responsibilities, in accordance with the AFSC and the regulations, guidelines and instructions made under that Act, or (ii) the *Groupe Coopératif Desjardins* cannot or could not maintain adequate capital to ensure its sustainability in accordance with the AFSC and the regulations, guidelines and instructions made under that Act. At no time shall the failure to determine or pay any interest on F Capital Shares constitute an event of default of the Federation. In addition, the Federation may legally decide not to pay any interest on F Capital Shares issued by it.

The interest on F Capital Shares, as the case may be, is taken from the Federation's surplus earnings. The Board of Directors of the Federation is responsible for allocating the surplus earnings to the payment of interest on the F Capital Shares. Interest on the F Capital Shares, as the case may be, can also be taken out of the Federation's stabilization reserve. If the Federation's stabilization reserve and surplus earnings are not sufficient to pay interest on the F Capital Shares, it may also be taken out of the Federation's general reserve. The Board of Directors of the Federation may change or cancel the payment of interest at any time, in its sole discretion. It is possible that no interest be paid in any given year, or at all.

F Capital shares may be redeemed, with the authorization of the Authority, only in the event of the liquidation, insolvency, dissolution or winding-up of the Federation, in accordance with the applicable law. However, it is possible that a holder may obtain from the Federation, in the event of liquidation, dissolution or winding-up, an amount less than the price paid for such shares.

In the event of the redemption of the F Capital Shares, the holders of F Capital Shares shall receive from the remaining assets of the *Groupe Coopératif Desjardins*, if any, after reimbursement of the deposits and other debts of the *Groupe Coopératif Desjardins* and after payment to the holders of the classes of investment shares, if any, and equally with the other classes of capital shares and that of the qualifying shares, an amount equal to the face value of those F Capital Shares. Notwithstanding the foregoing, in the event of the liquidation, insolvency, dissolution or winding-up of the Federation in accordance with applicable law, the F Capital Shares may be redeemed only, with the authorization of the Authority, if each of the Caisses satisfies the capital adequacy requirements then applicable to it under the AFSC, and the regulations, guidelines and instructions made under that Act and with the authorization of the Authority. In the event that a balance remains after the use of amounts to meet the capital adequacy requirements of one or more of these caisses, as the case may be, the F Capital Shares shall be redeemed on a pro rata basis. F Capital Shares are not guaranteed by any Desjardins Group entity.

Financial intervention mechanisms

In order to ensure the financing necessary for the accomplishment of the Federation's missions and to ensure the supply of the reserves necessary to maintain a sound financial position, every caisse must pay, for each fiscal year, an annual assessment - contribution to the cooperative group, which is fixed by the Federation's Board of Directors, all in accordance with the AFSC. This annual assessment - contribution to the cooperative group ensures, among other things, the development of the Federation, the financing of its operations and the positive supply of reserves in order to ensure its sustainability and that of the *Groupe Coopératif Desjardins*. In addition to the annual assessment - contribution to the cooperative group, the Federation may, under the AFSC and by resolution of its Board of Directors, make such assessments as it deems necessary for the accomplishment of its missions.

Notwithstanding the foregoing, the holder of a F Capital Share may not rely on any financial intervention mechanism as a guarantee of payment of interest or any other sum relating to F Capital Shares. Although the activities of the Federation's business units generate other sources of income that contribute to generating surplus earnings that could potentially be used to compensate the F Capital Shares issued by the Federation, the failure to determine or pay any interest on the F Capital Shares cannot at any time constitute an event of default by the Federation.

No Public Market

The F Capital Shares are not listed on any stock exchange and the Federation does not intend to list them on any stock exchange. There can be no assurance that an active market will develop or be sustained for their trading after any distribution of F Capital Shares.

Absence of Other Rights

The fact of being a holder of F Capital Shares confers only the rights attaching to F Capital Shares described above; it confers no rights relating to the allocation of surplus earnings and no right to be convened, to attend or to vote at meetings of the members of the Federation.

Purchase and Sale by the Trust Fund of the Federation

A holder of F Capital Shares may request the Federation, through its trust fund, to purchase all or part of the F Capital Shares. Due to certain constraints, it is possible that such a request could lead to certain waiting periods. The Federation has no obligation to accept such request and may, in its sole discretion, refuse to purchase such shares, in particular on the basis of the need for matching the supply and the demand. The F.Capital shares held by the trust fund of the Federation may be sold to a member of a caisse, including an auxiliary member.

In the event of financial difficulty or in its sole discretion, the Federation may terminate the acquisition of the Federation's shares at any time. In such a case, the Federation instructs the administrator of the trust fund, Desjardins Trust Inc., to cease any acquisition of shares for which transfer requests are subsequent to a date it specifies. The Federation's instruction will be effective upon receipt by Desjardins Trust Inc.

Repurchase at the Option of the Federation

The Federation is entitled, by resolution of the Board of Directors and with the authorization of the Authority, to repurchase all or part of the outstanding F Capital Shares unilaterally at any time.

Notes and Obligations

The information regarding the Notes and Obligations contained on pages 90 and 91 of the MD&A in the Annual Report is incorporated herein by reference.

Credit ratings

Desjardins Group's credit ratings impact its capacity to access sources of financing from financial markets, as well as the terms of such financing. They are also taken into account during certain Desjardins Group transactions involving counterparties.

The credit rating agencies assign credit ratings and the related outlooks based on their methodologies, which comprise a number of evaluation criteria, including factors, which are beyond Desjardins Group's control. The agencies evaluate Desjardins Group on a combined basis and take into account its capitalization, its consistent financial performance, its significant market share in Quebec and the quality of its assets. Consequently, the credit ratings of the Federation, a reporting issuer, are backed by the financial strength of Desjardins Group.

The Federation has first-class credit ratings that are among the best of the major Canadian and international banking institutions.

Highlights of rating agencies on Desjardins Group instruments:

- On July 14, 2022, DBRS affirmed the ratings of the instruments issued by the Federation while maintaining its outlook as stable. This reflects Desjardins Group's strong presence in Québec as a leader in the savings, residential mortgage and insurance markets.
- On September 19, 2022, Standard & Poor's affirmed the ratings of the instruments issued by the Federation while maintaining its outlook as stable. This reflects the strength of Desjardins Group's balance sheet.
- On November 30, 2022, Fitch affirmed the ratings of the instruments issued by the Federation, while maintaining its outlook as stable.
- On December 12, 2022, Moody's affirmed the ratings of the instruments issued by the Federation, while maintaining its outlook as stable. This evaluation reflects Desjardins Group's strong capitalization level and the stability of its income from its retail banking operations.

The following table lists the various credit ratings assigned to the instruments of the *Fédération des caisses Desjardins du Québec*.

Credit ratings of securities issued and outstanding

	DBRS	FITCH	MOODY'S	STANDARD & POOR'S
Fédération des caisses Desjardins du Québec				
Counterparty/deposits[1]	**AA**	**AA**	**Aa1**	**A+**
Short-term debt	**R-1 (high)**	**F1+**	**P-1**	**A-1**
Medium- and long-term debt, existing senior[2]	**AA**	**AA**	**Aa2**	**A+**
Medium- and long-term debt, senior[3]	**AA (low)**	**AA-**	**A1**	**A-**
NVCC subordinated notes	**A (low)**	**A**	**A2**	**BBB+**
Covered bonds	**-**	**AAA**	**Aaa**	**-**
Perspective	**Stable**	**Stable**	**Stable**	**Stable**

(1) Represents Moody's long-term deposit and counterparty credit rating, S&P's issuer credit rating, DBRS's long-term deposit credit rating, Fitch's long-term issuer default rating, long-term deposit credit rating and derivative counterparty credit rating.
(2) Includes medium- and long-term senior debt issued before March 31, 2019, as well as debt issued on or after that date and excluded from the bail-in regime applicable to Desjardins Group.
(3) Includes medium- and long-term senior debt issued on or after March 31, 2019 that meets the eligibility criteria of the internal recapitalization (bail-in) regime applicable to Desjardins Group.

A definition of the categories of each rating has been obtained from the respective credit rating agency's website and is outlined in Schedule A to this Annual Information Form. Further information may be obtained from the applicable credit rating agency.

Credit ratings are intended to provide investors with an independent assessment of credit quality of an issuance of securities. It is recommended that prospective securities purchasers consult the rating agencies to familiarize themselves with the interpretation and significance of the ratings shown above. The above ratings should not be construed as recommendations to buy, sell or hold the securities of these entities. Ratings may be revised or withdrawn at any time by the credit rating agencies. As is customary, the Federation paid fees to the aforementioned credit rating agencies for credit rating services rendered, and some rating agencies received fees for other services rendered during the last two financial years. The Federation expects to pay similar fees to them in the future.

Additional information on capital structure on pages 91 and 92 of the MD&A in the Annual Report and on pages 207 and 208 of the notes to the combined financial statements in the Annual Report is incorporated herein by reference.

MARKET FOR SECURITIES

Covered Bonds

On February 8, 2022, the Federation issued covered bonds at a fixed rate for a total value of €750 million on the European market under its legislative covered bond program. These covered bonds will mature on February 8, 2027 and are listed on the Irish Stock Exchange.

On August 31, 2022, the Federation issued covered bonds at a fixed rate for a total value of €750 million on the European market under its legislative covered bonds program. These covered bonds will mature on August 31, 2026 and are listed on the Irish Stock Exchange.

On October 14, 2022, the Federation issued covered bonds at a fixed rate for a total value of US$1.0 billion on the U.S. market under its legislative covered bonds program. These covered bonds will mature on October 14, 2025 and are listed on the Irish Stock Exchange.

On November 28, 2022, the Federation issued covered bonds at a fixed rate for a total value of €750 million on the European market under its legislative covered bond program. These covered bonds will mature on November 28, 2024 and are listed on the Irish Stock Exchange.

On December 19, 2022, the Federation filed a base shelf prospectus with the Irish Stock Exchange and the Central Bank of Ireland to have the covered bonds issued under its Legislative Covered Bond Program listed on the Irish Stock Exchange. This program was added to the registry of the Canada Mortgage and Housing Corporation on January 29, 2014.

On January 31, 2023, the Federation issued covered bonds at a fixed rate for a total value of 325 million Swiss francs on the Swiss market under its legislative covered bonds program. These covered bonds will mature on January 31, 2028 and are listed on the Swiss Stock Exchange (SIX).

Notes

Canadian medium-term notes program

On May 19, 2022, the Federation issued fixed-rate notes on the Canadian market under its Canadian medium-term notes program, which are subject to the internal recapitalization regime applicable to Desjardins, for a total value of $1.0 billion. These notes will mature on May 19, 2027.

On November 16, 2022, the Federation issued fixed-rate notes on the Canadian market under its Canadian medium-term notes program, which are subject to the internal recapitalization regime applicable to Desjardins, for a total value of $1.0 billion. These notes will mature on October 1, 2025.

The medium-term notes issued by the Federation in Canada under its Canadian medium-term note program are not listed on any stock exchange or similar market for securities. The Federation does not file a prospectus for the Canadian medium-term note program as it benefits from specific statutory exemptions in this respect.

Canadian NVCC subordinated notes program

On February 2, 2022, the Federation filed with the CSAs a new short form base shelf prospectus for the Canadian NVCC subordinated notes program for a maximum amount of CA$3 billion, in order to renew its program of issuance in Canada of subordinated debt securities in accordance with the criteria of the *Ligne directrice sur les normes relatives à la suffisance du capital de base, Coopératives de services financiers* of the AMF relating to NVCC.

On August 23, 2022, the Federation issued in the Canadian market, under its Canadian NVCC subordinated notes program, eligible NVCC Fixed Rate notes for a total value of $1.0 billion. These notes will mature on August 23, 2032. The Federation's NVCC Subordinated Notes issued in Canada under its Canadian NVCC Subordinated Notes program are not listed on any stock exchange or similar market for trading securities.

Multi-currency medium-term note program

On August 23, 2022, the Federation issued in the American market, under its Multi-currency medium-term note program, two tranches of fixed rate medium tern notes for a total value of US$1,250 million. These two tranches of notes, pursuant to their terms and conditions, are subject to the bail-in regime applicable to Desjardins and will mature on August 23, 2025 and August 23, 2027, respectively.

On December 19, 2022, the Federation filed a base shelf prospectus with the Irish Stock Exchange and the Central Bank of Ireland to renew its global multi-currency medium-term note program and thereby list the medium-term notes issued thereunder on the Irish Stock Exchange.

On January 23, 2023, the Federation issued in the American market, under its Multi-currency medium-term note program, fixed rate medium term notes for a total value of US$600 million. These notes, pursuant to their terms and conditions, are subject to the bail-in regime applicable to Desjardins and will mature on January 23, 2026.

Other programs

During 2022, the Federation issued several series of variable rate principal at risk medium-term notes in the Canadian market under its Canadian principal at risk medium-term note program at a price of $100 per Note, for a total value of $20.0 million. These principal at risk medium-term notes will mature over a period of 6 years and are not listed on any stock exchange or similar market for trading securities.

In addition, during 2022, the Federation issued in the Canadian market, under its Canadian principal protected structured note program, several series of variable rate structured notes at a price of $100 per note, for a total value of $475.9 million. These structured notes will mature over a period of 1 year and 6 months to 7 years and 6 months and are not listed on any stock exchange or similar market for trading securities. The Federation does not file a prospectus for its Canadian structured note program as it benefits from specific statutory exemptions.

On February 8, 2023, the Federation launched its Australian medium-term note borrowing program, pursuant to which the Federation has the capacity to issue medium-term notes for up to 3 B AUD.

Additional information on the Federation's financing programs on pages 90 and 91 of the MD&A in the Annual Report is incorporated herein by reference.

The following table shows, for the indicated periods of the fiscal year ended December 31, 2022, the range of market prices traded on the Irish Stock Exchange's Main Securities Market for corporate debt for the covered bonds issued by the Federation on May 30, 2018, January 30, 2019, September 26, 2019, November 26, 2019, September 24, 2020, October 7, 2020, April 8, 2021, October 14, 2021, February 8, 2022, August 31, 2022, October 14, 2022 and November 28, 2022.

2022		Covered bonds matured on September 26, 2022 (USD)	Covered bonds maturing on May 30, 2023 (EUR)	Covered bonds maturing on October 7, 2023 (USD)	Covered bonds maturing on January 30, 2024 (EUR)	Covered bonds maturing on November 28 2024[1] (EUR)	Covered bonds maturing on September 24, 2025 (EUR)	Covered bonds maturing on October 14, 2025[2] (USD)	Covered bonds maturing on April 8, 2026 (EUR)	Covered bonds maturing on August 31, 2026[3] (EUR)	Covered bonds maturing on October 14, 2026 (USD)	Covered bonds maturing on February 8, 2027[4] (EUR)	Covered bonds maturing on November 28, 2027 (EUR)
JANUARY	HIGH	101.06	101.12	99.22	101.33		100.24		100.07		98.11		99.64
	LOW	100.81	100.94	98.58	100.96		99.50		99.23		96.78		98.53
	AVERAGE	100.93	101.05	98.93	101.21		100.01		99.79		97.34		99.24
FEBRUARY	HIGH	100.82	100.92	98.72	100.93		99.43		99.14		97.06	99.66	98.38
	LOW	100.56	100.63	97.90	100.27		98.00		97.46		95.41	97.73	96.03
	AVERAGE	100.64	100.73	98.25	100.49		98.46		97.99		96.12	98.29	96.76
MARCH	HIGH	100.54	100.88	98.50	100.90		99.39		99.03		96.99	99.49	97.96
	LOW	100.24	100.37	96.93	99.70		96.71		95.92		92.73	95.79	93.85
	AVERAGE	100.35	100.60	97.58	100.26		98.02		97.44		94.76	97.55	95.79
APRIL	HIGH	100.27	100.43	97.22	99.83		97.01		96.33		93.06	96.30	94.43
	LOW	100.09	100.08	96.60	99.24		95.73		94.78		91.22	94.37	92.15
	AVERAGE	100.20	100.29	96.85	99.57		96.33		95.48		92.01	95.20	93.10
MAY	HIGH	100.14	100.19	97.18	99.60		96.52		95.65		92.31	95.22	92.97
	LOW	100.07	99.95	96.56	99.13		95.35		94.31		90.95	93.67	91.27
	AVERAGE	100.11	100.06	96.89	99.31		95.97		95.04		91.60	94.53	92.25
JUNE	HIGH	100.07	99.93	97.01	99.04		95.47		94.50		91.10	93.91	91.56
	LOW	99.91	99.43	96.01	97.89		93.09		91.79		88.46	90.69	87.96
	AVERAGE	99.97	99.65	96.56	98.47		94.31		93.10		89.99	92.21	89.63
JULY	HIGH	99.92	99.82	96.85	99.04		96.25		95.32		91.56	95.00	92.75
	LOW	99.84	99.47	96.37	98.51		95.02		93.81		90.01	93.13	90.49
	AVERAGE	99.88	99.65	96.59	98.82		95.55		94.44		90.67	93.83	91.33
AUGUST	HIGH	99.96	99.66	96.84	99.00		96.26		95.31	99.82	91.69	95.00	92.76
	LOW	99.86	99.14	96.33	97.73		93.44		92.09	98.69	89.57	91.19	88.56
	AVERAGE	99.90	99.47	96.46	98.49		95.03		93.89	99.28	90.56	93.32	90.92
SEPTEMBER	HIGH	100.00	99.17	96.45	97.79		93.67		92.34	98.94	89.66	91.44	88.80
	LOW	99.95	98.84	95.75	96.86		91.16		89.44	95.51	86.56	88.00	84.98
	AVERAGE	99.98	98.98	96.09	97.36		92.58		91.10	97.47	88.44	90.00	87.23
OCTOBER	HIGH		99.02	96.05	97.41		92.54	99.87	90.96	97.20	87.67	89.75	86.89
	LOW		98.90	95.74	96.97		91.33	98.87	89.55	95.46	85.63	87.96	84.79
	AVERAGE		98.95	95.91	97.13		91.77	99.43	90.07	96.05	86.56	88.61	85.57
NOVEMBER	HIGH		99.03	96.18	97.23	99.87	92.42	100.33	90.93	96.96	88.13	89.91	87.21
	LOW		98.91	95.73	97.00	99.72	91.57	98.88	89.87	95.73	85.76	88.33	85.33
	AVERAGE		98.97	95.95	97.15	99.80	92.10	99.68	90.52	96.49	86.94	89.27	86.45
DECEMBER	HIGH		99.15	96.71	97.30	99.98	92.62	100.74	91.16	97.24	88.64	90.19	87.55
	LOW		99.05	96.24	96.88	98.84	91.20	99.98	89.43	95.05	87.75	87.93	84.91
	AVERAGRE		99.09	96.45	97.11	99.44	91.96	100.42	90.37	96.24	88.29	89.15	86.36

(1) Issue completed on November 28, 2022.
(2) Issue completed on October 14, 2022.
(3) Issue completed on August 31, 2022.
(4) Issue completed on February 8, 2022.

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The following table shows, as at the date of this Annual Information Form, the name, the province and country of residence, the position held with Desjardins Group, the principal positions held by each director of the Federation during the past five years as well as the date of initial election to the Board of Directors of the Federation, the last re-election date, if applicable, and the committees or commissions on which each director sits.

The directors are elected for a four-year term and may be re-elected provided they remain a director of their caisse. A limit of three consecutive or cumulative terms of office, or a maximum of 12 years, applies under the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*). Director terms expire at the end of the annual general meeting of members. In accordance with the enhanced collective profile which sets the skills and competencies sought out to sit on the Board, the Board of Directors co-opts six independent directors, who are not directors of caisses.

The President and Chief Executive Officer of Desjardins Group is elected for a term of four years and may be re-elected for another term of four years. Mr. Cormier's second term of office officially began after the annual general meetings of Desjardins Group on March 28, 2020.

At the Special General Meeting of the Federation held on October 13, 2021, the members voted in favor of reducing the number of members on the Federation's Board of Directors from 22 to 19. Since the Federation's annual general meeting on March 25 and 26, 2022, the Federation's Board of Directors has been composed of the President and Chief Executive Officer, 12 caisse directors elected by the general meeting and six independent directors co-opted by the Board of Directors who are not caisse directors. In accordance with the AFSC, on May 12, 2022, the Board of Directors of the Federation adopted the ***Règlement intérieur de rotation des membres du conseil d'administration et du conseil d'éthique et de déontologie de la Fédération des caisses Desjardins du Québec*** (Rotation By-law) to provide for a rotation allowing one quarter, to the nearest unit, of members of the Board of Directors of the Federation to be replaced each year. Under the Rotation By-law, the terms of office of certain elected and co-opted directors have been extended or reduced.

Name, province and country of residence	Position held within Desjardins Group	Principal positions (during the last five years)	Initial election or cooptation date (yyyy-mm-dd)	Last re-election or cooptation date (yyyy-mm-dd)
BABINEAU, Louis, DBA, ASC[5][6][10] Quebec, Canada	• Chair of the Board of *Caisse Desjardins de Sainte-Foy* • Chair of the Board of Directors of *Desjardins General Insurance Group inc.* • Chair of the Risk Management Commission of the Federation • Chair of the Risk Management Committee of Desjardins Trust Inc.	• Professor, Project Management, UQAR, Lévis campus	2016-04-09	2019-03-30
BACHAND, Luc, MBA, IAS.A, FIBC[2][9][11] Quebec, Canada	N/A	• Corporate Director	2021-08-30	N/A
BAILLARGEON, Lisa, PhD., MBA, CPA, Adm. A , IAS.A[2][4] Quebec, Canada	• Chair of the Board of *Caisse Desjardins Charles-LeMoyne* • Chair of the Board of Directors of Desjardins international Development inc.	• Director, *Institut du Patrimoine* and Full Professor, UQAM Formerly (last five years): • Vice-President Academic UQAC • Director, *Institut du Patrimoine*, UQAM • Vice-Dean of Studies at École des sciences de la gestion (ESG), UQAM	2019-03-30	N/A
BARIL-FURINO, Jordan, MBA [2][10] Quebec, Canada	• Second Vice-president of *Caisse Desjardins de l'Ouest-de-l'Île*	• National Director of operations, GardaWorld (security and risk management) Formerly (last five years): • Assistant Vice-president, Sager Food Products inc. (agri-food)	2021-03-27	N/A

Name, province and country of residence	Position held within Desjardins Group	Principal positions (during the last five years)	Initial election or cooptation date (yyyy-mm-dd)	Last re-election or cooptation date (yyyy-mm-dd)
CHARBONNEAU, Johanne, FCPA, MBA, C. Dir. [3][4][7][8][9] Ontario, Canada	• Vice-Chair and Lead Director of the Board of Directors of the Federation • Chair of the Corporate Governance and Responsible Finance Commission and of the Conduct Review Committee of Desjardins Trust Inc. • Chair of the Committee on the Aggregate Remuneration and Succession of the President and Chief Executive Officer of Desjardins	• Corporate Director	2019-04-18	2022-05-12
CORMIER, Guy, B.A.A., MBA [1][3][4] Quebec, Canada	• President and Chief Executive Officer of Desjardins Group • Chair of the Board of the Federation, of Desjardins Trust Inc. and Desjardins Financial Corporation inc. • Chair of the Executive Committee of the Federation	• President and Chief Executive Officer, Desjardins Group	2016-04-09	2020-03-28
CÔTÉ, Geneviève, ASC, C. Dir. Quebec, Canada	• President, *Caisse de la Culture*	• General Manager, Festival international de la chanson de Granby Formerly (last five years): • President/consultant/editor, Frilance éditions inc. • Lecturer, Faculty of Arts, UQAM • Business Chief Québec and visual arts, SOCAN	2022-09-27	N/A
GRENIER, André, [2][5] Quebec, Canada	• Vice-Chair of the Board of *Caisse Desjardins de l'Érable* • Chair of the Board of Fonds de sécurité Desjardins	• Professional agrologist and agricultural business management consultant, Question-Conseil (owner)	2018-03-24	2022-03-26
GROULX, Nadine [1][4][5] Quebec, Canada	• Chair of the Board of *Caisse Desjardins des Verts-Sommets de l'Estrie* • Chair of the Cooperation and Culture Commission of the Federation • Chair of the Board of Ethics and Professional Conduct of Desjardins Financial Corporation	• Agricultural entrepreneur, Ferme Miroc Inc.	2017-02-23	2022-03-26
JODOIN, Dominique, MBA, MSc.[1][5][6][9][11] Quebec, Canada	N/A	• President and Executive Director and co-founder of NoviFlow inc. (networking and cybersecurity solutions)	2020-06-10	2021-05-06
LAMOTHE, Marie-Josée, BSc [1][6][9][11] Quebec, Canada	N/A	• Professor of Management Practice (Desautels Faculty of Management) and Executive and Academic Director of the McGill Dobson Centre for Entrepreneurship • President of Tandem Intl (consulting) Formerly (last five years): • Managing Director, Google Canada Executive Director (technology services)	2019-04-18	2021-05-06
LAPIERRE, Maryse, LL.B, D.D.N., ASC [3][5][7][10] Quebec, Canada	• Secretary of the Board of Directors of the Federation • Director, *Caisse populaire Desjardins des Ramées*	• Notary, private practice	2021-03-27	N/A

Name, province and country of residence	Position held within Desjardins Group	Principal positions (during the last five years)	Initial election or cooptation date (yyyy-mm-dd)	Last re-election or cooptation date (yyyy-mm-dd)
LATULIPPE, Denis, FICA, MBA, M.Sc, ASC [3][7][9] Quebec, Canada	• Chair of the Desjardins Group Retirement Committee	• Full professor in Actuarial Science, School of Actuarial Science of the Faculty of Science and Engineering of Laval University	2021-05-07	N/A
MAGNAN, Michel, Ph.D., FCPA, ASC, C. Dir. [2][4][9] Quebec, Canada	• Chair of the Audit and Inspection Commission of the Federation • Chair of the Audit Committee of Desjardins Trust Inc. • Chair of the Audit and Risk Committee of Desjardins Financial Corporation inc.	• Distinguished Research Professor and Stephen A. Jarislowsky Chair in Corporate Governance from the John Molson School of Management at Concordia University	2021-05-07	N/A
PARHON, Paula, ASC, Admin. A[6] Québec, Canada	• Director, *Caisse Desjardins de Beauport*	• Independent strategic consultant, Services Conseils Parhon inc. (owner)	2022-03-26	N/A
ROUSSEAU, Serge [1][3][4][7][10] Quebec, Canada	• Director, *Caisse Desjardins du Carrefour des lacs* • Chair of the Human Resources Commission • Vice-Chair of the Board of Desjardins Financial Security Life Assurance Company	• General manager, *CPE Parc-en-ciel* (Early Childhood Care Services)	2014-03-28	2021-03-27
SARRAZIN-SULLIVAN, Patricia-Ann, Adm.A[6] Quebec, Canada	• Chair of the Board of *Caisse Desjardins du Plateau-Mont-Royal*	• Founder Architect, Sarrazin-Sullivan, Architecte inc. Formerly (last five years): • Founder Architect, Box architectures • Lecturer at the University of Montreal School of Architecture	2021-03-27	N/A
TROTTIER, Stéphane, M. Erg. S, ASC.[6] Ontario, Canada	• Director, Caisse Desjardins Ontario Credit Union Inc.	• Ergonomist and owner of the corporation *Facteurs Humains International* and owner of ErgonomicStuff.com (ergonomic solutions) • Owner of RenaudVations Investments (renovations and real estate management)	2016-04-09	2019-03-30

(1) Member of the Executive Committee of the Federation
(2) Member of the Audit and Inspection Commission of the Federation. At the invitation of the chair of the commission, Robert St-Aubin and Clarence Turgeon, respectively Chair of the Audit and Risk Committee of Desjardins Financial Security Life Assurance Company and Desjardins General Insurance Group inc., attend the meetings of the commission as representatives of these two subsidiaries. In addition, Kathleen Bilodeau (caisse general manager) is an observer at this commission.
(3) Member of the Human Resources Commission of the Federation. In addition, Julien Ponce is an external member of this commission as an independent director of Desjardins General Insurance Group inc.
(4) Member of the Corporate Governance and Responsible Finance Commission of the Federation.
(5) Member of the Cooperation and Culture Commission of the Federation. In addition, Kathleen Bilodeau (caisse general manager) is an observer at this commission.
(6) Member of the Risk Management Commission of the Federation. Francine Côté and Christine Sayegh Filgiano are also external members of this commission as independent directors of Desjardins General Insurance Group inc. and Desjardins Financial Security Life Assurance Company, respectively. In addition, Neil Hawthorn (caisse general manager) and Michel Magnan are observers at this commission
(7) Member of the Desjardins Group Committee on the Aggregate Remuneration and Succession of the President and Chief Executive Officer of Desjardins. In addition, Julien Ponce is an external member of this commission as an independent director of Desjardins General Insurance Group inc.
(8) Member of the Nomination and Election Committee of the Federation.
(9) Directors who are not caisses directors and who are co-opted by the Board of Directors for a four-year mandate renewable for a maximum period of 12 years.
(10) Pursuant to the Rotation By-law, the tenure of this administrator has been extended for one year.
(11) Pursuant to the Rotation By-law, the tenure of Luc Bachand has been reduced by two years, the tenure of Dominique Jodoin has been reduced by one year and the tenure of Marie-Josée Lamothe has been reduced by two years.

End of tenures as members of the Board of Directors during the year 2022:

- The tenures of Stéphane Corbeil, Michel Doré, Marie-Eve Tremblay and Yvon Vinet ended at the annual general meeting of the Federation on March 25 and 26, 2022.
- The tenure of Michel Tourangeau ended on April 6, 2022.
- The tenure of Kateri C. Jourdain ended on June 22, 2022. The vacancy will be filled during the elections at the Board of Directors that will take place at the 2023 annual general meeting of the Federation.

Mrs. Kathleen Bilodeau and Mr. Neil Hawthorn, caisses general managers, act as observers to the Board of Directors of the Federation.

Executive officers

The table below shows, as at the date of this Annual Information Form, the name, province and country of residence and position held within the Federation as well as the principal positions held by the executive officers of the Federation, both current and those of the past five years. The following executive officers are joined by Johanne Charbonneau as Vice-Chair and Lead Director of the Board of Directors of the Federation, whose information is presented in the "Directors" table of this Annual Information Form.

Name, province and country of residence	Position held within the Federation and principal positions (last five years)
CORMIER, Guy Quebec, Canada	• President and Chief Executive Officer of Desjardins Group • Chair of the Board of Directors of the Federation
BELLEMARE, Réal Quebec, Canada	• Senior Executive Vice-President and Chief Operating Officer Formerly (last five years): - Acting Executive Vice-President, Information Technology, Desjardins Group - Executive Vice-President, Finance, Treasury, Administration and Chief Financial Officer, Desjardins Group
BOURGEOIS, Jean-Yves Quebec, Canada	• Executive Vice-President, Business Services Formerly (last five years): - Vice-President, Capital markets, Desjardins Group
CHAMPOUX, Francine[1] Quebec, Canada	• Executive Vice-President, Risk Management
CORMIER, Marie-Huguette Quebec, Canada	• Executive Vice-President, Human Resources and Communications
DUBOIS, Denis Quebec, Canada	• Executive Vice-President, Wealth Management and Life and Health Insurance and President and Chief Operating Officer, Desjardins Financial Security Life Assurance Company Formerly (last five years): - Executive Vice-President, Property and Casualty Insurance, Desjardins Group, and President and Chief Operating Officer of Desjardins General Insurance Group inc.
DUHAIME, Johanne Quebec, Canada	• Executive Vice-President, Information Technology Formerly (last five years): - Vice-President, Information Technologies and Communications, Hydro-Québec (a Crown corporation for electricity generation, transmission and distribution)
GARON, Isabelle[2] Québec, Canada	• Executive Vice-President, Cooperation, Director Support and President's Office Formerly (last five years): - Vice-President, President's Office, Cooperation and Director Support
HUA, Di-Thai[3] Quebec, Canada	• Senior Vice President, Operations Formerly (last five years): - Vice President, Accès Desjardins, Desjardins Group - Deputy General Manager of Caisse Desjardins de Granby-Haute Yamaska - Vice-President, Procurement and Administrative Services, Desjardins Group
LACHAÎNE, Éric Quebec, Canada	• Executive Vice-President, Caisse Network and Member and Client Services
LARUE, Nathalie Quebec, Canada	• Executive Vice-President, Strategy, Marketing and Personal Services
LAVOIE, Valérie Quebec, Canada	• Executive Vice-President, Property & Casualty Insurance and President and Chief Operating Officer, Desjardins General Insurance Group inc. Formerly (last five years): - Vice-President, Member-client relations, Desjardins General Insurance Group inc. - Managing Director, Distribution and Member-client relations, Desjardins General Insurance Group inc.
LEPROHON, Alain Quebec, Canada	• Executive Vice-President, Finance and Chief Financial Officer Formerly (last five years): - Vice-President, Finance, Desjardins Group

(1) Will retire on March 31, 2023.

(2) Was appointed on April 4, 2022 following the entry into service of the Cooperation, Director Support and President's Office Executive Division. Up to this date, she held the position of Vice-President, President's Office, Cooperation and Director Support.

(3) Was appointed on February 24, 2022 following the entry into service of the Operations Executive Division. Up to this date, he held the position of Vice-President, Accès Desjardins.

Securities held by directors and executive officers

As at the date of this Annual Information Form, none of the directors or executive officers holds or exercises any control, directly or indirectly, over any voting security of the Federation and its subsidiaries.

Cease trade orders or bankruptcies

None of our directors or executive officers is, as at the date of this Annual Information Form, or has been, within the 10 years before the date of this Annual Information Form, a director, CEO or CFO of any company (including the Federation) that (1) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or (2) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as a director, CEO or CFO.

For the purposes of the paragraph above, "order" means any of the following, if in effect for a period of more than 30 consecutive days: (1) a cease trade order; (2) an order similar to a cease trade order; or (3) an order that denied the relevant company access to any exemption under securities legislation.

Subject to the following, no director or executive officer of the Federation or shareholder holding a sufficient number of securities to materially affect the control of the Federation (1) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of the Federation or any other company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (2) has within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets. Marie-Josée Lamothe was a director of Reitmans (Canada) Limited until August 30, 2019 and a director of The Aldo Group Inc. until December 31, 2019. Reitmans (Canada) Limited and The Aldo Group Inc. each sought the protection of the *Companies' Creditors Arrangement Act* (Canada) on May 19, 2020 and May 6, 2020, respectively.

Penalties or sanctions

To our knowledge, as of the date of this Annual Information Form, none of our directors, no executive officer of the Federation or no shareholder holding sufficient securities to materially affect the control of the Federation has been subject to:

a) any penalties or sanctions imposed by a court relating to any securities legislation or by a securities regulatory authority, nor has entered into a settlement agreement with such authority;
b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered material by a reasonable investor making an investment decision.

Conflicts of interests

To the best of the knowledge of the Federation as of the date of this Annual Information Form, there are no existing or potential material conflicts of interest between the Federation and its directors, its executive officers or other officers or those of the Federation's subsidiaries. However, given that certain of the Federation's directors and officers serve as directors and officers of other companies, an existing or potential conflict of interests could arise, in certain circumstances, between their duties to the Federation and their duties as a director or officer of such other company. See also "Transactions with Restricted Parties and Related Parties", "Directors and Executive Officers" and "Business Ethics" in this Annual Information Form.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Federation is party to various disputes and legal proceedings in the normal course of business. It is not possible at this time to assess the outcome of certain of these disputes and proceedings or when they might be resolved or their potential impact on the financial position of the Federation. In management's opinion, the fair value of any contingent liability arising from these disputes and proceedings, insofar as it may be measured, could have an impact on the results of the Federation for a given period, but would not have any significant adverse effect on its financial position.

For more information on the developments regarding the class actions relating to the personal information breach, see the "General Development of the Business" section of this Annual Information Form.

As of the date of this Annual Information Form, the Federation and its subsidiaries have not been subject to:

a) during fiscal year 2022, any penalties or sanctions imposed by a court relating to the securities legislation or by a securities regulatory authority or regulatory body, nor has entered into a settlement agreement with such authority or body;
b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered material by a reasonable investor making an investment decision.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the securities of the Federation is Desjardins Trust Inc., at its principal office in Montreal.

INTERESTS OF EXPERTS

In accordance with applicable legislation, each year the Federation appoints an accounting firm to act as its auditor. On March 26, 2022, the accounting firm PricewaterhouseCoopers LLP, Chartered Professional Accountants Partnership (PwC) was appointed as the auditor of the Federation for the fiscal year ending December 31, 2022. PwC is the independent auditor of the Federation and has, as such, prepared the auditor's report on the combined audited financial statements of Desjardins Group for the fiscal years ended December 31, 2022, and December 31, 2021, contained in the Annual Report. PwC has confirmed its independence with respect to the Federation within the meaning of the Code of Ethics of chartered professional accountants (Quebec).

ADDITIONAL DISCLOSURE

Outstanding securities

The following table sets out, as at December 31, 2022, the number and value of the shares of the Federation that are issued and outstanding. The said shares are held in their entirety by the Quebec caisses and their members, and CDO.

	Number of shares	Value (in thousands of dollars)
Qualifying shares	**32,120**	**160**
F Capital Shares	**489,298,743**	**4,871,673)** (1)
H Capital Shares	**7,977,289,890**	**7,977,290**
		12,849,123

(1) Net of certain costs relating to the investment and caisse administration fees.

For more details on the Federation's shares, see the "Capital Structure" section of this Annual Information Form. The information relating to the "Capital Stock" and "Share Capital" of Desjardins Group is provided on page 206 of the notes to the combined financial statements of the Annual Report and is incorporated herein by reference.

Transactions with restricted parties and related parties

The AFSC contains a set of rules governing dealings between financial services cooperatives and restricted parties and establishes control mechanisms to ensure that these transactions are carried out in accordance with legislative requirements. The AFSC stipulates that the directors of a caisse or of the Federation, their related parties and legal persons whose Board of Directors are composed, in the majority, of directors of a caisse or of the Federation are restricted parties vis-à-vis financial services cooperatives. However, for purposes of these rules, the Federation and its caisses, FSD and any other legal person or partnership controlled by a caisse or the Federation are not considered restricted parties with respect to each other.

Transactions and activities between a financial services cooperative and restricted parties must be carried out as if they were at arm's length and in accordance with the rules adopted by the Board of Ethics and Professional Conduct of the Federation. Certain transactions must be approved by the Board of Directors of the financial services cooperative.

Information on related parties on page 100 of the MD&A in the Annual Report and on page 221 of the notes to the combined financial statements in the Annual Report is incorporated herein by reference.

Indebtedness of directors and executive officers

As at the date of this Annual Information Form, the table below indicates any loan granted to each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Federation and each associate of any such persons. Such indebtedness excludes any indebtedness that has been entirely repaid as well as the routine indebtedness (as such term is defined in the applicable securities legislation).

Name and Principal Position	Participation of the Federation or any of its subsidiaries	Largest amount outstanding during the year ended December 31, 2022 ($)	Outstanding amounts as at February 20, 2023	Number of securities subscribed through financial assistance during the year ended December 31, 2022 ($)	Guarantee of loan	Amount canceled during the current year ended December 31, 2022 ($)
GARON, Isabelle Executive Vice-President Cooperation, Director Support and President's Office	Caisse Desjardins Sud-Ouest de Montréal	439,755.05 $(1)	428,868.81 $(1)	N/A	N/A	N/A

(1) A residential mortgage secured by a principal residence and bearing interest at the prime rate

ADDITIONAL INFORMATION

Copies of documents incorporated by reference in this Annual Information Form may be obtained without charge and upon request to the Secretary General of the Federation, at the email address: secretariatgeneral@desjardins.com or at www.sedar.com.

The Federation does not prepare a management proxy circular. Information concerning compensation of directors and senior officers and loans made to them, if any, are presented in this Annual Information Form.

Additional financial information is provided in the comparative financial statements and MD&A in the 2022 Annual Report of Desjardins Group.

Additional information on the Federation and Desjardins Group is available on the SEDAR website at www.sedar.com (under the *Fédération des caisses Desjardins du Québec* profile). For fiscal years ended prior to December 31, 2021, information about Desjardins Group is available under the Desjardins Capital Inc. profile and, as of the first quarter of 2021, under the *Fédération des caisses Desjardins du Québec* profile. Additional information is available on Desjardins Group's Website at www.desjardins.com/ca/about-us/investor-relations, even though no information on this site is to be deemed incorporated by reference into this Annual Information Form.

STATEMENT OF THE FEDERATION'S EXECUTIVE OFFICER COMPENSATION

Desjardins Group Compensation

Pursuant to *Regulation 51-102 Respecting Continuous Disclosure Obligations*, this Annual Information Form discloses the Federation's Named Executive Officers compensation.

Compensation in North America's Largest Cooperative Financial Group

In 2022, the compensation of Desjardins Group executives reflected the breadth of the organization's business and performance.

Desjardins Group's commitment to continue working in the interests of members and clients is expressed in a variety of ways as inflation persists and interest rates continue to rise. We support in a caring way our members and clients who are concerned about the situation or who are directly impacted by it, as we wish to support them in their financial autonomy. This support is provided through all our financial products, consulting services, tools and educational content. In 2022, we invested $11 million in the delivery of financial and cooperative education programs, which included encouraging healthy financial habits, promoting self-reliance and fostering financial well-being. Recognizing that each interest rate hike increases the potential number of members in a vulnerable position, the organization has established a proactive support strategy. For the most at-risk members, those holding variable rate loans or experiencing a significant increase in their mortgage payments following the renewal of their loans, a series of precautionary actions has been taken, including customized communications and proactive contact by their advisor. More than 50,000 individual members with a mortgage payments of which no longer covered interest were contacted by telephone.

Desjardins Group was particularly distinguished this year by its strong support for economic development:

- Support for 81 projects through the GoodSpark Fund. To date, $161 million of the $250 million of the Fund has been committed to initiatives related to youth, the environment, entrepreneurship and education.
- Support for growth and business transformation projects through Fund C and GoodSpark Small Business Grants programs. Over 900 businesses across Canada received non-refundable financial assistance of up to $20,000.
- Targeted actions to promote local buy through our 100% member platform and our involvement in the local purchasing campaigns that took place on La Ruche, a social financing platform.
- Multiple efforts to support the transition to a greener and more inclusive economy. The execution of various partnerships - including the Center for Intersectoral Studies and Research on the Circular Economy (CERIEC) of the École de technologie supérieur (ÉTS) and the Circular Opportunity Innovation Launchpad - allows Desjardins to encourage other organizations to take the shift to sustainable development while offering them the right tools to thrive in this new economy.

Our efforts to enhance the experience of our members and clients continued with the addition of innovative solutions that were available to them in 2022. For example, we have launched a new group insurance product for people in the process of gender affirmation so that everyone has the levers to freely affirm their gender identity. Our Alert program has been enhanced to enable our policyholders to protect their property even more effectively and we have provided enhanced automobile insurance omnichannel experience. As a sign of an ongoing trend, virtual channel usage peaked again in 2022 with 1.46 billion financial transactions that were carried out on the Internet and mobile access platforms, an increase of 7.5% compared to 2021.

On the other hand, Desjardins Group has achieved financial performance commensurate with expectations despite an uncertain economic environment. While surpluses are declining, operating revenues continue to grow. Results that enable us to enrich the lives of individuals and communities with a return to members and communities of $518 million[1] for 2022.

Desjardins Group has also maintained a very strong capitalization in accordance with the Basel III rules through, among other things, a total capital ratio of 21.9%. This high level of capitalization allows us to maintain our game plan to achieve our ambitions and support investment projects. In this regard, substantial investments in security enhancements and systems modernization have continued.

Desjardins Group's financial strength provides us with the necessary means to pursue our acquisition strategy. In 2022, we accelerated our pan-Canadian growth with an agreement to acquire the insurance, mutual fund and securities distribution operations of Guardian Capital Group Limited. By adding these new activities to the current ones, Desjardins is positioned as the country's leader in independent distribution of life insurance and savings products. In terms of property and casualty insurance, the acquisition of an interest in The Insurance Company of Prince Edward Island (ICPEI) will support the development of a greater variety of commercial insurance products to better meet the needs of Canadian SME entrepreneurs.

The first cooperative financial group in North America, following the publication of the World Cooperative Monitor by the International Cooperative Alliance, Desjardins Group has carried out numerous activities demonstrating its cooperative nature and its commitment to sustainable, responsible and inclusive finance. In particular:

- $45.7 million from the caisses' Community Development Fund for various projects in the communities.
- A significant philanthropic activity with $114.6 million in sponsorships, partnerships and scholarships in 2022.
- Support provided to more than 24,349 individuals and contractors and the creation or maintenance of 1,079 jobs through the three solidarity-based finance programs, namely the Fonds d'entraide Desjardins, the micro-credit Desjardins for enterprises and Créavenir.

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1 For more information on non-GAAP financial measures, see "Non-GAAP financial measures and other financial measures" on pages 3 to 7 of the MD&A in the Annual Report.

- A $50 million interest in the Idealist Climate Impact Fund. This $250 million fund provides growth capital to businesses to accelerate the commercialization of validated solutions that generate a positive climate impact.
- An association with Export Development Canada (EDC) to launch a pilot program to roll out a new offering of sustainable financing to businesses wishing to reduce their greenhouse gas emissions. With this new product, Desjardins will provide up to $1 billion over three years to implement projects that promote the transition to a low-carbon economy.
- The signature of the *Finance for Biodiversity Pledge* through Desjardins Global Asset Management and *Desjardins Solutions de Placement*. This initiative has 126 signatories and aims to put financial activities at the service of protecting and restoring biodiversity.
- Launch of the Cooperating for the Climate challenge to achieve our 41% operational GHG emissions reduction target by 2025. This internal challenge includes five priority areas for action: paper consumption, business travel, energy use in our buildings, employee buy-in and our supply chain.
- Rollout of the Académie du climat, a platform of learning capsules about climate change and biodiversity loss, and holding of Climate Fresk workshops - because the organization is aware that reaching its targets also requires the engagement of all of its employees.
- The first financial institution in Canada to convert its entire range of individual savings annuities into responsible annuities.
- Massive investments in renewable energy infrastructure projects. As at September 30, 2022, the amount invested was $1.69 billion[1], or 42% of this portfolio.
- Continued work to strengthen the integration of environmental, social and governance criteria into our investment management processes, savings, financing, property management and responsible procurement offerings.

Largest private employer in Québec, with 58,774 employees, Desjardins ranked in 2022 and for a 12th year in a row among the Mediacorp's top 100 Canadian employers. The same organization also recognized Desjardins as one of the best employers for diversity, youth and work-family reconciliation. According to Mediacorp, Desjardins is still recognized as one of Canada's greenest employers this year. Desjardins also ranked 8th in the Glassdoor ranking of the Top Employers in Canada. This recognition is all the more important as this ranking is based solely on employee opinions. Desjardins also ranked 16th in LinkedIn's annual ranking, which measures the ability of employees to progress, the development of skills, the corporate stability, the affinity of employees with the company, the diversity and the training.

These acknowledgements reflect the wide range of measures Desjardins has deployed to differentiate itself as an employer of choice. Our caring approach combines advantageous working conditions, distinctive training and benefits and an attractive and inclusive work environment. When the health situation allowed the gradual return to the workplace in April 2022, the organization implemented three formulas: some employees work 100% at Desjardins' institutions, others work 100% at home and the majority work in hybrid mode. Ongoing feedback from employees indicated that they are very satisfied with their new way of working, in particular the flexibility it allows to reconcile work and personal life. The rollout of programs to propel women's leadership is also part of the concrete actions we are putting forward to strengthen our position as an organization that values the richness of diversity.

Additional information on the financial results is provided in the Annual Report of Desjardins Group, available on the SEDAR website at www.sedar.com (under the profile of the *Fédération des caisses Desjardins du Québec*).

Named Executive Officers

For fiscal 2022, the Named Executive Officers of the Federation are:

- **Guy Cormier**
  President and Chief Executive Officer of Desjardins Group
- **Alain Leprohon**
  Executive Vice-president Finance and Chief Financial Officer
- **Réal Bellemare**
  Senior Executive Vice-President and Chief Operating Officer
- **Denis Dubois**
  Executive Vice-President, Wealth Management and Life and Health Insurance, and President and Chief Operating Officer of Desjardins Financial Security
- **Éric Lachaîne**
  Executive Vice-President, Caisse Network and Member and Client Services

Desjardins Group overall compensation policy

Desjardins Group, North America's largest cooperative financial group, operates in a highly competitive market. Its overall compensation policy is influenced by its need to attract, mobilize and retain the talent necessary to achieve its purpose and to deliver a quality service offering for members and clients.

Like any responsible financial institution, Desjardins Group pays close attention to risk management in the interest of its members and clients. This is reflected in its overall compensation policy.

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1 In partnership with the Desjardins Group Pension Plan.

Desjardins Group's overall compensation policy is a framework in the determination of all the components of compensation. It applies to the Federation, its subsidiaries, the caisses network and the Desjardins Business centres and for all the employees, managers et executives, including the President's Office of Desjardins Group. The target positioning for overall compensation is determined based on the median salary among cooperative financial groups of comparable size to Desjardins Group in different countries for the President's office, as well as the median salary of the Canadian financial market for all other positions.

More specifically, the overall compensation policy of Desjardins Group aims to:
- Describe the guiding principles on which Desjardins Group's overall compensation is based;
- Specify the target positioning for overall compensation for each group of employees;
- Provide a framework to guide the decisions and actions, to which to refer on a daily basis.

The guiding principles underlying this policy are divided into three broad categories:

Desjardins Group alignment
- Reflect cooperative values, as well as the willingness to always work in the interest of members and clients of Desjardins Group;
- Support the different strategic orientations, objectives and priorities of Desjardins Group;
- Promote collaboration and support the will to act as one great Desjardins team.

Performance
- Combine recognition of individual performance and collective success, in terms of overall organization performance including environmental, social and governance (ESG) criteria;
- Ensure the sustainability of Desjardins Group by making sustainable value-added choices for individuals and the organization;
- Ensure compliance with different legal and regulatory requirements and foster behaviours aligned with the risk appetite framework.

Employee-experience
- Offer an overall compensation that is competitive, flexible and adapted to the reality of business sectors, support functions and the Network, which provides an ability to attract and retain talent;
- Contribute to an engaging overall employee experience that focuses on wellness and is conducive to always working in the best interests of members and clients;
- Ensure internal and external equity while taking into account different market realities and specificities for specific areas, critical jobs or geographic regions.

The overall compensation policy is reviewed every 5 years. The review of this policy was adopted by the Board of Directors in May 2022, after the orientations related to the guiding principles and target positionings had been submitted to an advisory vote at the Federation's Annual General Meeting (AGM) held on March 25 and 26, 2022. The result of this vote, where 90.91% of the delegates confirmed their support for the orientations, was a strong show of support for the proposed orientations.

Employees with supervisory functions (risk management and compliance functions, as well as the Desjardins Group's Monitoring Office and the Security Office) are eligible for compensation based on the overall performance of the Desjardins Group rather than on the performance of the sectors they supervise in order to ensure sound independence. Their compensation is thus aligned with their role and does not promote excessive risk-taking and conflicts of interest.

Market analysis and reference data

Market data used to establish compensation for the President and Chief Executive Officer were produced in 2021 by the firm Hexarem.

Market data used to establish compensation for the other executive officer positions were produced in 2022 by the firm Willis Towers Watson.

This data was drawn from the Canadian financial sector and from cooperative financial groups comparable in size to Desjardins Group, in accordance with the overall compensation policy. For the President and Chief Executive Officer position, cooperative financial groups of comparable size to Desjardins Group are mainly found in Europe and in the United States. Information on senior executive[1] compensation has been analyzed for the following organizations:

Peer Group: Cooperative financial groups (specifically for the President and Chief Executive Officer position) 15 organizations	
Achmea	MassMutual Financial
Agribank	OP Financial Group
CoBank	Rabobank
Covéa	Raiffeisen Group
Groupe BPCE	RBI (Raiffeisen Bank International)
Crédit Agricole Group	Talanx Group
Crédit Mutuel Group	Unipol Gruppo
Liberty Mutual Holding	

Peer group : Canadian financial sector (specifically for other Executive Officers) 40 organizations		
Affinity Credit Union	CPP Investment Board	Public Sector Pension Investment Board
AIG Insurance Company of Canada	Economical Mutual Insurance Company	Royal & SunAlliance Canada
Alberta Investment Management Corporation	Healthcare of Ontario Pension Plan (HOOP)	Royal Bank of Canada
Allstate Insurance Company of Canada	iA Financial Group	Scotiabank
Alterna Savings and Credit Union	Insurance Corporation of British Columbia	Sun Life Financial
Bank of Montreal	Intact Financial Corporation	TD Insurance
Caisse de dépôt et placement du Québec	Ivari	The Canada Life Assurance Company
Canadian Imperial Bank of Commerce	Laurentian Bank of Canada	The Co-operators Group Limited
Canadian Western Bank Group	Manulife Financial	The Empire Life Insurance Company
Central 1 Credit Union	MasterCard Canada	Toronto-Dominion Bank
CIBC Mellon	Meridian Credit Union	UNI Coopération financière
Coast Capital Savings Credit Union	National Bank	Zurich Canada
Conexus Credit Union	Northbridge Financial Corporation	
Connect First Credit Union	OMERS Administration Corporation	

Job assessment of executive officer positions

Internal relativity between executive officer positions is determined using the Hay Plan for job assessment and salary categories that apply to all senior executive positions at Desjardins Group. Job assessments for executive officers are submitted to the Human Resources Commission, which is responsible for establishing these evaluations. This vetting process aims to ensure internal equity.

Overall compensation for Desjardins Group's senior executives

The overall compensation for Desjardins Group's senior executives meets the following objectives:

- reflect Desjardins Group's cooperative nature and values;
- recognize the complexity of an integrated financial group and the resulting management scope;
- maintain a close link between performance and compensation that supports Desjardins Group's strategic and financial plan;
- have a short- and long-term vision that promotes the creation of economic value and sustainable development for Desjardins Group members and clients.

[1] Senior executives are: all senior officers, i.e. those at the Executive Vice-president level and above and all Vice-presidents.

Overall compensation for the President and Chief Executive Officer of Desjardins Group

There are two distinct functions to the position of President and Chief Executive Officer of Desjardins Group. The first, serving as Chief Executive Officer of Desjardins Group, the Federation and its subsidiaries, involves responsibilities similar to those of his peers from large financial institutions.

The second, serving as Chair of the Board, requires greater independence under governance requirements than the other senior executive positions. The Chair of the Board is responsible for Desjardins Group's evolution and sustainability from both financial and cooperative standpoints.

The compensation for this position was determined in such a manner that the President and Chief Executive Officer of Desjardins Group can exercise his independence from those who report directly to him and not be in a situation of conflict of interest with respect to these individuals. That is why no long-term compensation plan is provided for the President and Chief Executive Officer of Desjardins Group. Furthermore, his compensation also takes into account the limited duration of his tenure.

Finally, the overall compensation for the President and Chief Executive Officer of Desjardins Group is established so as to reflect the complexity of managing a cooperative financial group and maintain a sufficient distinction between his compensation and that of other Desjardins Group employees while remaining within the median for cooperative financial groups of comparable size.

The Committee on the Aggregate Remuneration and Succession of the President and Chief Executive Officer of Desjardins Group is the Board of Directors' committee mandated to analyze the annual changes in the compensation of the President and Chief Executive Officer and to recommend objectives that the incumbent must reach for the upcoming year. Its members meet at least three times per year and report directly to the Board of Directors in an in-camera session.

Overall compensation governance and risk management

Several years ago, Desjardins Group implemented rigorous overall compensation corporate governance practices, which are built around the responsibilities of the following bodies.

Board of Directors

The Board of Directors is responsible for determining Desjardins Group's overall compensation policy, establishing annual objectives, and annually assessing the results of the President and Chief Executive Officer of Desjardins Group.

The Board is also responsible for the annual change of the overall compensation of senior executives who are members of the Management Committee and of all employees. This involves performing annual salary reviews, setting objectives and assessing the results of the general incentive plan. It has moreover equipped itself, with the addition of environmental, social and governance (ESG) criteria, with an additional mechanism allowing financial risks, but also extra financial risks, to be considered in the establishment of the general incentive plan at all levels. It also provides a framework for all individual incentive plans that apply to Desjardins Group's sales and investment personnel.

Every year, the incentive plans are first analyzed by the Risk Management sector in order to identify any item that could induce excessive risk-taking.

All these plans entitle the Board of Directors to choose to adjust grants or payments under exceptional circumstances. The Board did not exercise this right in 2022.

As needed, the Board enlists the services of an independent expert for the performance of its work.

Human Resources Commission

The Human Resources Commission is made up of the President and Chief Executive Officer of Desjardins Group, four other members of the Board of Directors and one external member. The members are: Serge Rousseau, Johanne Charbonneau, Denis Latulippe, Maryse Lapierre and, as an external member, Julien Ponce. The Chair of the Commission is Serge Rousseau. Except for the President and Chief Executive Officer, all of its members are independent directors.

The Human Resources Commission is responsible for making recommendations to the Board of Directors with respect to all aspects of overall compensation for all Desjardins Group employees, managers and senior executives other than the President and Chief Executive Officer of Desjardins Group.

This Commission also enlists the services of an independent expert, as needed, for the performance of its work.

For details on the skills and expertise of the members of the Human Resources Commission, please see the Corporate Governance section of the Annual Report at pages 229 to 231.

Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group

The Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group consists of five members. The members are the same members as the Human Resources Commission, except for the President and Chief Executive Officer of Desjardins Group. The Chair of the committee is Johanne Charbonneau, who is also Vice-Chair of the Board of Directors and Lead Director.

This Committee supports the Board of Directors on issues concerning the President's office of Desjardins Group with respect to remuneration, working conditions, annual objectives and their evaluation, as well as the succession of the President and Chief Executive Officer. This Committee carries out a mid-year progress review of achievements against the target objectives. At year-end, the Committee Chair consults with members of the Board of Directors on the achievements of the current year and the objectives of the coming year. The process then calls for committee members to agree on a recommendation for the Board of Directors on the evaluation of the President and Chief Executive Officer's performance and the proposed objectives for the coming year. Then, in camera, the Committee Chair presents the recommendations on the performance of the President and Chief Executive Officer and the objectives for the next year to the members of the Board of Directors. The members of the Board of Directors discuss the recommendations and make their decisions.

As needed, this committee also enlists the services of an independent expert for the performance of its work.

Compensation consulting or advisory services

Where necessary, support from external advisors is provided to the members of the Board of Directors, the Human Resources Commission and the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group for matters related to overall compensation.

In 2022, the services of the firm Willis Towers Watson, were used. This firm has supported Desjardins Group with regard to overall compensation for several years.

In 2022, that firm billed Desjardins Group fees of $276,303 for carrying out their services. In addition to covering work related to executive compensation, these fees namely cover work related to the fixed compensation (base salary) and the annual incentive plan as well as specific surveys for different divisions of the organization.

The following table shows the fees billed for the last two fiscal years.

	2022			2021		
Consultant	**Executive officer compensation* – Related fees**	**Other fees**	**Total**	Executive officer compensation* – Related fees	Other fees	Total
Willis Towers Watson	**$ 61,159**	**$ 215,144**	**$ 276,303**	$13,585	$343,105	$356,690
Hexarem	**$ —**	**$ —**	**$ —**	$53,648	$ —	$53,648
Normandin Beaudry	**$ —**	**$ —**	**$ —**	$ —	$1,700	$1,700

* Executive compensation mandates encompass all members of senior management, not just named executive officers.

Specific actions to limit risks related to compensation

The risk management sector validates and comments on all incentive plans, general or individual, to ensure consistency with the Risk Appetite Framework prior to their recommendations to appropriate bodies. The consideration of material risks in incentive compensation, including reputational, credit and market risk, allows for sound risk management across the organization. For this purpose, calibrated risk-taking indicators such as net promoter scores, surplus earnings and return on capital are the key measures used in the incentive compensation of employees and managers. The indicators comprising the incentive plans, as well as their calibration and weighting, are reviewed annually by plan sponsors, risk management, compliance and human resources.

In addition, with respect to senior executives, with the exception of the President and Chief Executive Officer, all incentive plans provide, consistent with the desire to promote sound risk management over more than one year, for a significant portion of the participants' annual bonus to be deferred over the medium or long term. The amounts so deferred may vary annually based on Desjardins Group's overall performance.

Thus, this deferral mechanism applies to all material risk takers[(1)] who are senior executives, except the President and Chief Executive Officer.

This formula encourages key stakeholders to adopt a long-term development view for Desjardins Group, which always benefits members and clients for whom the sustainability of Desjardins Group is both fundamental and reassuring.

(1) Material risk takers are defined further in this section.

Particular attention has been given to overall compensation of members of the Management Committee, and specifically that of the President and Chief Executive Officer, to avoid any significant risk resulting from their compensation. Members of the Human Resources Commission and the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group have exercised great care in this respect. Every year they have the opportunity to specify their expectations for the coming year and recommend any corrective measure deemed necessary.

Analysis of overall compensation components

Executive compensation, as well as the compensation of the majority of other material risk takers, is determined based on the market value of the work performed, internal pay relativity and the level of individual performance on the job. The overall compensation of executives includes a base salary as well as short- and long-term incentive plans, to which are added fringe benefits, a pension plan and job expenses.

These items are summarized in the table below:

Components			Objectives
Direct compensation *(in cash)*	**Base salary**		• Recognition of responsibilities, skills, competencies and experience
	Variable compensation *(at risk)*	**Annual bonus**	• Value creation for members and clients • Recognition of Desjardins Group results and individual performance(1)
		Mid-term and long-term compensation(2)	• Creation of sustainable value for the whole Desjardins Group • Retention
Indirect compensation	**Pension plan and fringe benefits**		• Maintenance of adequate and protected revenue at retirement • Adequate protection in case of death, disability or illness
	Job related expenses		• Required for business purposes • Linked to the position's status
Target positioning for overall compensation			
Employees			• 100% of the median for the Canadian financial sector
Managers (levels 1 to 5)			• 100% of the median for the Canadian financial sector
Managers (levels 6 and up)			• 95% of the median for the Canadian financial sector
Vice-Presidents			• 85% of the median for the Canadian financial sector
Executive Vice-Presidents			• 85% of the median for the Canadian financial sector
President and Chief Executive Officer			• 100% of the median for cooperative financial groups of comparable size

(1) For executives, individual performance is used to qualify for the annual bonus.
(2) The mid- and long-term compensation applies exclusively to members of the Management Committee with the exception of the President and Chief Executive Officer of Desjardins Group.

Description of components of overall compensation of executive officers

Base salary

The base salary of the executive officers is reviewed annually. Individual performance, level of responsibility and experience are all taken into consideration so that the compensation of each officer reflects his or her work contribution.

Individual objectives are set for each executive officer. These objectives are of a strategic and/or financial nature and are based on the annual objectives of the President and Chief Executive Officer of Desjardins Group.

Their performance is reviewed by the Human Resources Commission and is used afterwards to determine the annual salary review.

Annual General Incentive Plan

The general incentive plan for senior executives of Desjardins Group and all employees is designed to recognize the contributions of participants to the achievement of the objectives supporting Desjardins Group's strategic and financial plan, which will generate short- and medium-term results.

The plan is comprised of indicators based on the overall Desjardins Group and applicable to, to ensure cohesion and alignment with priority objectives. The plan supports Desjardins Group's ambition to act as one large team. All employees share the same goals of value creation and culture building for members and clients, as well as performance and growth.

Executives are only granted an annual bonus under the following conditions:

- the overall profitability trigger defined at the beginning of the year for Desjardins Group is met; and
- a sustained level of individual performance is achieved.

For other Desjardins Group employees[1], a multiplier based on annual performance appreciation impacts the value of the annual bonus awarded.

Annual General Incentive Plan indicators for 2022

(applicable to all managers and employees of Desjardins Group, including senior management and all other material risk takers)

2022 Indicators **Desjardins Group - single level**	**Relative weight**
Member and client experience • NPS – Desjardins Group Interactions[1] • NPS – Industry comparative[2] • Intensity of the Business Relationship – personal members[3] • Rating Agencies ESG[4]	**45.0%**
Business growth • Variation in number of personal and business members • Growth in savings – personal and business members/clients • Growth in financing – personal and business members/clients • Growth of insurers – premium volume	**22.5%**
Financial performance • Surplus earnings before member dividends • Gap between income growth and expense growth • Return on capital	**32.5%**

(1) The Net Promoter Score (NPS) - Desjardins Group Interactions measures the intention of members and clients to recommend Desjardins following an interaction with Desjardins.
(2) The comparative industry NPS measures the likelihood of a client recommending their primary financial institution or insurer. This study enables us to determine Desjardins Group's position in the market relative to its main competitors and to track this position over time.
(3) The intensity of the business relationship - personal members is a measure that tracks the evolution of efforts deployed on member and client experience from a loyalty perspective by relying on tracking product ownership.
(4) The Rating Agencies ESG indicator is a measure focusing on environmental, social and governance (ESG) criteria.

Each of these indicators is associated with a specific weighting that reflects its relative importance in the general incentive plan. Targets are established for each indicator (threshold, target and maximum). The level to which each indicator is achieved determines the applicable bonus percentage for that indicator (between 0% and 150% of the target bonus). The overall achievement level (total bonus) is determined using the weighted sum of the bonus percentages for all indicators in the above table.

In determining overall result under the General Incentive Plan (GIP) for all managers and employees, the Board of Directors did not exercise its discretion in 2022.

Accordingly, the overall level of achievement for the purposes of the general incentive plan applicable to all employees, including senior management, for 2022 is 120,29% of target. For the President, who participates in a plan that is specific to him and whose indicators are derived from the GIP for all other Desjardins Group employees, the overall level of achievement is 110,02% of the target.

[1] The multiplier does not apply to the following employees: caisse general managers (GM), Desjardins Business Centre managers (DBCM), Signature Service managers (SSM), Vice-Presidents (VPs), Executive Vice-Presidents (EVPs) and President.

Rules for establishing Annual Incentive Plan objectives

The annually established objectives must comply with the following rules set forth by the Board of Directors of Desjardins Group:

	Rules
Trigger	• Defined based on Desjardins Group's net surplus earnings objective, before member dividends, and represents Desjardins Group's overall profitability threshold at which a payment is possible.
Target	• Level required for budget achievement; this corresponds to an ambitious challenge, which can be attained with sustained effort.
Threshold and maximum	• The range above and below the target need not be symmetrical.
Threshold	• Level from which performance is deemed sufficient to justify bonus payment.
Maximum	• Target significantly exceeded; this corresponds to exceptional results, while still being a potentially attainable goal.
Objectives	• Strategic and financial objectives resulting from Desjardins Group's strategic/ financial plan and consistent with our cooperative difference. • Well defined (unequivocal), measurable and quantifiable. • Consistent among themselves and from year to year.
Supporting information	• Historical for each performance indicator. • Summary written documentation of the steps taken to establish the threshold, target, and maximum objectives retained. • Financial validation: - Amount of bonus if only thresholds are achieved for all indicators (assuming that the financial trigger is met); - Amount of bonus if all indicator maximums are achieved.
Finance	• Mandatory target bonus budgeting. • All objectives linked to profitability or performance must be "net of the payment of bonuses".

Bonus payment

The annual bonus established for the reference year is paid at the beginning of the following year, after the results are approved by the Board of Directors of the Federation.

For Desjardins Group senior executives, only 60% of the annual bonus awarded is paid and the remaining 40% is deferred for a three-year period. The 40% deferred portion may increase or decrease throughout the three-year deferral period.

This:

- extends the time horizon of the Desjardins Group senior executive compensation package in a manner that appropriately reflects their influence on Desjardins Group's overall long-term performance;
- is aligned with the Financial Stability Board's Principles and Standards for Sound Compensation Practices to limit incentives awarded for excessive risk-taking;
- corresponds to general practices in the Canadian capital market.

The change of the 40% deferred portion of the annual bonus is based on the overall performance of Desjardins Group. The indicator used to determine annual overall performance is the result of the overall incentive plan, which is brought within a range of 80% to 120%.

The deferred portion is paid only at the end of the three-year period following the date of grant of the annual bonus.

Long-Term Incentive Plan

Only members of the Desjardins Group Management Committee, with the exception of the President and Chief Executive Officer of Desjardins Group, participate in a Long-Term Incentive Plan referred to as the "*Partenariat Carrière Desjardins*" (PCD). This plan is established based on an indicator related to the overall performance of Desjardins Group.

Through the PCD, overall compensation based on internal and external equity is balanced and the time horizon of the compensation package is extended, which helps maintain ambitions and development strategies of Desjardins Group without inducing excessive risk-taking.

Each year, PCD participants are awarded an amount that subsequently evolves (either up or down) depending on Desjardins Group's overall performance. The bonus generated by the Long-Term Incentive Plan only becomes payable upon retirement.

A bonus percentage is determined for each executive officer based on their position. If the trigger for Desjardins Group's net surplus earnings objective is met, this percentage is paid into the participant's individual account balance. Otherwise, no amount is paid.

The change in this individual account is based on the overall performance of Desjardins Group. The indicator used to determine annual overall performance is the result of the overall incentive plan, which is brought within a range of 80% and 120%.

Incentive plan for the President and Chief Executive Officer of Desjardins Group

As President and Chief Executive Officer of Desjardins Group, Guy Cormier participates in a plan designed specifically for him.

Annual Incentive Plan

The annual incentive plan of the President and Chief Executive Officer of Desjardins Group is determined by the Board of Directors on the recommendation of a Board committee, which comprises directors who are independent from management. The decision regarding this plan is made in camera by the independent directors.

According to the short-term incentive plan applicable to him, Mr. Cormier is entitled to an annual bonus if the trigger is reached. His plan is subject to the same trigger as that applicable to the general incentive plan for all other Desjardins Group employees. This trigger is based on Desjardins Group's objective of net surpluses. At the target, his annual bonus is equal to 100% of his salary. The maximum payout is equivalent to 150% of his salary.

This plan is based on the performance of a few priority targets in Desjardins Group's strategic planning. The quantitative criteria specific to the role of president are indicators drawn from the general incentive plan for all other Desjardins Group employees. For the sake of fairness and solidarity, the final result of his plan cannot exceed that of the general incentive plan applicable to Desjardins Group employees.

Long-Term Incentive Plan

The President and Chief Executive Officer of Desjardins Group is not eligible for the Long-Term Incentive Plan offered to Desjardins Group's other members of the Management Committee. Instead, the Board of Directors preferred to complement the President and Chief Executive Officer's overall compensation by enhancing the pension associated with the position. This increase, equal to 75% of his base salary, contributes to achieving the target positioning for the overall compensation policy objective of 100% of the median for cooperative financial groups of comparable size.

Benefits under pension plans

Desjardins Group Pension Plan (DGPP)

The Named Executive Officers, excluding the President and Chief Executive Officer, are members of the DGPP. This pension plan was created for all employees, managers and senior executives of Desjardins Group. The DGPP is funded and administered by a Pension Committee consisting of members representing employers and employees.

Under this plan, according to the years of service, members are entitled to receive the following pension benefits:

	For service		
Features	**Before 2009**	**From 2009 to 2012**	**As of 2013**
PENSION FORMULA - Pension formula (per year of credited service)	1.3% of average salary up to average MPE + 2.0% of excess	1.5% of average salary up to average MPE+ 2.0% of the excess	1.5% of average salary up to average MPE+ 2.0% of the excess
- Average salary	Average salary of the 5 best-paid years	Average salary of the 5 best-paid years	Average salary of the 8 best-paid years
- Salary recognized for the purposes of the plan	Base salary		
- Average Maximum Pensionable Earnings (MPE)	Average MPE under the Quebec Pension Plan (or the Canada Pension Plan) for the year and the 4 previous years		
RETIREMENT AGE - Normal retirement age	Age 65		
- Possibility of early retirement	From age 55		
- Criteria for unreduced pension	Age 57 + sum of age and years of service= 85 points	Age 62	Age 62
PENSION INDEXATION - After retirement	Annually, based on increase in CPI, subject to a maximum of 3% per year	Annually, based on increase in CPI, subject to a maximum of 3% per year	Annually from age 65 to age 75, based on increase in CPI, subject to a maximum of 1% per year
BENEFIT IN CASE OF DEATH AFTER RETIREMENT - Normal form	60% joint and survivor life annuity guaranteed for 10 years or Life annuity guaranteed for 15 years	60% joint and survivor life annuity guaranteed for 10 years or Life annuity guaranteed for 15 years	Life annuity guaranteed for 10 years

The total pension may not exceed the maximum pension permitted by the *Income Tax Act* (Canada).

DGPP costs are shared by the employer and employee in the proportions of 65% and 35%, respectively, up to the maximum set out in the plan regulations.

Supplemental Pension Plan

The Named Executive Officers and the majority of material risk takers, are members of a funded Supplemental Pension Plan the cost of which is borne entirely by the employer. Under this plan, designated participants, except the President and Chief Executive Officer, are entitled to a supplemental pension equal to the difference between the pension that would be payable without the ceiling imposed by the *Income Tax Act* (Canada) and the pension actually payable under the DGPP.

The normal retirement age is 65. However, members may take early retirement from age 55. The supplemental pension paid is not indexed.

Pension plan for the President and Chief Executive Officer of Desjardins Group

As President and Chief Executive Officer of Desjardins Group, Guy Cormier does not participate in the basic plan (DGPP) or the Supplemental Pension Plan for Named Executive Officers, during his term of office as President.

His pension plan, specifically applicable to the years of his term of office, consists of a defined benefit supplemental pension plan which equals, for each year credited, to 1.5% of his average salary during his term of office as president up to the average maximum pensionable earnings of the last five years, plus 2.0% of the excess amount, without regard to the maximum pension permissible under the *Income Tax Act* (Canada).

In addition, in lieu of a long-term incentive plan, the Board of Directors opted instead to complement his overall compensation by enhancing his pension. This annual addition to his pension has an actuarial value equivalent to 75% of his base salary and helps achieve the target positioning for the overall compensation policy objective of 100% of the median for cooperative financial groups of comparable size.

As for the years before his term of office as President, his accrued benefits under the previous pension plans were maintained.

Overall compensation information for Desjardins Group for 2022[1]

In 2022, the overall compensation paid to all Desjardins Group managers and employees was overall in line with its compensation policy guidelines.

	Canadian financial market	
Job category	**Target objectives (according to the median)**	**Desjardins Positioning[1] (according to the median)**
Employees	**100%**	**99%**
Managers (levels 1 to 5)	**100%**	**99%**
Managers (levels 6 and up)	**95%**	**95%**
Vice-Presidents	**85%**	**88%** [2]
Executive Vice-Presidents	**85%**	**86%** [2]

(1) This positioning is that of 2022.
(2) Desjardins' positioning does not recognize the full value of the long-term incentive plans awarded in the Canadian financial market.

	Cooperative financial groups of comparable size	
Job category	**Target objectives (according to the median)**	**Desjardins Positioning[1] (according to the median)**
President and Chief Executive Officer	**100%**	**100%**

(1) The actual overall compensation is positioned every two years. This positioning is that of 2021.

Difference between the overall compensation of the President and Chief Executive Officer and that of the average regular full-time Desjardins Group employee

The difference in overall compensation is verified each year by the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group. For reference, in 2022, the ratio was a multiple of 46[2] compared to the average full-time equivalent employee.

General incentive plan for executive officers for 2022

As summarized in the subsection "Annual General Incentive Plan" on the previous pages, the general incentive plan is based on the attainment of the various strategic and financial objectives set forth in the business plan for Desjardins Group. The plan comprises a single set of Desjardins Group objectives applicable to all senior executives in order to ensure teamwork and alignment around priority objectives.

In 2022, the results were as follows:

	Target objectives (budget)	**Results for 2022**	**Trigger[1]** (Desjardins Group net surplus earnings)
Desjardins Group objectives	**100%**	**120,29%**	**Attained**

(1) In 2022, the trigger applied if the net surplus earnings of Desjardins Group attained $1,680 million.

In addition, under the general incentive plan, the amounts for prior years put in reserve (i.e., 40% of the annual bonus) fluctuated in 2022 according to an adjustment factor of 1.0812. It must be kept in mind that this reserve is "at risk" and may vary annually between 0.8 and 1.2 times its value based on overall performance of Desjardins Group.

2022 Long-Term Incentive Plan

This plan provides an annual grant only if the trigger for the annual general incentive plan is achieved. Otherwise, no amount is paid.

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[1] The overall compensation of the President and Chief Executive Officer is compared exclusively with cooperative financial groups of comparable size while the compensation of Executive Vice-Presidents is compared with the Canadian financial market, which also includes financial cooperatives.
[2] The ratio is calculated based on: the overall annual compensation earned as President and Chief Executive Officer of Desjardins Group divided by the overall average compensation of a full-time equivalent employee (i.e., the overall cost of compensation for Desjardins Group excluding the president divided by the number of full-time equivalent employees).

Since the trigger was reached in 2022, all planned grants (as a percentage of the annual salary of the executive officers) were awarded.

Compared to previously awarded amounts, the individual account balance of the participants varied in 2022 by an adjustment factor equivalent to 1.0812. This balance is at risk and may vary annually between 0.8 and 1.2 times its value based on Desjardins Group's overall performance.

Overall individual compensation paid in 2022 to Named Executive Officers of the Federation

Overall 2022 compensation of the President and Chief Executive Officer of Desjardins Group

Guy Cormier

Incentive compensation for the President and Chief Executive Officer of Desjardins Group is triggered when an annually determined trigger is met. In 2022, the trigger was for Desjardins Group's net surplus earnings to reach $1,680 million. This trigger threshold was attained.

Achievements of the President and Chief Executive Officer of Desjardins Group for 2022

In retrospect, with the challenges that punctuated the year 2022, the members and clients can be proud of the results achieved by Desjardins. The strong capital base, coupled with its financial performance, demonstrates the strength, agility and enormous development potential of the organization. The commitment of Desjardins' large team has also played a key role in maintaining a high level of satisfaction among the members and clients and in encouraging the growth of the membership. The acceleration of the technological work has also had a very positive impact on the members and clients who want to make it even simpler and easier to do business with Desjardins. In order to do so, actions have been prioritized on the digital front to enhance the experience provided to them and thus meet their expectations.

In 2022, Desjardins has continued its commitment to security by implementing several initiatives in this area. Compulsory training for all employees, managers and board members continued to grow and the communication campaigns have raised public awareness about the adoption of safe behaviours. In addition, Desjardins has developed partnerships with private sector companies, in collaboration with the Government of Quebec, to create a digital identity. Also, in order to foster the development of Quebec's new talent in cybersecurity and cyber crime, but also to preserve the expertise within the organization, Desjardins invests in various research programs and chairs, in particular with the Université de Montréal, the Université du Québec à Chicoutimi and Polytechnique. This demonstrates the importance Desjardins places on security.

In the area of sustainable development, Desjardins Group continued to position itself as a leader with the deployment of numerous initiatives. For example, consider the internal challenge of reducing operational GHG emissions, the introduction of mandatory sustainable development training for the 58,000 employees, the addition of an ESG indicator to its incentive plan or the expansion of its range of responsible products.

Convinced of the importance of sustainable development, Guy Cormier has established himself on the national scene in this regard by publicizing Desjardins Group's actions through media interviews and active participation in several forums, including the Sustainable Finance Summit, Finance Montréal, CFA Montréal and the Canadian Club of Montreal. All of the actions taken under his leadership allow Desjardins to differentiate itself among key players in the ESG space, to appear in the Corporate Knights ranking of the top 50 corporate citizens in Canada, and to achieve in 2022 the highest ranking, by Moody's ESG Solutions, among the institutions in the "diversified banks" category in North America for its ESG performance.

For many years, youth has been a key priority of Desjardins Group as well as of Mr. Cormier. In this regard, he used his influence to raise this priority vigorously in 2022. His youth advocacy echoed with a large number of people, including business leaders, and his commitment to youth led to a number of meetings to engage in genuine dialog with them. Whether as part of his tour of the young chambers of commerce or the master class he led at C2 Montréal, Guy Cormier approached the challenges of the rising generation in a transparent manner. As a result of these meetings, he launched the Canada-wide *Dream the impossible* initiative with the goal of establishing a true national discussion in 2023 on issues of concern to young people.

In the same vein, the commitment of Desjardins towards youth has been expressed by supporting thousands of young people and thousands of initiatives that improve their daily lives. Overall, the commitments of Desjardins from its Together for our youth program reached $80 million in 2022. Finally, Desjardins continued its work with the 12 members of the youth advisory committee who contribute to the reflection of Desjardins Group's senior management and Board of Directors.

Under Mr. Cormier's leadership, the hybrid mode has carved a place for itself at Desjardins' major events, which has had a positive effect on its democratic life. Since the introduction of deferred voting, membership participation has increased by 345% compared to the last general meetings held only in 2019.

Desjardins has also distinguished itself as an employer of choice in a labor-scarce environment, with a strong retention and commitment of employees, a record number of hires and tools in place to support internal employee mobility. Mr. Cormier was able to keep the motivation of the great Desjardins team at a very high level because of his genuineness, the soundness of his remarks and his ability to rally the troops.

Desjardins Group also continued its work to achieve parity at all levels of the organization by 2024. The percentage of women directors, presidents and senior executives increased and the parity area was maintained on the Desjardins Group Executive Committee. Its initiatives have even earned Desjardins Group an important recognition from Forbes magazine, which has positioned it in the fourth place in the world for women-friendly businesses. Mr. Cormier's day-to-day work was recognized by the Association of Quebec Women in Finance, which awarded him the Alter Ego Award.

The personal involvement of the President and Chief Executive Officer in various causes, as well as his hard work to promote the collective well-being, earned him a special mention for his community commitment at the *Top des leaders de l'industrie financière* event of *Finance et Investissement*.

Impact of these achievements on the incentive plan

Given Desjardins Group's results with regard to net surplus earnings and the foregoing achievements, the Board of Directors determined the results of his strategic objectives. This result triggered a bonus equal to 110.02% of his base salary.

Direct compensation for 2022

Guy Cormier

Components	2022 Awarded value
Base salary	**$1,406,526**
Annual incentive plan	**$1,547,460**
Total direct compensation	**$2,953,986**

Pension Plan Enhancement Program

The President and Chief Executive Officer of Desjardins Group is not eligible for the Long-Term Incentive Plan offered to other executive officers.

Instead, the Board of Directors preferred to complement the overall compensation of the President and Chief Executive Officer of Desjardins Group by enhancing his pension. The enhanced pension provides for an annual addition to his pension payable upon departure, the actuarial value of which corresponds to 75% of his eligible salary.

This increase contributes to achieving the target positioning for the overall compensation policy objective of 100% of the median for cooperative financial groups of comparable size. In 2022, his pension plan enhancement amounted to $1,054,895.

Overall 2022 compensation of the Executive Vice-president Finance and Chief Financial Officer

Alain Leprohon

In 2022, incentive plan results were detailed as follows:

	Target objectives (budget)	**Results for 2022**	**Trigger** (Desjardins Group net surplus earnings)
Desjardins Group objectives	**100%**	**120.29%**	**Attained**

The results attained earned Alain Leprohon a bonus equal to 108.26% of his eligible base salary.

In addition, he was granted $181,381 under the Long-Term Incentive Plan. An amount of $73,762 deferred in 2019 also vested, becoming payable after adjustments taking into account the overall performance of Desjardins Group.

Direct compensation for 2022

Alain Leprohon

Components	**2022 Awarded value**
Base salary	**$604,603**
Annual incentive plan	**$654,549** (1)
Long-term incentive plan	**$181,381** (2)
Total direct compensation	**$1,440,533**

(1) The amount indicated represents the 2022 bonus, which is the component of annual incentive compensation awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023. The remaining 40% of this amount is deferred for a period of 3 years and will be subject, during this period, to future variations depending on the overall performance of Desjardins Group.

(2) The amount indicated represents the compensation component awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

Overall 2022 compensation of the Senior Executive Vice-President and Chief Operating Officer

Réal Bellemare

In 2022, incentive plan results were detailed as follows:

	Target objectives (budget)	**Result for 2022**	**Trigger** (Desjardins Group net surplus earnings)
Desjardins Group objectives	**100%**	**120.29%**	**Attained**

The results attained earned Réal Bellemare a bonus equal to 150.36% of his eligible base salary.

In addition, he was granted $468,028 under the Long-Term Incentive Plan. An amount of $186,955 deferred in 2019 also vested, becoming payable after adjustments taking into account the overall performance of Desjardins Group.

Direct compensation for 2022

Réal Bellemare

Components	**2022 Awarded value**
Base salary	**$780,047**
Annual incentive plan	**$1,172,898** (1)
Long-term incentive plan	**$468,028** (2)
Total direct compensation	**$2,420,973**

(1) The amount indicated represents the 2022 bonus, which is the component of annual incentive compensation awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023. The remaining 40% of this amount is deferred for a period of 3 years and will be subject, during this period, to future variations depending on the overall performance of Desjardins Group.

(2) The amount indicated represents the compensation component awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

Overall 2022 compensation of the Executive Vice-President, Wealth Management and Life and Health Insurance and President and Chief Operating Officer of Desjardins Financial Security

Denis Dubois

In 2022, incentive plan results were detailed as follows:

	Target objectives (budget)	**Result for 2022**	**Trigger** (Desjardins Group net surplus earnings)
Desjardins Group objectives	**100%**	**120.29%**	**Attained**

The results attained earned Denis Dubois a bonus equal to 108.26% of his eligible base salary.

In addition, he was granted $192,558 under the Long-term Incentive Plan. An amount of $170,631 deferred in 2019 also vested, becoming payable after adjustments taking into account the overall performance of Desjardins Group.

Direct compensation for 2022

Denis Dubois

Components	**2022 Awarded value**
Base salary	**$641,859**
Annual incentive plan	**$694,883** (1)
Long-term incentive plan	**$192,558** (2)
Total direct compensation	**$1,529,300**

(1) The amount indicated represents the 2022 bonus, which is the component of annual incentive compensation awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023. The remaining 40% of this amount is deferred for a period of 3 years and will be subject, during this period, to future variations depending on the overall performance of Desjardins Group.

(2) The amount indicated represents the compensation component awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

Overall 2022 compensation of the Executive Vice-President, Caisse Network and Member and Client Services

Éric Lachaîne

In 2022, incentive plan results were detailed as follows:

	Target objectives (budget)	**Result for 2022**	**Trigger** (Desjardins Group net surplus earnings)
Desjardins Group objectives	**100%**	**120.29%**	**Attained**

The results attained earned Éric Lachaîne a bonus equal to 108.26% of his eligible base salary.

In addition, he was granted $192,558 under the Long-term Incentive Plan. An amount of $171,524 deferred in 2019 also vested, becoming payable after adjustments taking into account the overall performance of Desjardins Group.

Direct compensation for 2022

Éric Lachaîne

Components	**2022 Awarded value**
Base salary	**$641,859**
Annual incentive plan	**$694,883** (1)
Long-term incentive plan	**$192,558** (2)
Total direct compensation	**$1,529,300**

(1) The amount indicated represents the 2022 bonus, which is the component of annual incentive compensation awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023. The remaining 40% of this amount is deferred for a period of 3 years and will be subject, during this period, to future variations depending on the overall performance of Desjardins Group.

(2) The amount indicated represents the compensation component awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

Summary table of the overall compensation specific to Named Executive Officers of the Federation

Name Principal position	Year	Salary ($)	Non-equity incentive plan compensation		Pension value ($)	All other compensation[3] ($)	Total compensation ($)
			Annual incentive plan ($)	Long-term incentive plan[1][2] ($)			
Guy Cormier	**2022**	**1,406,526**	**1,547,460**[4]	**N/A**	**1,541,692**	**N/A**	**4,495,678**
	2021	1,281,308	1,528,472	N/A	1,564,575	N/A	4,374,355
President and Chief Executive Officer, Desjardins Group	2020	1,131,341	867,852	N/A	1,186,363	N/A	3,185,556
Alain Leprohon	**2022**	**604,603**	**654,549**[5]	**181,381**	**144,041**	**N/A**	**1,584,574**
Executive Vice-president Finance and Chief Financial Officer	2021	557,904	609,214	167,371	248,885	N/A	1,583,374
	2020	471,424	347,229	143,424	367,810	N/A	1,329,887
Réal Bellemare	**2022**	**740,047**	**1,172,898**[5]	**468,028**	**331,490**	**N/A**	**2,752,463**
Senior Executive Vice-President and Chief Operating Officer, Desjardins Group	2021	700,958	1,063,091	420,575	397,290	N/A	2,581,914
	2020	640,002	648,009	385,433	159,992	N/A	1,833,436
Denis Dubois	**2022**	**641,859**	**694,883**[5]	**192,558**	**146,980**	**N/A**	**1,676,280**
Executive Vice-President, Wealth Management and Life and Health Insurance, Desjardins Group and President and Chief Operating Officer, Desjardins Financial Security	2021	622,563	679,820	186,769	399,785	N/A	1,888,937
	2020	593,947	432,005	178,441	172,843	N/A	1,377,236
Éric Lachaîne	**2022**	**641,859**	**694,883**[5]	**192,558**	**108,475**	**N/A**	**1,637,775**
Executive Vice-President, Caisse Network and Member and Client Services	2021	622,102	679,316	186,630	344,246	N/A	1,832,294
	2020	570,920	415,110	171,462	115,083	N/A	1,272,575

(1) The amount indicated represents, for each Named Executive Officer, the component of compensation awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

(2) The President and Chief Executive Officer of Desjardins Group is not eligible to the Long-Term Incentive Plan (PCD) because of the independence required by his position. A pension enhancement program is better suited to his function when we also consider the principle of term limits to establish the target positioning of his total compensation.

(3) During fiscal 2022, the total value of perquisites granted to each Named Executives Officer did not exceed the lesser of 10% of their salary or $50,000.

(4) The amount indicated represents, for the President and Chief Executive Officer of Desjardins Group, the component of annual incentive compensation earned in fiscal 2022 and paid in full at the beginning of fiscal 2023.

(5) The amount indicated represents, for each Named Executive Officer, the annual incentive compensation component awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023. The remaining 40% of this amount is deferred for a period of 3 years and will be subject to future variations depending on the overall performance of Desjardins Group.

Incentive plan awards specific to Named Executive Officers of the Federation

The following table summarizes incentive plan compensation in 2022:

Name Principal position	Non-equity incentive plan compensation - Value earned during the fiscal year ($)
Guy Cormier President and Chief Executive Officer, Desjardins Group	**1,547,460** (1)
Alain Leprohon Executive Vice-president Finance and Chief Financial Officer	**835,930** (2)
Réal Bellemare Senior Executive Vice-President and Chief Operating Officer	**1,640,926** (2)
Denis Dubois Executive Vice-President, Wealth Management and Life and Health Insurance, and President and Chief Operating Officer, Desjardins Financial Security	**887,441** (2)
Éric Lachaîne Executive Vice-President, Caisse Network and Member and Client Services	**887,441** (2)

(1) The amount indicated represents, for the President and Chief Executive Officer of Desjardins Group, the component of annual incentive compensation earned in fiscal 2022 and paid at the beginning of fiscal 2023.

(2) The amount indicated represents, for each Named Executive Officer, the following:

- The component of annual incentive compensation awarded in fiscal 2022. 60% of this amount is paid at the beginning of fiscal 2023 and the remaining 40% is deferred for a period of 3 years and will be subject, during this period, to future variations depending on the overall performance of Desjardins Group; and
- The component of compensation awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). The PCD will be subject to future variations based on Desjardins Group's overall performance and will become payable upon retirement.

Long-term incentive plan awards specific to Named Executive Officers of the Federation

Name Principal position	Accumulated value as at December 31, 2021 ($)[1]	Adjustment in 2022 of the accumulated value as at December 31, 2021 ($)[2]	**Amount awarded for the year ended December 31, 2022 ($)[3]**	**Accumulated value as at December 31, 2022 ($)**
Guy Cormier President and Chief Executive Officer, Desjardins Group	N/A	N/A	**N/A**	**N/A**
Alain Leprohon Executive Vice-president Finance and Chief Financial Officer	331,329	26,904	**181,381**	**539,614**
Réal Bellemare Senior Executive Vice-President and Chief Operating Officer, Desjardins Group	1,944,036	157,856	**468,028**	**2, 569,920**
Denis Dubois Executive Vice-President, Wealth Management and Life and Health Insurance, Desjardins Group and President and Chief Operating Officer, Desjardins Financial Security	880,306	71,481	**192,558**	**1,144,345**
Éric Lachaîne Executive Vice-President, Caisse Network and Member and Client Services	876,040	71,134	**192,558**	**1,139,732**

(1) The amount indicated represents, for each Named Executive Officer, the accumulated value of compensation granted under the Long-Term Incentive Plan (PCD) as at December 31, 2021 and also takes into account the variation established within the parameters of that plan in prior years. This amount will vary each year thereafter based on Desjardins Group's overall performance and will be payable upon retirement. The President and Chief Executive Officer of Desjardins Group is not eligible to this plan owing to the independence that his position requires. A pension enhancement program is more in line with his position, when the principle of term limits is also factored in to determine the target positioning of his overall compensation.

(2) The amount indicated represents, for each Named Executive Officer, the variation in 2022 in the accumulated value as at December 31, 2021. The variation is based on Desjardins Group's overall performance for 2022. This variation corresponds to plus 8.12%, based on the adjustment factor resulting from overall performance.

(3) The amount indicated represents, for each Named Executive Officer, the component of compensation awarded for fiscal 2022 under the Long-Term Incentive Plan (PCD). This amount will vary each year thereafter based on Desjardins Group's overall performance and will be payable upon retirement.

Benefits under a pension plan specific to Named Executive Officers of the Federation for 2022

The following table indicates the total of all pension benefits:

Name Principal position	Years of credited service	Annual benefits payable ($) At fiscal year-end	Annual benefits payable ($) At age 65	Opening present value of defined benefit obligation ($)	Compensatory change ($)	Non-compensatory change ($)	Closing present value of defined benefit obligation ($)
Guy Cormier President and Chief Executive Officer, Desjardins Group	**30.00**	**710,857**	**737,885** (1)	**11,891,977**	**1,541,692** (2)	**(3,112,311)**	**10,321,358**
Alain Leprohon Executive Vice-president Finance, Treasury, Administration and Chief Financial Officer	**20.88**	**170,703**	**213,634**	**2,954,080**	**144,041**	**(56,600)**	**3,041,521**
Réal Bellemare Senior Executive Vice-President and Chief Operating Officer	**13.23**	**153,682**	**247,634**	**2,588,229**	**331,490**	**(709,973)**	**2,209,746**
Denis Dubois Executive Vice-President, Wealth Management and Life and Health Insurance, and President and Chief Operating Officer, Desjardins Financial Security	**19.17**	**199,374**	**334,467**	**3,997,459**	**146,980**	**(1,298,321)**	**2,846,118**
Éric Lachaîne Executive Vice-President, Caisse Network and Member and Client Services	**31.01** (3)	**226,126**	**290,396**	**4,193,014**	**108,475**	**(994,504)**	**3,306,985**

(1) Guy Cormier's pension is calculated at age 55.
(2) This change includes among other things the value attributable to Guy Cormier's pension enhancement program.
(3) Éric Lachaîne was previously credited 13.41 additional years for DGPP purposes (included in the 31.01 years indicated) which are not recognized for the purposes of the supplemental pension plan.

Compensatory changes are a function of the cost of services rendered throughout the year and of the actuarial impact of the difference between salary earned during the year and salary expected.

Non-compensatory changes stem primarily from changes in assumptions including, in certain cases, the effective departure date and interest on the value of the defined benefit obligation.

The value of defined benefit obligations at fiscal year-end was calculated according to the methods and assumptions used for purposes of the most recent accounting valuation.

Termination and change of control benefits

No benefits are provided in connection with any termination or change of control.

Other Information

Financial reporting requirements under the third pillar of the Basel Committee in the Capital Adequacy Guidelines, Financial Services Cooperatives (in French only, the *Ligne directrice sur les normes relatives à la suffisance du capital de base, Coopératives de services financiers*) of the AMF specify certain disclosure requirements for compensation. The third pillar introduces the concept of material risk takers.

In accordance with these requirements, additional quantitative information appear below.

Material risk takers

It is important to note that the definition of material risk takers has been updated for 2022, to better align with market practices. This update is also reflected in the following paragraph.

Desjardins Group has established criteria to identify individuals who, through their roles or activities, exert a significant influence on the organization's risk profile. These individuals identified as material risk takers within Desjardins Group are:

- All senior management, i.e., those in Executive Vice-Presidents or higher level;
- All Vice-Presidents;
- All senior managers of Capital Markets and Treasury who exert a significant influence on the risk profile of Desjardins Group; and
- All other individuals whose activities exert a significant influence on the organization's risk profile.

For the following tables in this section, the 2022 results are based on the new definition, while the 2021 results were based on the definition applicable in 2021.

Compensation awarded in 2022

The following table summarizes the value of the compensation awarded to material risk takers for 2022.

	2022		2021	
Compensation awarded[1]	**Named Executive Officers**	**Other material risk takers**	Named Executive Officers	Other material risk takers
Number of employees	**5**	**142**	5	153
Fixed compensation • Cash (not deferred)	**$4.1**	**$39.5**	$3.8	$35.0
At risk compensation • Cash (not deferred) • Cash (deferred)	**$3.5** **$2.3**	**$24.2** **$13.5**	$3.3 $2.2	$15.7 $9.2

(1) All compensation elements are in cash and are presented in millions of dollars.

Deferred compensation

The following table summarizes the value of deferred compensation to material risk takers. Deferred amounts become vested at the end of the prescribed carry-over period and become payable immediately. During the deferred period, the amounts are adjusted annually according to a factor that is established on the basis of Desjardins Group's overall performance, i.e. based on the result of the General Incentive Plan (GIP) and brought within a range of 80% to 120%.

Beyond the annual adjustment during the deferred period, the Board of Directors, on the recommendation of the Human Resources Committee of Desjardins Group, reserves the right to reduce or cancel any at risk compensation payments not made at the end of the reference year, in the event that an exceptional financial situation affects Desjardins Group's ability to pay.

In 2022, all deferred compensation for material risk takers was adjusted implicitly and corresponds to an increase of $2.6 million.

	2022		2021	
Deferred compensation[1]	**Named Executive Officers**	**Other material risk takers**	Named Executive Officers	Other material risk takers
Not yet received • Vested • Not vested	**$—** **$8.9**	**$—** **$34.0**	$ — $6.6	$ — $20.0
Payments during the fiscal year[2]	**$0.6**	**$7.6**	$0.7	$5.3

(1) All compensation components are in cash and are presented in millions of dollars.
(2) The amounts indicated are the deferred variable compensation that became vested and paid in the fiscal year or at the beginning of the following fiscal year.

Other compensation paid

The following table shows the cash allocations upon hire, the premiums guaranteed under specific at risk compensation plans and severance pay for the 2022 financial year for material risk takers.

	2022		2021	
Other compensation[1]	**Named Executive Officers**	**Other material risk takers**	Named Executive Officers	Other material risk takers
Awards				
• Number of employees	**—**	**6**	—	10
• Hiring premiums	**$ —**	**$ 0.1**	$ —	$ —
• Guaranteed premiums	**$ —**	**$—**	$ —	$0.5
Severance pay				
• Number of employees	**—**	**1**	—	1
• Severance pay[2]	**$ —**	**$—**	$ —	$—

(1) All compensation components are in cash and are presented in millions of dollars.

(2) During fiscal 2022, a single severance payment was made to a person identified as a material risk taker. For reasons of confidentiality, information about the amount of severance pay is not disclosed. No severance payments were made for the Named Executive Officers during fiscal 2022.

Director compensation

Directors are compensated in accordance with the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*) and the frameworks adopted for these purposes.

The members of the Board of Directors of the Federation are entitled to an annual retainer and meeting fees as per the rates presented in the following table.

This compensation is for serving on the Board of Directors of the Federation and Desjardins Trust Inc. and is paid on a prorated basis by the Federation and Desjardins Trust Inc. Each director is also entitled to reimbursement of out-of-pocket expenses incurred in the course of their duties.

Compensation Rates for members of the Federation's Boards of Directors (BoD) and the members of the Federation's Board of Ethics and Professional Conduct

	Federation[1]	Subsidiaries
Chair of the Board of Directors[2]	**$0** **This position is held by the President and CEO of Desjardins Group**	**$12,620**
Annual retainer for the chair of a commission or committee of the Board of Directors[3]	**$8,120** **(other than the Audit and Inspection Commission)**	**$8,120**
Additional annual retainer for the Chair of the Audit and Inspection Commission	**$16,240**	**n/a**
Annual retainer for the Vice-Chair of the Board of Directors	**$25,020**	**n/a**
Annual retainer for a member of the Board of Directors[4]	**$59,020**	**$12,620**
Annual retainer for a member of a commission or committee of the Board of Directors[5]	**$2,530**	**$2,530**
Additional annual retainer for a member of the Audit and Inspection Commission	**$2,530**	**$2,530** **(Audit and risk management committee)**
Attendance allowance for a meeting of the Board of Directors	**$1,510** **(daily maximum)**	**$1,510** **(daily maximum)**
Attendance allowance for a meeting of a commission or committee of the Board of Directors[6]	**$1,510** **(daily maximum)** **$755** **(per half-day)**	**$1,510** **(daily maximum)** **$755** **(per half-day)**
Short conference (by conference call or any other means)	**$255**	**$255**
Attendance allowance for a meeting of the Ethics and Professional Conduct or the Ethics Committee[7]	**$3,020** **(Chair)** **$1,510** **(members)**	**$755** **(per half-day)**

*** The rates came into force on January 1, 2022.

N/A: Not applicable

(1) The compensation amounts for directors indicated for the Federation include, where applicable, the portion paid to members of the Board of Directors to also act as directors of Desjardins Trust Inc. (Trust). The members of the Board of Directors of the Trust are selected from the members of the Board of Directors of the Federation, with the addition of Éric Landry, President and chief executive officer of the Trust as a director. Since January 2023, only 9 members of the BoD of the Federation are also directors of the Trust. Prior to that date, all the members of the Board of directors of the Federation were also members of the Board of Directors of the Trust.

(2) The position of Chair of the Board of the following subsidiaries is held by a member of the Federation's Board of Directors: Desjardins international Development, Desjardins General Insurance Group Inc., and Desjardins Financial Security Life Assurance Company. Exceptionally, it may be held by one of the directors from the caisse network that sit on the BoD of that subsidiary. In such a case, a member of the Board of Directors of the Federation shall assume the position of Vice-Chair of the Board.

(3) The Chair of a commission or committee holding less than four meetings per year receives a double attendance allowance in lieu of an annual retainer, with the exception of the Chair of the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group.

(4) Only one retainer shall be paid for their functions on the BoD and on the commissions and committees of the Federation and Trust. For the Federation, this retainer also includes the presence of the members of the BoD at the Community Consensus Tables and the Consultation Forum.

(5) The annual retainer of a member of the Board of Directors of the Federation shall also include their participation in the commissions and committees of the BoD of the Federation or Trust. Therefore only one retainer shall be paid for the functions performed for either of these components.

(6) The maximum daily attendance allowance for the Federation and Trust is $1,510, regardless of the number of Board, commission or committee meetings a member attends in a single day. Every effort is made to schedule multiple meetings on the same day to keep costs to a minimum. The Federation's Board of Directors may invite any caisse director to sit on any of its committees. The Board of Directors determines the compensation to be paid based on the nature of the responsibilities entrusted and the compensation schedule. The general managers who attend meetings of the Board of Directors, of a commission or of a committee as observers are not entitled to an attendance allowance.

(7) This is the allowance for one-day meetings of the Federation's Board of Ethics and Professional Conduct. For half-day meetings, the allowance is $1,510 for the Chair and $755 for the member.

Director compensation

The following table discloses the individual compensation received in 2022 by the directors of the Federation and of Desjardins Trust Inc. (DT), or as otherwise indicated below:

Name	Compensation received for directorships with the Federation and DT		Other fees [1]		TOTAL 2022 ($)
	Attendance allowance ($)	Annual retainer ($)	Attendance allowance ($)	Annual retainer ($)	
Babineau, Louis (Chair of the BoD of DGIG)[2]	52,200.32	64,839.53	15,930.00	36,000.00	168,969.85
Bachand, Luc	39,128.99	64,080.00	456.33	3,558.14	107,223.46
Baillargeon, Lisa (Chair of the BoD of DID) [2]	51,874.73	61,550.00	6,435.59	42,200.00	162,060.32
Baril-Furino, Jordan	40,718.86	61,550.00	1,131.46	13,527.70	116,928.02
Bilodeau, Kathleen*	—	32,040.00	—	—	32,040.00
Charbonneau, Johanne [4]	64,071.04	102,810.00	1,020.00	24,483.36	192,384.40
Corbeil, Stéphane	12,242.66	15,387.50	402.67	8,898.58	36,931.41
Cormier, Guy [3]	—	—	—	—	—
Côté, Geneviève	4,805.00	14,755.00	—	780.08	20,340.08
Doré, Michel	15,887.47	17,417.50	355.35	1,577.50	35,237.82
Grenier, André (Chair of FSD's BoD) [2]	47,938.99	60,309.25	456.33	7,116.28	115,820.85
Groulx, Nadine	43,441.83	67,140.00	2,591.16	23,380.00	136,552.99
Hawthorn, Neil*	—	30,687.58	—	—	30,687.58
Jodoin, Dominique	46,769.48	61,550.00	1,655.83	7,116.28	117,091.59
Kateri, C. Jourdain	22,710.32	29,510.00	510.00	3,155.00	55,885.32
Lamothe, Marie-Josée	40,959.48	61,550.00	1,655.83	15,150.00	119,315.31
Lapierre, Maryse	41,625.32	59,020.00	—	7,426.42	108,071.74
Latulippe, Denis	37,585.32	61,550.00	—	27,402.56	126,537.88
Magnan, Michel	58,539.81	81,497.58	1,527.67	18,003.28	159,568.34
Parhon, Paula	33,300.00	44,265.00	—	—	77,565.00
Rousseau, Serge (Vice-chair of DFS's BoD) [2]	53,575.71	67,140.00	1,484.62	6,607.08	128,807.41
Sarrazin-Sullivan, Patricia-Ann	43,345.32	59,020.00	—	7,426.42	109,791.74
Tourangeau, Michel	11,395.70	15,574.72	1,704.62	4,665.56	33,340.60
Tremblay, Marie-Eve	12,665.32	14,755.00	—	5,743.58	33,163.90
Trottier, Stéphane	41,835.32	59,020.00	—	13,170.00	114,025.32
Vinet, Yvon	10,610.32	14,755.00	255.00	12,584.94	38,205.26
Total	827,227.31	1,221,773.66	37,572.46	289,972.76	2,376,546.19

* Ms. Kathleen Bilodeau and Mr. Neil Hawthorn, caisses General Managers, serve as observers on the Board of Directors of the Federation. As such, they each receive an annual allowance, but no attendance allowance.
N/A: Not applicable.

(1) Amounts received for chairing the Board of a subsidiary and serving on the Desjardins Group Retirement Committee and Desjardins Group Retirement Committee's Investment Committee. Amounts also received for directorships with Desjardins Financial Corporation Inc. (DFC) and *Fonds de sécurité Desjardins* (FSD). Amounts also received for serving on other ad hoc committees.

(2) The position of chair of the Boards of Directors of the following subsidiaries is held by a member of the Federation's Board: Desjardins international Development (DID), Desjardins General Insurance Group Inc. (DGIG), Desjardins Financial Security Life Assurance Company (DFS) and *Fonds de sécurité Desjardins* (FSD). Exceptionally, the chair position may be held by one of the directors from the caisse network that sit on the BoD of that subsidiary. In such a case, a member of the Board of Directors of the Federation shall assume the position of Vice-Chair of the Board

(3) The President and Chief Executive Officer of Desjardins Group receives no compensation as Chair of the Board and director of the Federation, DT, DFS and DFC.

(4) Ms. Johanne Charbonneau receives compensation for her role as Vice-Chair of the Board of Directors and Lead Director, Chair of the Governance and Responsible Finance Commission and Chair of the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group

AUDIT COMMITTEE INFORMATION

Annual report by the Audit and Inspection Commission

The role of the Audit and Inspection Commission (AIC) is to support the Board of Directors of the *Fédération des caisses Desjardins du Québec* (the Federation) in its oversight, control and reporting responsibilities for Desjardins Group. It also oversees the integration of the development of the member/client culture, where the focus is on doing what's best for members and clients. Thus, in fulfilling its mandate, If the interests of members and clients are at stake, the AIC must question the management and contribute to the alignment with this objective. The AIC's mandate consists primarily of:

- Analyzing the financial statements and Management's Discussion and Analysis and their presentation
- Ensuring the quality and integrity of financial reporting and the use of accepted accounting practices
- Overseeing the management of risks associated with the financial reporting process
- Ensuring that an effective internal control system is in place
- Overseeing the work of the internal auditor and independent auditor

The AIC reviews Desjardins Group's interim and annual financial statements, related press releases and the associated Management's Discussion and Analysis. The AIC ensures that management has designed and implemented an effective internal control system with respect to the organization's business processes, financial reporting, safeguarding of assets and fraud detection. It also ensures that management has set up systems to manage the principal risks associated with the financial reporting process of Desjardins Group. The AIC analyzes the information resulting from its financial governance process every quarter.

The AIC also examines various files relating to developments of Desjardins Group, including information on its financial position and any special circumstances detected, follow-up measures, credit losses, and the application of certain accounting policies and practices, such as the method of managing the allowance for credit losses.

The independent auditor is under the authority of the AIC. To fulfill its responsibilities in this regard, the AIC ensures and preserves the independent auditor's independence and objectivity by authorizing all of its non-audit services, by recommending its appointment or reappointment to the Federation's Board of Directors, by setting and recommending auditor compensation; by conducting annual auditor evaluations. In addition, the AIC supervises the work of the independent auditor and examines its audit proposal, its mandate, its annual audit plan, its reports, its letter to management and management's comments. Desjardins Group has adopted a policy that governs the awarding of contracts for related services, which addresses the following issues: (a) services that can or cannot be provided by the independent auditor; (b) governance procedures that must be followed before mandates can be awarded; and (c) responsibilities of key stakeholders. Accordingly, the AIC receives a quarterly report on the contracts awarded to the independent auditor by each Desjardins Group entity.

The AIC works with the Federation's Board of Ethics and Professional Conduct (BEPC) to ensure the independence and objectivity of the internal audit function, which is performed by the Desjardins Group Monitoring Office. The AIC must issue an annual notice to the BEPC confirming that the Chief Monitoring Officer performed their internal audit duties without any obstruction from management. The AIC also works with the BEPC on the process to recommend the appointment or removal of the Chief Monitoring Officer as head of the internal audit function to the Federation's Board of Directors. The AIC analyzes the internal audit plan as well as the internal audit team's responsibilities and objectivity. It ensures the plan is carried out, reviews the internal audit results and, if necessary, takes appropriate follow-up action. As part of these duties, the AIC meets with the head of internal audit at Desjardins Group to discuss any major issues submitted to management.

With respect to Desjardins Group's relations with the AMF of Quebec, the AIC reviews and follows up on the inspection reports issued by the AMF and reviews the financial reports that are submitted each quarter to the AMF.

The AIC meets privately with: the independent auditor; the Senior Executive Vice-President and Chief Operating Officer of Desjardins Group; the Executive Vice-President of Finance and Chief Financial Officer of Desjardins Group; and the Chief Monitoring Officer of Desjardins Group. It reports to the Board of Directors on a quarterly basis and, if necessary, makes recommendations. Lastly, in accordance with sound corporate governance practices, every two years the AIC reviews the degree of efficiency and effectiveness with which it has executed the tasks set out in its charter and may, where necessary, propose adjustments to its mandate to the Board of Directors.

The AIC is made up of five independent directors who are members of the Board of Directors of the Federation. There are also two representatives of the insurance subsidiaries: the chairs of the audit and risk management committees of Desjardins Financial Security Life Assurance Company and Desjardins General Insurance Group Inc.; and one observer, a caisse general manager who sits on the Federation's Board of Directors. Except for this general manager, none of the AIC members receives direct or indirect compensation from Desjardins Group for services other than those rendered as a member of the Board of Directors of the Federation or other Desjardins Group entities, including their committees and commissions.

The AIC members attended a number of training activities during the year. The subjects covered in these activities included changes to the International Financial Reporting Standards (IRFS), including IFRS 17, *Insurance Contracts*, information security, new regulations and issues related to the economic environment, the COVID-19 pandemic and climate change. All AIC members possess the knowledge required to read and interpret the financial statements of a financial institution, according to the criteria established in the AIC's charter.

The AIC held nine meetings and one training session for its members in fiscal 2022. As at December 31, 2022, the five independent directors who are members of the AIC are: Michel Magnan, FCPA; Lisa Baillargeon, CPA; Luc Bachand, Jordan Baril-Furino and André Grenier. The two representatives of the insurance subsidiaries are: Robert St-Aubin, FCPA and Clarence Turgeon, FCPA; and its observer is Kathleen Bilodeau. Louis Babineau, Stéphane Corbeil and the observer Michel Doré also participated in the AIC's activities before taking on new roles at other Desjardins Group governing bodies or until the end of their mandate in 2022.

Michel Magnan, FCPA
Chair
Montréal, Québec
March 7, 2023

Audit Committee rules

The rules of the Audit Committee are included in the Audit and Inspection Commission Charter appended in Schedule B to this Annual Information Form.

Composition

The Audit Committee consists of Luc Bachand, Lisa Baillargeon, Jordan Baril-Furino, André Grenier and Michel Magnan. All Committee members are independent and financially literate in accordance with *Regulation 52-110 respecting Audit Committees*. At the invitation of the chair of the commission, Robert St-Aubin and Clarence Turgeon, respectively chair of the Audit and Risk Committee of Desjardins Financial Security Life Assurance Company and of Desjardins General Insurance Group inc., act as representatives of these two subsidiaries. Kathleen Bilodeau (caisse general manager) is an observer member. Both representatives of the subsidiaries and the observer participate in the deliberations, but may not propose, support or vote on a recommendation to the board of directors.

Relevant education and experience

Audit Committee members have the necessary education and experience to fulfil their responsibilities within the Audit Committee. It is composed of five (5) independent members. More specifically, their expertise is as follows:

- **Luc Bachand** has an MBA and is a corporate director (ICD.D) and a Fellow of the Institute of Canadian Bankers (FIBC). Formerly Vice-Chairman of the board and Head of Capital Markets of a major Canadian bank for Quebec. He sits on the Boards of Directors of the Federation and Fonds de sécurité Desjardins, and is a member of the Audit and Inspection Commission of the Federation. He currently also sits on the investment committee of Power Sustainable Energy Infrastructure Inc. and on the boards of directors of HEC Montréal and the Fondation Jeunes en tête.

- **Lisa Baillargeon** is a Chartered Professional Accountant (CPA) and a corporate director (ICD.D) and holds a PhD and an MBA. She is Director of the Institut de recherche sur le patrimoine at Université du Québec à Montréal and a full professor. She is the Chair of the City of Montreal Audit Committee, and Chair of the Board of Directors of the *Caisse Desjardins Charles-LeMoyne*. She sits on the board of the Federation and is a member of the Audit and Inspection Commission of the Federation. She is also Vice-Chair of the Board of Directors of Fonds de sécurité Desjardins inc., chair of the board of directors of Desjardins international Development and a member of the Governance and Responsible Finance Commission.

- **Jordan Baril-Furino** has an MBA and is a member of the Ordre des ingénieurs du Québec. He is National Operations Director for one of the world's largest private companies integrating security and risk management. He is Second Vice-chair of the board of directors of the Caisse Desjardins de l'Ouest-de-l'Île. He sits on the Board of Directors of the Federation, Desjardins Trust Inc., Fonds de sécurité Desjardins and Desjardins Financial Corporation Inc. He is also a member of the Federation's Audit and Inspection Commission, the audit committee of Desjardins Trust Inc. and the audit and risk committee of Desjardins Financial Corporation Inc.

- **André Grenier** has a bachelor's degree in agricultural economics from Université Laval and is a member of the Ordre des agronomes du Québec (AGR). He is the owner of the Farm Business Management Consultants Advisory Office and is a Certified Expert for the SMMEA (Farm Debt Mediation Service). He is the President of the network of expertise in agricultural management in Québec (REGA), Vice-President of the Centre d'expertise en gestion agricole du Québec (CEGA), Vice-President of Solution Aléop Inc. (Artificial Intelligence Business in Agricultural Accounting) and Vice-President of *Caisse Desjardins de l'Érable*. He serves on the Boards of Directors of the Federation, Desjardins Trust Inc. and the Fonds de sécurité Desjardins. He is a member of the Audit and Inspection Commission and of the Cooperation and Culture Commission of the Federation. He is also Chair of the Board of Directors of the Fonds de sécurité Desjardins and a member of the Audit Committee of Desjardins Trust Inc.

- **Michel Magnan, Chair of the Committee** has a PhD in Business Administration and is a Fellow of the Ordre des comptables professionnels agréés (FCPA auditor) and an Administrateur de sociétés certifié (ASC, C.Dir.). He is a distinguished research professor at Concordia University and holds the Stephen A. Jarislowky Chair in Governance at the University's John Molson School of Business. He is a member of the Pension Committee and the Investment Sub-Committee of the Pension Plan for the Employees of Concordia University. He sits on the Boards of Directors of the Federation, Desjardins Financial Corporation Inc. and Desjardins Trust Inc., and is Chair of the Audit and Inspection Commission of the Federation and of the Audit and Risk Committee of Desjardins Financial Corporation Inc. and of the Audit Committee of Desjardins Trust Inc. He is also a member of the Corporate Governance and Responsible Finance Commission and an observer of the Risk Management Commission of the Federation.

In addition, these members also have access to an orientation session and ongoing training processes.

Preapproval policies and procedures

The Federation's Board of Directors has adopted a policy governing how contracts for non-audit services are awarded by Desjardins Group components, including the Federation. Under this policy, the Federation's Audit and Inspection Commission is legally responsible for preapproving non-audit services provided by Desjardins Group's external auditors, whether rendered to Desjardins Group or its components. The goal is to eliminate threats to the external auditor's independence or reduce our exposure to said threats to an acceptable level, thereby avoiding situations that may adversely affect or appear to adversely affect its judgment and objectivity. See the Institutional Policy, Independent auditors of Desjardins Group in Schedule C to this Annual Information Form.

External auditor service fees billed (by category)

For the periods beginning on January 1, 2022 and 2021 and ending December 31, 2022 and 2021 respectively, PwC billed Desjardins Group for the fees described in the following table.

	2022	2021 [1]
Audit fees [2]	**$13,777,815**	$9,769,537
Audit-related fees [3]	**2,367,990**	2,521,546
Tax fees [4]	**91,125**	12,900
All other fees [5]	**2,208,618**	183,179
	$18,445,548	$12,487,162

(1) The comparative figures for the preceding year have been reclassified to conform with the presentation for the current year.
(2) The audit fees include the fees related to the audit and the review of the financial statements of Desjardins Group and of some subsidiaries.
(3) The audit-related fees include the fees for financial reporting translation services, specific procedures on management's discussion and analysis, work performed under the covered bond program, reporting on the effectiveness of internal controls, and assurance engagements to provide limited assurance on greenhouse gas (GHG) emissions.
(4) The tax fees were paid as consideration for services rendered for the preparation and review of tax return schedules and tax advice.
(5) All other fees primarily include PwC's fees for the independent review requested by the AMF and arising from the AMF's order following the personal information breach and the fees for project-related advisory services.

CORPORATE GOVERNANCE DISCLOSURE

Composition and nominations to the Board of Directors and Board of Ethics and Professional Conduct of the Federation

The AFSC empowers the Federation to set the number of directors on its Board in its by-laws, provided that there are no fewer than five directors. In 2022, the Federation's Board of Directors had 19 members, 18 of whom were independent directors of management, in addition to the President and Chief Executive Officer of Desjardins Group. Of the 18 independent directors:

- 12 are directors of caisses elected by the delegates of the member caisses of the Federation at the annual general meeting. These directors are representative of their cooperative base and are closely familiar with their community and the activities of Desjardins Group. Note that a position of director from the caisse network is vacant and will be filled at the 2023 Annual General Meeting of the Federation;
- 6 are directors who are not caisse directors, but are members thereof, and who are co-opted by the Board of Directors and whose skills and experiences are complementary and diverse.

One position is reserved for the President and Chief Executive Officer of Desjardins Group, who is elected by a separate electoral college composed of a representative of all Desjardins caisses, that college not being the same as the one that elects the other members of the Board of Directors. In any case, the incumbent does not vote on the selection of the members of the Board of Directors, which reinforces the independence between Board members and management.

The Board of Directors benefits from the presence, as observers with the right to speak, but without the right to vote, of two persons in charge of the general management of a Desjardins caisse. Their presence is intended to support the Board in assessing the strategies and objectives that ensure implementation of the orientations with regard to the needs of members and clients.

Nominations for elected and co-opted members on the Board of Directors and for elected positions on the Board of Ethics and Professional Conduct are analyzed by the Nomination and Election Committee in accordance with the *Policy Governing the Integrity and Competency of Directors of the Federation, its Subsidiaries and Members of the Board of Ethics and Professional Conduct*. The committee then recommends to both these bodies the nominees to be elected and co-opted. It may also recommend that these bodies discard nominations that do not meet their enhanced collective profile and reinforcement zones.

The members of the Board of Directors and of the Board of Ethics and Professional Conduct have renewable four-year terms, and each year one-fourth, to the nearest unit, of these terms expire. The number of terms applicable to these two bodies of the Federation is limited to three four -year terms, whether or not they are consecutive.

The composition of the Board of Directors is also based on an enhanced collective profile adopted by the Board, as required by the By-laws of the *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*). The Board of Directors adopts, updates as necessary and aims to achieve this enhanced collective profile, which takes into account the following dimensions: the skills and know-how related to personal qualities required to act as a director; the skills required to take charge of the strategic and fiduciary responsibilities of a domestic systemically important financial institution of a cooperative nature; the representation of the diversity of the communities, members and clients. The Federation has designed tools to help electors understand what is expected of directors and the needs of the Board, so that they can make informed choices and votes. The Board's role is to put in place strategies to enable it to fulfill its responsibilities as required by its profile and to present to the general meeting the candidates who will allow it to reach its targets for the requisite mix of skills. The Board of Ethics and Professional Conduct plays the same role for that governing body, which is independent of the Board of Directors. The general meeting's role is to elect people who meet the requirements set by the Board of Directors or the Board of Ethics and Professional Conduct.

Information on representativeness on the Board of Directors and in the appointment of executive officers of the Federation found under the Corporate Governance section on pages 229 and 240 of the Annual Report is incorporated herein by reference.

Independent directors

No directors have material relationships, directly or indirectly, with the Federation's management members or interests that, in the Board's opinion, could materially adversely affect their ability to act in the best interests of the Federation and Desjardins Group, or interests reasonably likely, in the Board's opinion, to be perceived as detrimental. Because of the vacancy at the Board of Directors, currently, 17 of the 18 directors are independent of management, and 18 out of the 19 will be independent as at the 2023 annual general meeting.

The following are the directors who are independent in the opinion of the Federation's Board of Directors and in accordance with the concept of independence as defined in *Regulation 52-110 respecting Audit Committees* of the CSA and the AMF's Governance Guideline:

Louis Babineau	Nadine Groulx	Serge Rousseau
Luc Bachand	Dominique Jodoin	Patricia-Ann Sarrazin-Sullivan
Lisa Baillargeon	Marie-Josée Lamothe	Stéphane Trottier
Jordan Baril-Furino	Maryse Lapierre	
Johanne Charbonneau	Denis Latulippe	
Geneviève Côté*	Michel Magnan	
André Grenier	Paula Parhon**	

* Geneviève Côté was co-opted by the Board of Directors on September 27, 2022, to fill one of the two vacancies during the year.

** Paula Parhon was elected at the annual general meeting on March 25 and 26, 2022.

The tenures of Stéphane Corbeil, Michel Doré, Marie-Eve Tremblay and Yvon Vinet ended on March 26, 2022. Michel Tourangeau's tenure ended on April 6, 2022 and Kateri C. Jourdain's tenure ended on June 22, 2022.

Non-independent directors and basis for that determination

Taking into account the concept of independence as defined in *Regulation 52-110 respecting Audit Committees* of the CSA and the AMF's Governance Guideline, only Guy Cormier is considered to be a non-independent director because he is a member of the Federation's management.

Directorships with other reporting issuers or the equivalent

For guidance on exercising its judgment, the Board of Directors refers to the *Desjardins Code of Professional Conduct* and to the *Conflict of Interest Management Policy* governing its directors and the declarations of interests they file each year. Note that a review of the directors' declarations of interests has shown a focus on their roles and responsibilities within Desjardins Group, as none of them serve on the Board of directors of a non-Desjardins Group reporting issuer [other than Marie-Josée Lamothe, who sits on the Board of Directors of *Alimentation Couche-Tard inc.* and of RioCan REIT.

Directors of the Federation generally also have one or two directorships with non-for-profit entities.

Independent directors and regularly scheduled meetings at which the non-independent director is not in attendance

Desjardins's governing bodies have established a number of structures and procedures to ensure the Board of directors' independence from management.

1. Only one directorship is held by a member of the Federation's management, namely the President and Chief Executive Officer of Desjardins Group, who is also a director elected by an electoral college composed of representatives from all the caisses. Since the President and Chief Executive Officer does not select the members of the Board of Directors, the legitimacy and independence of the Board of Directors are ensured. Indeed, the President and Chief Executive Officer refrains from voting in favor of any decision concerning the electoral process applicable to the Board of Directors and the Board of Ethics and Professional Conduct and any decision concerning the co-optation of members of the Board of Directors who are not caisses elected directors.
2. The Vice-Chair and Lead Director of the Board of Directors, who is an independent non-Desjardins caisse network director, ensures at all times the independence of the Board from management. She is responsible for conducting Board meetings when deliberations require the Chair of the Board and Chief Executive Officer not to be present and in camera meetings reserved for independent directors. In addition, she reports annually to the Board of Directors on the exercise of her mandate and on the measures taken to ensure the independence of the Board. The By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*) provide that the Vice-Chair and Lead Director of the Board is to replace the Chair when the latter is unable to act, particularly when he or she is in a real or perceived conflict of interest situation. A description of this position is available in the Governance Policy.
3. Directors meet periodically on an informal basis. The Chair of the Board and Chief Executive Officer of Desjardins Group provides updates to members of management assisting the Board of Directors, since they are not present at these meetings.
4. In-camera sessions without the presence of members of management, except for the Chair of the Board and Chief Executive Officer, are held at the end of each Board of Directors or Executive Committee meeting. The same is true for Board commissions and committees.
5. In-camera sessions without the presence of the President and Chief Executive Officer are held with those holding independent oversight functions, namely the Executive Vice-President, Finance and Chief Financial Officer, the Executive Vice-President, Risk Management, the Vice-President and Chief Compliance and Privacy Officer, the Chief Monitoring Officer, Desjardins Group and the Chief of the Desjardins Security Office.
6. In-camera sessions betwen independent directors, without the presence of 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 commissions and committee on which he sits.
7. The Corporate Governance and Responsible Finance Commission, the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group, and the Audit and Inspection Commission are chaired by an independent director who is not a director of a Desjardins caisse, while the Cooperation and Culture, Risk Management and Human Resources commissions are chaired by an independent director who comes from the caisse network.
8. The Board of Directors holds a regular in camera meeting with the Board of Ethics and Professional Conduct.
9. The mandate of the Corporate Governance and Responsible Finance Commission, chaired by the Vice-Chair and Lead Director and which includes only one non-independent member, is as follows:
   - Manage relations between the Board of Directors and the Desjardins Group Executive Committee;
   - Ensure that the Board of Directors fulfills its responsibilities. The responsibility for developing or overseeing the agendas of the Board, its commissions and committees is assigned to the Chair of the Board and is subject to evaluation through the process of assessing the efficiency of the bodies. The Corporate Secretary has direct access to the Vice Chair of the Board and Lead Director and is the functional person in charge of the Corporate Governance and Responsible Finance Commission and of the Board of Ethics and Professional Conduct.
10. The division of responsibilities between the Board of Directors and the Desjardins Group Executive Committee is governed by the Governance Policy and the mandates of these two bodies that are adopted by the Board define their respective responsibilities.
11. Only independent directors serve on the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group.
12. The Human Resources Commission and the Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group are supported, when needed, by an external consultant on matters pertaining to the overall compensation of executives. Since 2021, the composition of these bodies includes an external member at the Board of Directors of the Federation, namely an independent director of one of our insurance subsidiaries, with overall compensation expertise.

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

Attendance record

The information on the fiscal year 2022 Board meeting attendance of each director of the Federation on page 243 of the Annual Report is incorporated herein by reference.

Mandate of the Board of Directors

Under the AFSC, the Board of Directors exercises all powers necessary to manage, or supervise the management, the internal affairs and activities of the Federation, except those powers that it delegates from time to time to an officer, manager or several committees of the Board. In particular, the Board's responsibilities include the following, as summarized from the complete mandate:

Corporate culture

The Board of Directors is responsible for promoting the corporate culture based on Desjardins' values: money at the service of human development, democratic action, personal commitment, integrity and rigour in the cooperative business, and solidarity with the community and inter-cooperation, with a view to earning the trust of the public and ensuring members and clients have confidence in their financial services cooperative. The Board of Directors is responsible for complying with and enforcing the *Desjardins Code of Professional Conduct*, whereas the Board of Ethics and Professional Conduct must ensure the rules of professional conduct are complied with and obtain the required reporting.

Strategic and financial planning process

The Board of Directors has an ongoing strategic and financial plan for Desjardins Group that includes a financial plan, crisis scenarios, a funding plan and a capitalization plan. The Board is supported by the Desjardins Group Management Committee in fulfilling its responsibilities to ensure, while accounting for risks, that caisses and business sectors strategic directions and plans are integrated and business development strategies are coherent.

Identification and management of main risks

The Board of Directors identifies the main risks to which the Federation and Desjardins Group are exposed and ensures that appropriate systems are in place to manage those risks in an integrated manner. It is supported by the Risk Management Commission.

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 the Executive Vice-President, Human Resources and Communications. It ensures management continuity by adopting a transition plan on the departure of the President and Chief Executive Officer.

Integrity of internal control and management reporting systems

The Board of Directors, supported by its Audit and Inspection Commission, ensures that effective internal control systems (accounting, administrative and management) are in place to safeguard the integrity of its operations and obtains the required level of accountability from management.

Strategic communications

The Board of Directors adopts a communications policy for Desjardins Group and strategic communications directions aligned with Desjardins Group's Strategic Plan, including actions to be carried out and the objectives.

For further information on the mandate of the Board of Directors, see pages 224 to 227 of the Annual Report, which are incorporated herein by reference.

Position description

The President and Chief Executive Officer of Desjardins Group is the Chair of the Board of Directors, and the responsibilities thereof are set out in the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*). The President and Chief Executive Officer of Desjardins Group is the highest-ranking authority of Desjardins Group and, as such, is responsible for coordinating and integrating the activities of Desjardins Group's various components. Unless otherwise specified in the AFSC or the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*), the President and Chief Executive Officer of Desjardins Group is responsible, within the Federation, for enforcing the Federation's standards and policies and implementing the decisions of its Board of Directors and Board of Ethics and Professional Conduct.

Accordingly, the President and Chief Executive Officer of Desjardins Group, under the authority of its Board of Directors:

- defines Desjardins Group's vision, directions and strategic objectives and has them approved by the Board of Directors with a view to ensuring a single management structure within Desjardins Group;
- represents the Federation and is Desjardins Group's authorized spokesperson with governments, the media and the general public;
- is responsible for the representations made regarding any legislation affecting Desjardins Group;
- ensures that the various components of Desjardins Group adhere to the mission and principles set forth in the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*) and to Desjardins Group's common objectives so as to achieve consistency between thought and action among the caisses and the auxiliary members and to foster the completion of Desjardins Group's mission;
- informs the Board of Directors of any decisions, measures or actions that may conflict with the aforementioned mission, principles and objectives and recommends remedial actions;

- leads the strategic evolution of the caisse network and the subsidiaries;
- interprets, promotes and disseminates the cooperative doctrine and its particular applications in the financial services sector;
- safeguards and promotes the cooperative nature and purpose of Desjardins Group and its contribution in advancing the cooperative movement;
- ensures that the Federation standards and policies and applicable regulatory authorities' guidelines are properly interpreted and applied within Desjardins Group;
- ensures cohesive communication within the Federation and Desjardins Group; and
- submits for approval to the Board of Directors a senior executive management structure for the Federation and Desjardins Group. Such a structure includes a chief operating officer and relieves the President and Chief Executive Officer from operations management in order for the President and Chief Executive Officer to be able to focus on the responsibilities listed herein.

The By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*) specify that the procedures for selecting the other members and the operation, role and powers of the Executive Committee are established by decision of the Board of Directors. The same is true for the composition of each of the committees and commissions of the Board. The Board of Directors may delegate powers conferred on the Board by legislation or by virtue of the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*) to one or more directors, officers, employees, commissions or committees, to the extent and in the manner determined by the Board at the time of delegation.

The Board of Directors has delegated certain powers to the Executive Committee, but not to any other committee or commission. The purpose of this committee is primarily to release the Board of Directors by examining situations that violate the guidelines applicable to the caisse network as part of the Federation's power of intervention or authorizations to be given to management in connection with the guidelines adopted by the Board of Directors.

The responsibilities of the Executive Committee are to:
- Approve all financial commitments in excess of the limits established by management, in accordance with the policy on the authorisation of commitments (*Politique sur l'autorisation des engagements*) following their in-depth analysis and recommendation by the Risk Management Committee;
- Make a recommendation to the Board of Directors when the strategic and financial impact of a project or transaction so requires;
- Admit caisses as members of the Federation and make recommendations for exclusion;
- Approve any intervention measure of the Federation, except those that fall under the exclusive jurisdiction of the FSD under the AFSC, with a caisse, its directors or managers, or its board of directors;
- Ask the FSD to intervene, when the conditions giving rise to the exercise of such an intervention measure have been met. To the extent provided by law, the Executive Committee shall then give the caisse, directors or managers, as the case may be, an opportunity to present their observations. If the Executive Committee considers it necessary, it may also decide that the approval of the Board of Directors is also required for the exercise of such an intervention measure or request;
- Approve the official delegations of a director, officer, senior officer or employee to an external body.

Orientation and continuing education

(i) Integration and Training Program for New Board Members of the Federation

The Federation ensures the integration and continuing education of its Board members. It develops various knowledge appropriation or deepening activities for them to develop their knowledge on the different facets of their roles and responsibilities and on the diversified activities of Desjardins Group. These activities can be individual or collective. All new directors or members of the Board of Ethics and Professional Conduct benefit from onboarding sessions, including meetings with members of management and the presentation of a reference manual containing the information essential to the performance of their duties. Finally, orientation sessions ensure the effective integration of new members of a board commission or committee.

(ii) Continuing education

The training of board members is designed according to their needs, which are identified during the self-assessment of their skills. In the course of this process, an external firm holds periodically one-on-one interviews with members of the Board. The results of the self-assessments and one-on-one interviews guide the establishment of individual development objectives and plans and are submitted to the Corporate Governance and Responsible Finance Commission, which then proposes to the Board of Directors the two-year collective skills development plan. The Board of Directors also holds seminars on specific topics related to strategic planning and related issues. These seminars held with the members of the Desjardins Group Management Committee prove to be periods of knowledge development and contribution for Board members. The training program more explicitly includes resourcing and enrichment activities with external experts to enable the Board of Directors to expand its information base for informed and independent decision-making. Finally, the commissions and committees of the Board offer learning activities annually based on the needs of their members.

Business ethics

The *Desjardins Code of Professional Conduct* (Code) has been filed on the SEDAR website at www.sedar.com.

The Board of Directors is responsible for ensuring adherence to the cooperative identity of Desjardins Group and its permanent values: money at the service of human development, democratic action, personal commitment, integrity and rigour, solidarity with the community as well as inter-cooperation. In order to support the updating of its mission and values, the organization initiated a process of cultural evolution in 2016. This ethical approach includes ensuring that management practices and business practices are always fully in the best interests of our members and clients.

Pursuant to the AFSC, the Federation has a Board of Ethics and Professional Conduct that is independent of the Board of Directors and whose five members are directors of caisses. The role of this Board is to adopt the rules of ethics and professional conduct applicable to Desjardins Group directors and the employees of the Federation and the caisses, ensure development of these rules, present them to the Board of Directors for approval and ensure that they are complied with by the Federation and the caisses, support the caisses and the Federation in applying the rules of ethics and professional conduct, issue opinions and make observations and recommendations with respect to ethical and professional conduct issues, particularly in cases of misconduct, and, if the Federation breaches the provisions of the AFSC or the regulations governing insider trading and conflicts of interest, ensure that complaints regarding the Federation originating from the caisses or other members of the Federation (such as holding companies or subsidiaries) are handled. This board holds in-camera sessions without the presence of management.

The Board of Directors is also responsible for ensuring compliance with the *Desjardins Code of Professional Conduct*. Directors, executive officers, members of the Board of Ethics and Professional Conduct and employees are subject to rules of ethics and professional conduct that require them to avoid being placed in real or perceived conflict of interest situations. They must report without omission any such situation to the authorities concerned or their superior and abstain from voting or making a decision in such respect or influencing the related vote or decision. Agreements for transfers of assets between the Federation and the interested persons must also be approved by the Board of Directors of the Federation, upon prior opinion of the Board of Ethics and Professional Conduct. The same applies to agreements for the supply of goods and services, which must be approved by the Board of Directors, upon prior advice of the Board of Ethics and Professional Conduct (unless the agreement involves only small amounts). Directors and members of the Board of Ethics and Professional Conduct must also regularly complete written declarations indicating their own interests or those of related persons, in any business.

There is a support structure in place to enable this board to carry out awareness and training activities and provide an advisory service, thereby giving concrete form to the Federation's efforts to ensure compliance with the Code, which in turn imposes penalties for violations to ethics rules. The Federation also has a confidential mechanism for reporting violations of the Code and other regulatory frameworks.

Compensation

The Board of Directors reviews, when it deems appropriate, and at least every five years, its policy on the compensation of its directors and members of the Board of Ethics and Professional Conduct of the Federation. It receives recommendations from its Corporate Governance and Responsible Finance Commission, which analyzes market trends in this area very closely. The scale of this policy is based, among other things, on benchmarking of comparable cooperative organizations from Quebec, Canada and Europe.

The applicable framework with regard to Desjardins Group's executive compensation policy includes guiding principles in order to set the compensation of elected directors of caisses and of the Federation, the members of the Board of Ethics and Professional Conduct as well as of subsidiary directors.

A governance mechanism allows the Board of Directors of the Federation to hold a "say on pay" vote at the general meeting regarding compensation guidelines for Desjardins Group employees, including executive officers. In addition, the compensation of the President and Chief Executive Officer is subject to the recommendations of a specific Board committee, all of whose members are independent directors. The President and Chief Executive Officer does not personally receive any money for the functions undertaken as director of any of the aforementioned components.

For further details, see the "Statement of the Federation's executive officer compensation" section of this Annual Information Form.

Other Board committees

Executive Committee **(five directors)**

This Committee may in principle exercise the same functions and powers as the Board of Directors, except those which the Board may reserve for itself or assign to another committee or commission. The scope of the mandate of this committee is limited to matters relating to the Federation's intervention powers with respect to the caisses and to the review of certain financial commitments, so that strategic decisions remain the responsibility of the Board of Directors.

Cooperation and Culture Commission **(five directors plus one general manager as an observer)**

This commission assists the Board of Directors with issues related to Desjardins Group's cooperative and democratic culture as it pertains to Desjardins Group's mission and values and their consideration in commercial and management practices, as well as to the culture change process. The commission ensures the effective and efficient implementation of mechanisms for collaboration, participation and connection with the network.

Risk Management Commission **(eight members, including six directors and two members external to the Board of Directors in accordance with the *Policy on the Composition of Commissions and Committees*, plus two observers)**

This commission's main role is to assist the board with overall strategies and directions for risk management. It ensures the implementation of an integrated risk management framework, standards and policies that establish the rules for accepting, monitoring, managing and reporting the material risks that Desjardins Group is exposed to. This commission also monitors compliance with Desjardins Group's risk appetite framework and examines the steps that need to be taken when established limits have been exceeded. It also plays a role in monitoring Desjardins Group's investments.

Human Resources Commission **(six members, including five directors and one member external to the Board of Directors in accordance with the *Policy on the Composition of Commissions and Committees*)**

This commission supports the Board of Directors on all matters relating to the Group's policies and risk management of issues related to human resources and overall compensation, equity, diversity and inclusion, the creation and development of the integration and the skills development program of the managers and employees of Desjardins Group, the succession plan for the executive officers, the creation and maintenance of the profile of managers and employees of Desjardins Group, the annual salary recommendations, including incentive plans, the group insurance plans, the pension plan changes, the relationships with unions and the supervision structure. Its mandate excludes the review of files relating to the conditions of employment of the President and Chief Executive Officer.

Committee on the Aggregate Remuneration and Succession of the President of Desjardins Group **(five members, including four directors and one member external to the Board of Directors in accordance with the *Policy on the Composition of Commissions and Committees*)**

This committee, all members of which are independent directors, supports the Board of Directors on matters relating to the President's Office of Desjardins Group regarding compensation, working conditions, annual objectives and their evaluation, as well as the succession of the President and Chief Executive Officer. The "succession" aspect of its mandate has been formalized in December 2022.

Corporate Governance and Responsible Finance Commission **(six directors)**

This commission assists the Board of Directors in applying and updating the corporate governance, sustainable development and responsible finance framework. To this end, it monitors best practices and examines the guidelines and reports of the regulatory agencies. In particular, it supports the Board of Directors in the administration of its relationship with management so as to ensure its independence It is responsible for supervising the performance review program for members of the Board and its commissions and committees, as well as the integration and skills development program for the Federation's directors. In addition, it reviews Desjardins Group's social and cooperative responsibility report and recommends its adoption to the Board. Finally, it ensures among other things the implementation of various policies, including the *Governance Policy*, the *Desjardins Group's Executives Compensation Policy*, the *Integrity and Competency Management Policy applicable to Directors of the Federation and Subsidiaries and to members of the Board of Ethics and Professional Conduct*, and the *Desjardins Group Sustainable Development Policy*.

Audit and Inspection Commission **(five directors and two representatives of the insurance subsidiaries, Desjardins Financial Security Life Assurance Company and Desjardins General Insurance Group inc., plus one observer in accordance with the *Policy on the Composition of Commissions and Committees*)**

This commission reviews all financial information, oversees the required accountability and plays a leading role in overseeing internal controls, including those related to financial reporting, and assessing their adequacy to requirements. It has a direct line of communication with the Desjardins Group Monitoring Office, which oversees the internal audit of Desjardins Group subsidiaries and components, as well as the inspection of the caisses of Québec and of Ontario. It also has a line of communication with the external auditors, should the need arise to discuss and review any issues. The Audit and Inspection Commission ensures the independence of the Desjardins Group internal audit sector and adopts the internal audit charter and the audit plan. For more information on the Audit and Inspection Commission, please see "Audit Committee Information" in this Annual Information Form.

Nomination and Election Committee **(five independent members, including one independent director of the Board of Directors of the Federation in accordance with the By-laws of *Groupe coopératif Desjardins* (*Règlement intérieur du Groupe coopératif Desjardins*))**

This committee oversees the smooth running of the electoral and cooptation process for positions on the Board of Directors and the Board of Ethics and Professional Conduct. It assesses the nominations for positions on the Federation's Board of Directors and Board of Ethics and Professional Conduct, as well as on the subsidiaries' boards, based on their enhanced collective profiles and competency assessment criteria. The committee also acts for the election of the presidency of Desjardins Group. It establishes the framework for electoral processes and ensures their respect, sets up the processes allowing electoral colleges to adequately carry out their role. It also establishes any other measures or operation or organization rule relating to the proper conduct of the electoral and cooptation processes. It makes any other decision concerning these processes within the limits of its powers and responsibilities as defined in its mandate adopted by the Board of Directors, in compliance with the By-laws of *Groupe coopératif Desjardins*. The committee shall report to the Board of Directors on its actions.

Performance reviews

Performance reviews

The Board of Directors, its commissions and its committees assess their effectiveness every two years. A two-year action plan based on these assessments is then recommended to the Board by the Corporate Governance and Responsible Finance Commission, which oversees its follow-up.

The process also includes a one-on-one meeting between each director and the Chair of the Board and the Vice-Chair and Lead Director. The objective of these meetings, whether formal or informal, is to improve the effectiveness of the different bodies and the contribution of each director and meetings are held on a regular basis throughout the year. The Vice-Chair of the Board and Lead Director discusses, at each meeting without the presence of the Chair of the Board, with the members of the Board of Directors to ensure independence and exemplarity in conduct. At the end of each meeting, members discuss in camera the effectiveness of the body and quality of the documentation.

Overall, the Chair of the Board of Directors, in conjunction with the Vice-Chair and Lead Director, is responsible for the Board's performance review process and for the individual assessment of its members, and the Corporate Governance and Responsible Finance Commission oversees this.

Finally, the Board of Directors ensures annually that the mandates of its commissions and committees and the related processes are optimal so that they can effectively support its work. In addition, the Board of Directors regularly reviews the rules relating to the composition of its commissions and committees and the allocation of subsidiary, commission and committee chairs. These commissions and committees are composed entirely or almost entirely of independent persons. At the end of each of their meetings, they hold in-camera sessions without management, except for the Chair of the Board and Chief Executive Officer when he is not required to withdraw for reasons of independence, including to discuss the effectiveness of the body and the quality of the documentation. Their composition and mandate are reviewed annually. A report on the work of each committee and commission is systematically presented at the next Board meeting.

Director skills

The Board of Directors has adopted an enhanced collective profile that incorporates the criteria governing the selection of Board members elected by the general meeting and those co-opted by the Board of Directors. As the mix of skills and expertise varies according to the arrival and departure of members of the Board of Directors, the Federation establishes competency targets in order to identify the required threshold of members who must have the necessary expertise for the Board to function properly and fulfill its responsibilities.

On the recommendation of its Corporate Governance and Responsible Finance Commission and in accordance with the integrity and competency criteria of the AMF's Governance Guideline , the Board of Directors carries out a self-assessment process to assess the skills of its members. As such, each of them completes a self-assessment grid designed for this purpose. This process is followed periodically by one-on-one interviews conducted by an external firm with members of the Board of Directors. The results of self-assessments and one-on-one interviews inform the establishment of individual objectives and development plans. The Chair of the Board and the Vice-Chair of the Board and Lead Director are responsible for this process and they weigh equally the results of the self-assessments.

The information starting on page 229 of the Annual Report, incorporated herein by reference, shows that the members of the Board of Directors of the Federation collectively possess a wide range of experiences and complementary skills that enable them to make an active and informed contribution to the governance of Desjardins Group. The enhanced collective profile adopted by the Board of Directors and the skills of its members are reviewed together annually, and the results show what the Board needs to focus on to achieve this profile.

Additional information on the Federation's governance on pages 222-244 of the Annual Report is incorporated herein by reference.

SCHEDULES

SCHEDULE A

Rating categories by credit rating agency

Credit rating agency	Rating	Outlook
DBRS	• Short-term obligations rated “R-1” indicate very strong capacity for payment of short-term financial commitments at maturity. This capacity is not significantly vulnerable to foreseeable events. • A rating of “AA” denotes superior credit quality, and protection of interest and principal is considered high. In many cases, they differ from obligations rated “AAA” only to a small degree. • Each rating category is denoted by the subcategories “high” or “low." The absence of either a “high” or “low” designation indicates the rating is in the middle of the category.	• A negative outlook indicates that a rating is more likely to change in the medium term.
Standard & Poor’s	• “A-1” is the highest rating for short-term obligations and indicates the issuer’s strong capacity to meet its financial commitments. • An obligation rated “A” indicates that the issuer has strong capacity to meet its financial commitments, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rate categories. • The addition of a “+” or “-” shows the relative standing within the rating categories.	• A stable outlook indicates that a rating is not likely to change.
Moody’s	• Short-term obligations rated “P-1” indicate that an issuer has superior ability to meet such obligations. • Debt obligations rated “Aa” are judged to be high quality with very low credit risk. • Modifiers “1”, “2” and “3” respectively indicate that the obligation ranks in the higher end, mid-range or lower end of its rating category.	• A negative outlook indicates that a rating is more likely to change in the medium term.
Fitch	• Short-term obligations rated “F1” denote the highest credit quality and the strongest capacity to repay financial commitments in a timely manner. • Debt obligations rated “AA” denote expectations of very low credit risk and are judged to be of high credit quality. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. • The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories.	• A stable outlook indicates that a rating is not likely to change.

Desjardins

SCHEDULE B

Desjardins Group

Audit and Inspection Commission Charter

Updated in January 2023

Approved by the Board of Directors at its meeting held on February 22, 2023

Upon recommendation of the Audit and Inspection Commission on February 17, 2023

TABLE OF CONTENTS

1. Mandate 2

2. Operating principles 3
   - 2.1 Rigour and compliance with governance documents 3
   - 2.2 Communications 3
   - 2.3 Financial literacy 3
   - 2.4 Findings and information requirements 3
   - 2.5 External resources 3
   - 2.6 Reporting to the Board and general meeting 3
   - 2.7 Commission self-assessment 3
   - 2.8 Independent auditor 4
   - 2.9 The Desjardins Group Monitoring Office (DGMO) 4
   - 2.10 Risk management 4
   - 2.11 Compliance 4
   - 2.12 Regulators 4
   - 2.13 Investigative powers 4

3. Operations 4
   - 3.1 Composition 4
   - 3.2 Essential qualifications 5
   - 3.3 Training and support 5
   - 3.4 Meetings: frequency, attendance and compensation 6

4. Duties and responsibilities 7
   - 4.1 Financial reporting 7
   - 4.2 Internal controls 9
   - 4.3 External audit 10
   - 4.4 Finance team 12

5. Duties and Responsibilities regarding the Internal Audit of Desjardins Group 12

1. MANDATE

The Board of Directors ("Board"), within the scope of its monitoring, control and reporting responsibilities, delegates responsibility for monitoring the financial reporting process to the Audit and Inspection Commission ("Commission").

To that end, the Commission:

- reviews the combined financial statements and management's discussion and analysis of Desjardins Group
- reviews Desjardins Group's Supplemental Financial Information report
- reviews Desjardins Group's Pillar 3 Report
- reviews the Federation's press releases and Annual Information Forms
- reviews financial reporting, in particular the independent auditor's report
- oversees the internal control system regarding the disclosure of financial information
- oversees the management of risks associated with the financial reporting process
- oversees the internal audit and external audit processes
- reviews any other issue assigned to it by the Board
- comments on the finance team's mandate, to the extent that it falls within the scope of the Commission's responsibilities.

In addition, the Commission oversees the internal control system as a whole and ensures that management develops and implements effective internal control systems and processes.

The Commission also ensures the independence and objectivity of the independent auditors and Desjardins Group's Chief Monitoring Officer (in addition to the responsibilities of the Board of Ethics and Professional Conduct).

The Commission endeavours to provide an environment that is conducive to transparent discussions among senior management, the independent auditor and the Chief Monitoring Officer of Desjardins Group. The Commission ensures that it understands the external audit strategies and internal audit activities of the Desjardins Group Monitoring Office (DGMO), and that the main audit risks are taken into account. The Commission monitors the work of the independent auditor and the Chief Monitoring Officer and assesses their effectiveness.

The Commission also contributes to the development of the member/client culture, where the focus is on doing what's best for our members and clients. Thus, in fulfilling its mandate, if the interests of members and clients are at stake, the Commission must question management and contribute to the alignment with this objective.

This Charter describes how the Commission fulfills the mandate entrusted to it by the Board. The Commission complies with the requirements for a reporting issuer set out in Regulation 52-110 respecting Audit Committees. Desjardins Group has elected to be governed by the requirements that apply to a reporting issuer. The Federation is a reporting issuer with an obligation to meet these requirements. Where Regulation 52-110 provides no guidance, the rules pursuant to the *Act Respecting Financial Services Cooperatives* (the Act), or Desjardins Group's policy on the composition of commissions and committees have been cited.

It should be noted that, at Desjardins Group, it is the Risk Management Commission which assists the Board with respect to global risk management orientations, frameworks and strategies.

2. OPERATING PRINCIPLES

In carrying out its responsibilities, the Commission is guided by the following principles:

2.1 Rigour and compliance with governance documents

The Commission expects management to act in accordance with the Desjardins Code of Professional Conduct, the laws and regulations that apply to Desjardins Group and the Federation, and the principles of sound governance, and to adopt a rigorous approach to compliance, financial reporting and controls.

2.2 Communications

Through the Commission chair, Commission members expect to have direct access to the management, the employees, the chairs of the other committees and commissions, the independent auditor, the Executive Vice-President, Finance and Chief Financial Officer, the Chief Monitoring Officer of Desjardins Group, and the Chief Compliance and Privacy Officer of Desjardins Group. Commission members also strive to maintain an environment that is conducive to open, transparent and effective communications with these groups.

2.3 Financial literacy

Commission members are financially literate within the meaning of *Regulation 52-110.* In particular, they are able to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of Desjardins Group.

2.4 Findings and information requirements

The Commission shares its concerns with senior management, the independent auditor and the Chief Monitoring Officer of Desjardins Group, in accordance with their respective responsibilities.

2.5 External resources

For the performance of its responsibilities, the Commission can call on the services of the independent auditor and the DGMO, and can also contract the services of external consultants with specialized expertise, at the Federation’s expense.

2.6 Reporting to the Board and general meeting

The Commission, through its chair, submits a written report of each meeting at the next Board meeting following the parameters established by the Board. Each year, the Commission chair drafts an activity report to the Board and the general meeting in the annual report of Desjardins Group.

2.7 Commission self-assessment

Every two years, the Commission assesses its performance and the performance of its members through a self-assessment. If necessary, it may propose to the Board

adjustments to its mandate and reviews its role, its responsibilities, and the performance of its members through a self-assessment conducted by its members.

2.8 Independent auditor

The independent auditor is accountable to the Board through the Commission and must report any significant or potentially significant event to the Commission. The independent auditor may call a meeting of the Commission, and must be notified of all Commission meetings.

2.9 The Desjardins Group Monitoring Office (DGMO)

The Commission expects the DGMO to provide independent and objective assurance of the quality of the sound and prudent management of Desjardins Group's components and of the design and effectiveness of the governance and risk management processes and of the controls and their adequacy with respect to Desjardins Group's activities.

2.10 Risk management

The Commission being responsible for monitoring the financial reporting process, it is concerned with the risks and related internal controls, as a complement to the mandate of the Federation's Risk Management Commission (RMC). In order to foster open communication between the Commission and the RMC, the chair of the Commission acts as an observer at the RMC. In that regard, the Commission receives from the RMC information on any matter that may have a significant impact on financial reporting.

2.11 Compliance

The RMC is responsible for ensuring that Desjardins Group entities are equipped with and apply a detailed compliance management framework. The Commission meets annually the Chief Compliance and Privacy Officer, Desjardins Group to obtain the reasonable assurance that regulatory non-compliance risks are being adequately taken into account and reflected in the financial disclosure. The Commission chair sits on the Risk Management Commission as an observer.

2.12 Regulators

The Commission meets as required and reports on its activities to regulators, including the Autorité des marchés financiers (AMF).

2.13 Investigative powers

The Commission may investigate any matter that falls within the scope of its activities. For this purpose, it has full access to Desjardins Group's books, registers, facilities, management staff and employees. Two Commission members may call a meeting of the Board to discuss any issue of concern to the Commission's members.

3. OPERATIONS

The Commission's processes involve the following aspects:

3.1 Composition

- The Commission is made up of members appointed by the Board, including the chair. As described in the Policy on commission and committee membership, the Commission must be comprised of at least four members, including a member of the Board of Fonds de sécurité Desjardins. Each member must be a director of the Federation. All Commission members must be independent, as defined in Regulation 52-110. They must not have any relationship or interest that might interfere with their

objectivity. If a vote taken by the members results in a tie, the Chair has the casting vote.

- The Commission chair is an independent director who is appointed in accordance with the Policy on commission and committee membership. This person must not be the chair of the Board or of any other committee that reports to the Board. The Commission chair must meet all of the qualifications for sitting on the Commission. If the Commission chair is absent from a meeting, the Commission will appoint one of its members to conduct the meeting.
- The term of a member's mandate ranges from one to six years, and may be extended by one or two years in certain exceptional circumstances. However, in order to ensure continuity, all members should not be replaced in the same year.
- The Commission secretary is a person appointed by the Commission but who is not a member.
- The Chief Monitoring Officer, Desjardins Group and the Executive Vice-President, Finance and Chief Financial Officer, Desjardins Group jointly assume functional leadership of the Commission.

3.2 Essential qualifications

Commission member's qualifications should include :

- Financial literacy which can be acquired within a reasonable period after the member's appointment
- Business experience, relevant specialized qualifications, skills and knowledge related to information and communications technologies (ICT)
- Objectivity, integrity, independent thought, sound judgment and pragmatism
- Ability to exercise diligence
- Familiarity with the activities of Desjardins Group and the industry

When nominating Commission members, the Board prefers individuals with experience and skills in auditing, financial reporting, accounting, risk management and actuarial fields, in accordance with the enhanced collective profile of the Commission. Furthermore, the Board expects members to always act with integrity and competency, as provided in the Integrity and Competency Management Policy applicable to Directors of the Federation and Subsidiaries and to members of the Board of Ethics and Professional Conduct.

3.3 Training and support

3.3.1 The Commission must offer new members information or orientation sessions explaining, among other things, the mandate of the Commission, the role and responsibilities of its members, the activities of the organization, its financial statements, accounting practices and standards, financial policies, internal control requirements, financial reporting procedures, financial ratios, risks, the requirements established by regulators, and compliance policies.

3.3.2 Members must take the initiative to enquire about new practices that are likely to influence the Commission's role and responsibilities, so that they can suggest that the Board make whatever changes are required to redefine its mandate.

3.3.3 Members must periodically receive information on new accounting standards and recommendations issued by the Accounting Standards Board and regulators, or international practices and their repercussions on the organization if their impact is significant. They must also periodically receive information on sound practices regarding compliance and internal control environment policies.

3.4 Meetings: frequency, attendance and compensation

3.4.1 The Board approves a schedule of statutory meetings which are held at least once a quarter. Other meetings may be added during the year as necessary. Commission members receive compensation for their services as determined by the policies in effect for the Federation.

3.4.2 Meeting participation:

Regular attendees:

- Commission members
- Senior Executive Vice-President and Chief Operating Officer of Desjardins Group
- Executive Vice-President, Finance and Chief Financial Officer, Desjardins Group.
- Vice-President, Finance, Desjardins Group
- Chief Monitoring Officer, Desjardins Group
- Independent auditor
- Person acting as secretary of the Commission

Attendance by two representatives of the insurance subsidiaries and one observer:

- The chair of the Desjardins Financial Security Audit and Risk Management Committee
- The chair of the Desjardins General Insurance Group Inc. Audit and Risk Management Committee
- A general manager observer at the Board of the Federation.

One representative of an insurance subsidiary and one observer must receive a notice of meeting for all the meetings of the Commission and may attend the meetings of the Commission.

One representative of an insurance subsidiary and one observer can participate in deliberations but cannot propose, second or vote on any recommendations made to the Board.

Other attendees:

- The Commission may invite any individual from Desjardins Group to attend all or part of a commission meeting if deemed necessary or desirable

Quorum for any meeting is a majority of members. However, should one or more members need to leave a meeting, with the result that there is no longer a quorum, it may be lowered to the majority of voting members in attendance for the duration of the deliberations on the issue at hand. Any vacancy on the Commission is filled by the Board, if deemed appropriate. Failure to fill a vacancy does not invalidate the Commission’s decisions if quorum is present.

The Commission includes on the agenda for each meeting, or on an ad hoc basis, an in-camera discussion period with or without managers or observers present. The general manager observer at the Board of the Federation does not take part in the in-camera discussion.

3.4.3 The Commission conducts an annual planning exercise for its activities, including:

- The Commission's annual activity plan
- Updating the Commission's charter
- Reviewing Desjardins Group's organization chart to assess whether any changes to the Commission's activities are necessary
- Confirming Commission members' independence
- Assessing Commission members' financial literacy and ICT skills
- Planning member training in relation to responsibilities and good governance practices of the Commission with regards to accounting and regulatory developments and other relevant matters
- Planning the annual Commission meeting schedule

3.4.4 The Commission takes minutes of each meeting; these minutes must be approved at a subsequent meeting.

4. DUTIES AND RESPONSIBILITIES

The Commission has the following duties and responsibilities:

4.1 Financial reporting

The Commission must review the interim and annual combined financial statements of Desjardins Group, the interim and annual management's discussion and analysis of Desjardins Group, including ancillary documents, such as interim and annual earnings reports, and recommend that the Board approve them prior to their publication. The Commission must ensure the quality and integrity of the presentation and reporting of financial information in accordance with IFRS, and the use of appropriate accounting practices. The Commission must ensure that Desjardins Group discloses clear, comprehensive and relevant financial information to users, that the information is consistent over time, and that it is comparable from one financial entity to another.

4.1.1 On a quarterly and annual basis, the Commission must:

- Determine whether the financial statements, including any schedules, and the management's discussion and analysis fairly present the organization's financial position and its results and activities for the period.
- Evaluate the quality of the financial statements and determine whether they are IFRS-compliant.
- Determine whether management is using appropriate and consistent accounting practices, and obtain the opinion of the independent auditor theron.
- Verify whether its accounting practices are comparable to those used in the industry or by other Desjardins Group entities.

- Review the effects of adopting new accounting policies with management and the independent auditor.
- Review with management any significant decisions made while preparing the financial statements and management's discussion and analysis.
- Obtain a letter from management certifying the reliability of the results and use of appropriate accounting practices (representation letter).
- Review and revise financial certification processes, the information disclosed in the management's discussion and analysis and financial statements and the certificate signed by the President and Chief Executive Officer and the Executive Vice-President Finance and Chief Financial Officer, Desjardins Group that must be included in the annual and interim public filings of Desjardins Group in compliance with Regulation 52-109.
- Review the results of the controls reports issued by Desjardins (SOC 1 GTD)
- Pay special attention to complex or unusual transactions, particularly acquisitions, discontinued operations and related party transactions.
- Make a particular point of reviewing any items involving subjective interpretation, such as the valuation of assets and liabilities and provisions/reserves (including tax provisions) or other commitments.
- Review litigation matters and determine whether they are sufficiently provisioned.
- Ensure the materiality threshold is not exceeded.
- Ensure that regulatory ratios are met and that the balance sheet is balanced, and that the business's liquidity and funding capacity indicators are met.
- Review press releases on significant financial information and any other significant financial reporting, including the "Supplemental Financial Information" report and Desjardins Group's Pillar 3 Report.
- Review quarterly certificates for reports to the AMF.
- Review the impact on the financial statements of new regulatory or accounting measures as well as off-balance sheet structures.
- Review the independent auditor's report accompanying the annual and interim financial statements.
- Pay special attention to the disclosure of performance measures, including non-IFRS-compliant financial measures, particularly the degree to which they are consistent, comparable and transparent, in comparison with those used in the industry and by other Desjardins Group entities.
- Meet in camera on a quarterly basis with the Executive Vice-President Finance and Chief Financial Officer, Desjardins Group.
- Recommend that the Board approve the financial statements, management's discussion and analysis, press release, "Supplemental Financial Information" and Desjardins Group's Pillar 3 Report.
- Discuss with the independent auditor and the Chief Monitoring Officer, Desjardins Group about financial reporting risks.

- Meet in camera quarterly with the Senior Executive Vice-President and Chief Operating Officer of Desjardins Group.
- Examine reports written for regulatory authorities that are deemed relevant and fall within the purview of the Commission and ensure that the reports meet the authorities' requirements.

4.1.2 Annually, the Commission must:

- Review the Federation's Annual Information Form including the information set out in Form 52-110F1 "Audit Committee Information Required in an AIF", and recommend that the Board approve it.
- Enforce and update, as needed, and recommend that the Board approve Desjardins Group's policy on material financial information disclosure.
- Ensure that appropriate procedures are in place to review public reporting of financial information extracted from or based on financial statements other than information in the documents referred to in section 4.1, and periodically assess the appropriateness of those procedures.
- Review tax and tax planning issues that are material to the financial statements.
- Ensure that all taxes, income taxes and payroll deductions have been paid for the Federation.
- Review Desjardins Group's report entitled "Managing Desjardins's climate-related risks and opportunities".
- Receive the annual report issued by the Chief Compliance and Privacy Officer, Desjardins Group.
- Meet annually, and as needed within the scope of the Commission's responsibilities, with the General Counsel, Executive Vice-President, Information Technology. Meet as needed with the actuarial services and other units as required.

4.1.3 When securities are issued and programs are renewed, review prospectuses prior to publication.

4.2 Internal controls

The Commission is responsible for ensuring that management has established and implemented an effective internal control system, including internal controls for financial reporting, safeguarding assets, detecting fraud and compliance. The Commission must also:

4.2.1 Direct management to design, implement and maintain internal control procedures, including controls to prevent, identify and detect fraud, and assess their effectiveness.

4.2.2 Meet regularly the Chief Monitoring Officer, Desjardins Group and management in order to assess the relevance and efficiency of internal control mechanisms.

4.2.3 Review steps taken by management based on recommendations on internal controls made by the independent auditor and the Chief Monitoring Officer, Desjardins Group.

4.2.4 Receive from management, the independent auditor, the Chief Monitoring Officer, Desjardins Group and the Vice-President, Finance Division, regular reports on major control deviations or fraud detection, including those involving management, and the steps taken to address these deficiencies. The reports prepared by the Chief Monitoring

Officer include the major deviations observed by the Risk Management Executive Division.

4.2.5 Obtain an annual assessment from management on the effectiveness of its internal control system and procedures, including the audit strategy for outsourced services, and audit results.

4.2.6 Review fraud detection and prevention programs and policies.

4.2.7 Ensure procedures are in place to receive, retain and process complaints received about accounting, internal controls or audit matters and ensure that an accountability report is obtained.

4.2.8 Ensure that procedures are in place to allow employees to make confidential, anonymous reports of questionable accounting or audit matters and ensure that a report is obtained.

4.2.9 Ensure that a report is received quarterly from the financial governance and operational performance officer.

4.2.10 Examine and take follow-up action on relevant correspondence regarding requests or inquiries about internal controls, as well as any other relevant reports produced by oversight bodies that pertain to Desjardins Group and its components, and that fall within the purview of the Commission.

4.3 External audit

The independent auditor is directly accountable to the Commission. The Commission is directly responsible for overseeing the work of the independent auditor engaged for the purpose of preparing or issuing the annual audit reports or interim review reports or performing other audit, review or certification services. The Commission is responsible for assessing and monitoring the independent auditor's independence, objectivity and effectiveness.

In order to meet its responsibilities in that respect, the Commission must:

4.3.1 Ensure and maintain the skills, independence and the objectivity of the independent auditor by:

4.3.1.1 Reviewing on an annual basis the manner in which services are delivered by the independent auditor, to assess their effectiveness and quality, to be in a position to recommend to the Board whether they should be appointed or reappointed, and participating in the selection committee if the Board decides to issue a call for tenders, pursuant to the Desjardins Group Independent Auditors Policy.

4.3.1.2 Setting the independent auditor's compensation and recommending it to the Board for approval.

4.3.1.3 Preapproving all audit-related services and non-audit services provided to Desjardins Group, the Federation and their subsidiaries, in accordance with the procedure set out in the Desjardins Group Independent Auditors Policy.

4.3.1.4 Recommending policies to the Board and adopting specific procedures for engaging non-audit services.

4.3.1.5 Ensuring that management complies with the procurement policy or rules in effect in awarding service contracts to its independent auditor.

4.3.1.6 Receiving on a quarterly basis a detailed list of any new contracts awarded to the independent auditor by each entity.

4.3.1.7 Maintaining a direct line of communication with the independent auditor.

4.3.1.8 Examining the policies governing the hiring of employees or partners (or former employees or partners) of the independent auditor (or of a former independent auditor), as set out in the Desjardins Group Independent Auditors Policy, and recommend such policies to the Board for approval.

4.3.1.9 Ensuring that the lead audit partner, the concurring partner and other audit partners are rotated.

4.3.1.10 Examining the internal policies and procedures followed by the independent auditor to maintain their independence and discussing these policies and procedures with the independent auditor.

4.3.1.11 Receiving annual confirmation of the independent auditor's independence, including disclosure of any relationships the independent auditor (and their firm) may have with Desjardins Group and its related parties in the performance of their related activities that, in the independent auditor's professional judgment, may reasonably be thought to affect their independence.

4.3.2 Approve the scope of the annual audit plan and the proposed approach.

4.3.3 On an annual basis, review the materiality threshold based on audit-related risks.

4.3.4 Examine the post-audit report and comment on the mission highlights, the summary of variances (whether corrected or not), the quality of the accounting principles used, and anti-fraud activities.

4.3.5 Ensure compliance with accounting and actuarial practices and ensure that such practices are prudent and appropriate.

4.3.6 Examine the recommendation letter or any other report submitted to management and ensure follow-up action is taken.

4.3.7 Examine the coordination of work between the independent auditor and the Chief Monitoring Officer of Desjardins Group and how the information is used.

4.3.8 Once each year, discuss with the independent auditor their internal quality control procedures and the summary of their Canadian Public Accountability Board (CPAB) inspection results.

4.3.9 Discuss the recognition and presentation of certain transactions, estimates, decisions and assumptions made by management.

4.3.10 Resolve any disputes between management and the independent auditor in connection with financial reporting.

4.3.11 On a quarterly basis, meet in camera with the independent auditor.

4.3.12 Ensure that the independent auditor has the skills and resources to adequately perform their responsibilities.

4.4 Finance team

The Commission may:

4.4.1 Submit remarks, if considered necessary, to the Senior Executive Vice-President and Chief Operating Officer of Desjardins Group regarding the performance of the mandate of the Executive Vice-President Finance and Chief Financial Officer, Desjardins Group, to the extent that it falls within the scope of the Commission's responsibilities.

5. DUTIES AND RESPONSIBILITIES REGARDING THE INTERNAL AUDIT OF DESJARDINS GROUP

The Commission assists the President and Chief Executive Officer of Desjardins Group in overseeing the activities of the Chief Monitoring Officer, Desjardins Group.

The Chief Monitoring Officer, Desjardins Group receives their oversight mandate pursuant to the Act[1] in respect of the caisse network and from the Commission and the audit commissions/committees in respect of its subsidiaries.

The responsibilities of the internal audit function are defined by the Commission and the subsidiaries' audit commissions/committees as part of their respective monitoring roles.

The Commission, with the Board of Ethics and Professional Conduct (BEPC) of the Federation, is part of the process of recommending to the Board of Directors the appointment or the removal of the Chief Monitoring Officer, as head of the Internal Audit function. The chairs of the subsidiaries' audit committees and commissions are involved in this recommendation.

The Commission and subsidiaries' audit committees and commissions assist with the assessment of the performance and effectiveness of the internal audit function.

Under the Act and the governance documents in effect, the Commission must:

5.1 Ensure and maintain the independence and objectivity of the Chief Monitoring Officer, Desjardins Group. To this end, the Commission is required to issue annually an opinion to the BEPC confirming that the Chief Monitoring Officer has performed his role without interference from management with respect to the internal audit component.

5.2 Understand the strategies used to develop the DGMO's internal audit plan (including the caisse network).

5.3 Ensure that the DGMO's internal audit plan takes into account the main risks faced by the organization.

5.4 Approve the DGMO's internal audit plan and the updates thereto presented at the quarterly reporting.

5.5 Ensure that the DGMO's internal audit plan is carried out and that the Commission receives adequate reports on a quarterly basis.

5.6 Ensure that appropriate action is taken by management in response to the DGMO's recommendations.

5.7 Receive the DGMO's overall opinion every year on the global effectiveness of governance, risk management and internal controls within Desjardins Group (DGMO's overall opinion). Receive a follow-up semiannually on the implementation of the actions following the DGMO's overall opinion.

[1] *Act Respecting Financial Services Cooperatives, CQLR c C-67.3*

5.8 Ensure that the Chief Monitoring Officer, Desjardins Group discloses to the Commission any significant outsourcing agreement with external providers that are subject to the requirements of Desjardins Group Operational Risk Management Directive.

5.9 Recommend that the Board approve the DGMO's internal audit charter.

5.10 Ensure that the DGMO's work is coordinated with that of the independent auditor.

5.11 Resolve disagreements between management and the Chief Monitoring Officer, Desjardins Group, and review any issues encountered in its work.

5.12 Ensure that the Chief Monitoring Officer, Desjardins Group has sufficient resources and access to the information needed to properly discharge their responsibilities.

5.13 On a quarterly basis, meet in camera with the Chief Monitoring Officer, Desjardins Group.

5.14 Proceed with the semi-annual evaluation of the performance of the Chief Monitoring Officer of Desjardins Group during an in camera session. The evaluation of the performance of the Chief Monitoring Officer of the DGMO is performed by the President and Chief Executive Officer of Desjardins Group; to that end, he or she is convened to a statutory annual in-camera session to discuss with the AIC the evaluation of the performance of the Chief Monitoring Officer and agree on the related notice to communicate to the Human Resources Commission.

SCHEDULE C

Policy: Independent auditors of Desjardins Group

Code	**To be determined**
Title	**Independent auditors of Desjardins Group**
Type	Desjardins Group financial policy
Initial effective date	June 2001
Last reviewed	November 2021
Review frequency	Every five (5) years
Applicable to	Desjardins Group components
Responsibility of	Finance, Treasury and Administration Executive Division and Chief Financial Officer
Adopted by	Board of Directors of the Fédération des caisses Desjardins du Québec
Available to	All Desjardins Group officers and employees
Compulsory for	**All Desjardins Group components**

1. STATEMENT

This policy has the following five (5) purposes:

1. It sets out the administrative rules that govern the selection of independent auditors for Desjardins Group, Desjardins caisses in Quebec (combined), components and investment funds, excluding Desjardins caisses in Quebec (individual) and Desjardins Ontario Credit Union, to recommend their appointment or removal to decision-making bodies.
2. Although it is not a reporting issuer for the purposes of applicable securities regulations, Desjardins Group has elected to apply the practices set out in Regulation 52-109, thereby demonstrating its intention to comply with best practices in financial governance. Desjardins Group has implemented oversight mechanisms for services that may be rendered by the independent auditor of each of its entities. These protections complement those issued by the profession, legislation and regulations, as well as accounting firms. Since April 23, 2021, and pursuant to the AMF and CSA decision, the Federation has used the financial statements and MD&As of Desjardins Group for all relevant purposes under applicable securities regulations (including, in particular, Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings and Regulation 51-102 respecting Continuous Disclosure Obligations). The Federation, however, is still a reporting issuer.
3. The Audit and Inspection Commission (AIC) and the Board of Directors recommend, for approbation at the annual general meeting of the Federation, the nomination or the removal of the independent auditor. The AIC for approbation by the Board of Directors the independent auditors' fees for audit and non-audit services.
4. The AIC may delegate to one or more of its independent members the authority to preapprove fees for non-audit services. Any such preapproval by the authorized delegates must be submitted to the AIC for approval at its first regularly scheduled meeting following the preapproval.
5. Certain employment and other relationships between Desjardins Group and current or former employees and partners of independent auditors could compromise the independence and effectiveness of the independent auditors. Therefore, the nature of these relationships must be clarified.

2. OBJECTIVES

This policy aims to meet the following five (5) objectives:

1. Develop an overall strategy for Desjardins Group covering the independent auditor selection and appointment process as well as rules for soliciting donations, sponsorships, partnerships and any other type of contribution from the external auditors.
2. Implement oversight mechanisms for the appointment of and the services that may be rendered by the independent auditor of each of its entities as well as for the quality of the independent auditors' work.
3. Implement a procedure for preapproval by the AIC of fees for services provided by the independent auditor.
4. Implement a procedure for delegation by the AIC of preapproval authorizations for non-audit services.
5. Implement rules for recruiting accounting firm personnel.

3. TERMINOLOGY

In the context of a Desjardins Group approach, all components and investment funds are subject to this policy. Note that the combined financial statements of Desjardins Group are audited by the independent auditors.

Financial reporting oversight role

The term "financial reporting oversight role" means a role in which a person is in a position to exercise influence over the contents of financial statements that are subject to audit or review by the accounting firm or member thereof or anyone tasked with preparing the financial statements, which includes the following positions and any similar roles:

- Director
- President and Chief Executive Officer
- Senior Executive Vice-President and Chief Operating Officer
- Executive Vice-President, Finance, Treasury and Administration and Chief Financial Officer
- Chief Monitoring Officer
- Chief Treasurer
- Chief Legal Officer
- Vice-President, Finance Division

Accounting role

"Accounting role" means a role in which a person is in a position to or does exercise more than minimal influence over the contents of the client's accounting records related to the financial statements that are subject to audit or review by the accounting firm or member thereof, or anyone who prepares such financial statements.

Audit engagement team

The term "audit engagement team" means all the partners, principals and professionals with the independent auditor participating or serving as "advisor" in an audit, review or attest engagement for Desjardins Group. This term also refers to all other members of the accounting firm in a position to directly influence the result of the assurance or audit engagement team. The advisory services are related to technical or industry issues, transactions or events.

4. POLICY COMPONENTS

4.1 Independent auditor selection

4.1.1 Independent auditor's term of appointment

4.1.1.1 Annually, the Audit Committee, in the case of reporting issuers, the AIC or the Board of Directors of the Federation, of each component or investment fund, assess, together with management, the quality of the independent auditor's work, with a view to recommending its reappointment. If a component or an investment fund decides not to reappoint the independent auditor, such decision must be deferred to the AIC, who will make a recommendation to the Board of Directors to recommend the removal of the independent auditor at the annual general meeting of the Federation.

The Autorité des marchés financiers must, within 10 days, be informed of the resignation of the auditor or of the decision of the Federation to propose its removal during its current appointment period.

4.1.1.2 After a period of five years, a more in-depth review of processes and the quality of the independent auditor's work is carried out for all the components and investment funds. Upon recommendation of the Audit Committee or the AIC, the Board of Directors of the component in question shall decide on the matter.

4.1.1.3 The independent auditor shall be appointed annually by the Annual general meeting of the Federation or by the Board of Directors of the components or the investment funds upon a recommendation of the Board of Directors of the Federation, following a recommendation of the CAI or of the Audit Committee of the components.

4.1.2 Request for proposals

The Board of Directors is responsible for deciding whether or not to issue a request for proposals. If so, the Audit Committee and the AIC shall ensure that:

- None of the accounting firms are engaged in a legal dispute with any of the other investment funds or components
- The selection criteria are clearly defined
- A request for proposal template is used

4.1.3 Selection committee

To ensure that the selection process under a request for proposals is aligned with the policy objectives and guidelines, the selection committee shall be comprised of the members of the AIC and the Audit Committee of the components as well as the Executive Vice-President Finance, Treasury, Administration and Chief Financial Officer and the Chief Monitoring Officer of Desjardins Group. An additional non-voting member shall serve as coordinator. The committee shall consult the Senior Executive Vice-President and Chief Operating Officer regarding the request for proposals process.

The selection committee shall determine a rating scale for the following and other factors:

- The expertise of the team proposed by the accounting firm, for the area of business
- The accounting firm's capacity to meet the requirements of regulatory organizations
- The availability of resources
- The range of services authorized and available
- The audit fees

4.1.4 Soliciting independent auditors

Given the importance of protecting their independence and objectivity, the independent auditors must be considered as suppliers with a privileged status. In this respect, the soliciting donations, sponsorships, partnerships and any other type of contribution could be detrimental to maintaining such independence and objectivity.

Accordingly, any type of solicitation amounting to over $25,000, made directly or indirectly by a Desjardins Group manager or by a member of the Board of Directors is strictly prohibited, whether on behalf of himself/herself or an organization that he/she represents, unless authorization is obtained from the AIC or the Audit Committee of the component or the investment fund in question.

4.1.5 Monitoring the application of the policy

4.1.5.1 The AIC of the Federation shall monitor the awarding of engagements to independent auditors of components and investment funds subject to this policy.

4.1.5.2 The Executive Vice-President, Finance, Treasury, Administration and Chief Financial Officer shall present the following to the AIC every year:

- A report on the quality of services rendered by the independent auditors, as assessed by management and the Audit Committee of each of the components and investment funds
- A summary of fees paid for the independent audit

4.1.6 Exemptions

In the event of a request for exemption from the policy, excluding Section 4.1.5, the component or the investment fund in question shall obtain prior authorization from the Board of Directors of the Federation which shall consult with the AIC.

4.2 Rules for awarding contracts for related services to the auditors of Desjardins Group

The current rules meet the requirements of securities regulations, particularly the provisions of Regulation 52-110 respecting Audit Committees adopted by the Canadian Securities Administrators, which set forth the framework that applies to these services.

Therefore, where circumstances permit, one of the principles adopted is that Desjardins Group will favour the use of accounting firms other than the component's independent auditor.

4.2.1 Main threats to independence

According to the Canadian Institute of Chartered Accountants (CICA), certain interests, activities and relationships, in the context of an audit engagement, can pose a threat or risk to independence:

- Self-review threat
  When a practitioner provides assurance on their own work
- Self-interest threat
  When a practitioner could benefit from a (direct or indirect) financial interest in a client
- Advocacy threat
  When a practitioner promotes a client's position or opinion
- Familiarity threat
  When a practitioner becomes too sympathetic to a client's interests

- Intimidation threat
  When a practitioner is deterred from acting objectively by actual or perceived threats from a client

4.2.2 Independent auditor

4.2.2.1 Federation

For the independent auditor of the combined financial statements of Desjardins Group and the combined financial statements of the Desjardins caisses in Quebec, these guidelines apply to all of the services offered by the independent auditor to all or each of the components of Desjardins Group.

4.2.2.2 Other components

For any component whose independent auditor is not identified in Section 4.2.2.1, these guidelines apply only to services rendered to that component by its auditor.

4.2.3 Authorized services

The independent auditor may offer the following services:

4.2.3.1 Audit services

- All services rendered in accordance with generally accepted auditing standards in order to meet responsibilities associated with providing an opinion on the financial statements, and reviewing annual reports as well as other regulatory reports of the various entities of Desjardins Group.
- Examining the financial statements and reviewing the quarterly financial reports.

4.2.3.2 Audit-related services

Assurance and related services provided by the independent auditor that are related to the audit or review of the financial statements, including:

- Audit of the employee benefit plans
- Due diligence for mergers and acquisitions (safeguard required: specific preapproval by the AIC)
- Accounting advisory services and acquisition-related audits
- Internal control reviews (safeguard required: specific preapproval of the AIC)
- Attest services not required by legislation or regulations
- Advisory services relating to financial accounting and financial reporting standards, including opinions on the interpretation and application of generally accepted accounting principles; (note: the independent auditor may comment on opinions issued by the component, but cannot issue its own opinion before the component has given its own)
- Comfort letters
- Translation of financial statements and other financial reports

4.2.3.3 Tax services

All services provided by the tax department of the independent auditor.
However, preapproval is required for the following services:

- Tax minimization solutions

- Advisory services respecting the taxation aspects of merger, acquisition and restructuring strategies
- Personal tax planning

4.2.3.4 Other services

Other authorized services:

- Risk management services
  (safeguard required: specific preapproval of the AIC)
- Legislative or regulatory compliance services
  (safeguard required: specific preapproval of the AIC)
- Translation services

4.2.4 Prohibited services

None of the services listed below may be provided by the independent auditor:

- Bookkeeping and other services relating to the preparation of accounting documentsand financial statements;
- Creation and implementation of financial information systems that will be used to generate information that will be integrated into financial statements
- Actuarial services
- Valuation services
- Internal Audit services or work usually carried out under the control of the internal auditor
- Management and human resources functions
- Brokerage services, investment consulting services and investment banking services
- Legal services in connection with the settlement of a dispute or litigation
- Expert services in connection with a civil, criminal, regulatory, administrative or judicial proceeding or investigation

4.2.5 Exemption procedure

Only the AIC of the Federation may approve exceptions to this policy for each component of Desjardins Group. Whenever necessary, it shall request the opinion of the Audit Committee of the component in question.

This permission may be granted when it is deemed reasonable to believe that the results of these services will not be subjected to audit procedures when the financial statements are audited, that the said exceptions are in the best interests of Desjardins Group and will not pose a threat to the independence of the independent auditor.

4.2.6 Approval process

4.2.6.1 Annual audit plan

The Audit Committee or Commission of the component at issue shall review and approve the annual audit plan submitted by the independent auditor. The AIC shall do the same for Desjardins Group. Any engagement to attest the financial statements shall therefore be deemed approved by the AIC.

4.3 Specific responsibilities of the AIC or the Audit Committee

4.3.1 For the independent auditor contemplated by the section 4.2.2.1

Under subsection 2.3 of *Regulation 52-110 respecting Audit Committees* of the Canadian Securities Administrators:

- The AIC shall supervise and preapprove all audit services performed by the independent auditor of the combined financial statements of Desjardins Group and the combined financial statements of the Desjardins caisses in Quebec.
- The AIC shall supervise and preapprove all audit-related services provided by the independent auditor of the combined financial statements of Desjardins Group and the combined financial statements of the Desjardins caisses in Quebec to Desjardins Group components.
- The Audit Committee (AC) of a component shall supervise and preapprove all audit and audit-related services provided by the independent auditor to that component.
- The AIC shall preapprove all non-audit services that the independent auditor of the combined financial statement of Desjardins Group, the combined financial statements of the Desjardins caisses in Quebec (combined financial statements) must provide to the Federation, Desjardins Group and the components of Desjardins Group.

4.3.2 For the independent auditor contemplated by section 4.2.2.2

The Audit Committee (AC) of the component shall preapprove all non-audit services that the independent auditor must provide to the component.

4.3.3 Procedures

Note: For the purposes of this section, the expression “responsible AC” means, where applicable, the Audit Committee referred to in section 4.3.1 or 4.3.2.

4.3.3.1 The responsible AC may delegate its preapproval power for non-audit services to one or several of its independent members, provided that preapproved mandates are tabled for approval by the responsible AC at the following regular meeting.

4.3.3.2 The responsible AC may set guidelines and procedures for preapproving non-audit services if (i) preapproval guidelines and procedures are detailed for the contemplated services, (ii) the responsible AC is informed about each of the non-audit-related service, and (iii) the procedures do not include delegation of AC responsibilities to management.

4.3.3.3 The Executive Vice-President, Finance, Treasury, Administration and Chief Financial Officer, with the collaboration of each of the components’ management, ensures the preapproval follow-up for the non-audit-related service granted for Desjardins Group and for each of the components, and reports to the AIC and the Audit Committee of the component.

4.3.3.4 Any new engagement that exceeds the scope of the annual audit engagement and, if applicable, the quarterly review (authorized tax services, accounting advisory services, etc.) shall be preapproved by the responsible AC.

4.3.3.5 Management of the component to which the service is provided shall have responsibility for obtaining preapproval from the responsible AC.

4.3.3.6 Management shall be responsible for negotiating the best fees for the annual or, if applicable, quarterly audit engagement or any other authorized service.

4.4 Rules governing the recruitment of employees of public accounting firms

4.4.1 Independent auditor

For the independent auditor of the combined financial statements of Desjardins Group and the combined financial statements of the Desjardins caisses in Quebec, the rules apply to all of the independent auditor's employees having participated on an audit engagement team for a Desjardins Group component. For the other independent auditors performing an audit engagement for a component, the rules apply only to the relevant component.

4.4.2 Prohibited relationships

- The current partners, principals, shareholders and professionals of the independent auditor cannot be employees or serve on the boards of directors of any Desjardins Group components.
- An employee of the independent auditor shall not participate on the audit engagement team if the employee's spouse, common-law spouse, child whether dependent or not, father, mother, brother or sister has an accounting role or a financial reporting oversight role with the entity being audited, or had such a role with the entity during a period covered by an audit.

4.4.3 Restriction on recruitment

The former partners, principals, shareholders and professionals of the current and former independent auditor shall be prohibited from serving as directors or having a financial reporting oversight role for any Desjardins Group component, unless the following four (4 conditions are met:

1. Does not currently exercise significant influence over the independent auditor's financial activities and directives.
2. Does not have any debt payable to the independent auditor
3. Has not entered into any financial agreement with the independent auditor, other than a financial agreement providing for regular payments under a pension plan.
4. Has had no association with the customer service team or audit engagement team of the independent auditor assigned to Desjardins Group, unless the blackout period, as defined in section 4.4.4, has ended.

Any person who is a candidate for a director's position or a position involving financial reporting oversight for one of Desjardins Group's components must be assessed to determine whether this person has been in a position to exercise significant influence over the subject matter of the engagement during the period covered by the assurance report or the engagement period. An assessment must be made of the severity of such a threat of significant influence, which depends on factors such as the role of the person being recruited. If the threat is other than clearly insignificant, safeguards must be identified and applied to reduce the threats to an acceptable level.

4.4.4 Blackout period

The blackout period ends one year after the date on which the financial statements appearing in the annual report of Desjardins Group, in relation to which the person was associated with the customer service team or audit engagement team, were filed with a regulator.

4.4.5 Preapproval

For financial reporting oversight roles, the AIC, on the recommendation of the Senior Executive Vice-President and Chief Operation Officer of Desjardins Group, shall approve the recruitment, except for directors of a Desjardins Group component, of any person having been employed by the independent auditor during the year preceding the audit engagement.

The Federation's Corporate Governance and Responsible Finance Commission, in its role as Nominating Committee for directors of subsidiaries, shall seek the advice of the AIC regarding the blackout period, to hire any person having been employed by the independent auditor during the year preceding the audit engagement.

5. RESPONSIBILITY, APPLICATION AND REVIEW

The Audit Committee or AIC of the component concerned is legally responsible for preapproving the audit, audit-related and non-audit services of the independent auditors of Desjardins Group, whether they are provided to Desjardins Group or to its components, as well as for recommending policies and adopting specific procedures for retaining audit, audit-related and non-audit services. The AIC is further responsible for assessing and monitoring the independence and effectiveness of the independent auditors. This responsibility has been delegated to the audit committees of the components with regard to their respective independent auditor.

The AIC shall monitor independent auditor independence for all of Desjardins Group, with the exception of the Desjardins caisses in Quebec (individual) and Desjardins Ontario Credit Union. Each Audit Committee or Commission shall support it in this role. The Board of Directors of a component that has no Audit Committee shall assume this role. In that respect, the AIC of Desjardins Group or the Audit Committee of the component shall:

- Ensure that management of the component complies with the policy or supply rules in effect for that component as regards the awarding of contracts to its independent auditor.
- Receive from each independent auditor, through the Vice-President, Finance Division, Desjardins Group, a detailed list on a quarterly basis of new engagements awarded to them by each entity
- Receive a written confirmation of independence at least annually from each of the independent auditors, disclosing all relationships the independent auditor and their firm have, in engaging in all activities ancillary or incidental to their audit work, with the component and its related parties and which, in their professional judgment, may reasonably be thought to bear on independence

Note that the Board of Ethics and Professional Conduct is responsible for monitoring the independence and objectivity of the Desjardins Group Monitoring Office. To this end, the Audit and Inspection Commission must issue an opinion to the Board of Ethics and Professional Conduct on an annual basis confirming that the Chief Monitoring Officer has performed their role without interference from management with respect to the internal audit component.

This policy must be reviewed at least once every five years. The Finance, Treasury and Administration Executive Division and Chief Financial Officer are responsible for this review.

6. DELEGATION

None

7. EFFECTIVE DATE

This policy comes into force on the date it is adopted by the Board of Directors.