

**INVESTMENT AGREEMENT**  
**Market-linked guaranteed investment**  
**Zenitude - Secure**  
**Guaranteed Portfolio**  
**(Int paid annual) 5 Year Term**

To be retained until the account is closed or a new agreement or certificate is issued.

			Reference No.
Date of initial deposit (YYYY-MM-DD)	Date of issue (YYYY-MM-DD)	Date of maturity (YYYY-MM-DD)	Folio      Account No.
	<b>2018-04-18</b>	<b>2023-04-18</b>	Amount of initial deposit

**TERMS AND CONDITIONS GOVERNING THIS AGREEMENT**

- 1- **Cancellation Terms:** The contract is concluded between the member and the Caisse two (2) business days following the member's receipt of this agreement (the "Effective Date"). The member is deemed to have received this agreement five (5) business days after it has been mailed or after the date of receipt in AccèsD, as applicable. Unless the member notifies the Caisse in writing within three (3) business days of the contract's Effective Date (the "Cancellation Deadline"):
  - (i) that the information shown on the agreement is not in accordance with his/her request, or
  - (ii) that he/she does not accept all of the terms and conditions applicable to this agreement
 the member shall be deemed to have provided the instructions indicated in this agreement and to have accepted all conditions described herein. If the member cancels the agreement before the Cancellation Deadline, the initial deposit invested by the member will be returned to him/her in full and without fees or interest.
- 2- Before the date of issue, the Caisse has the right not to proceed, in whole or in part, with the issuance of the Market-linked Guaranteed Investment (the "Guaranteed Investment"). Any refused initial deposit will be returned to the member, without fees, with pre-issue interest as stipulated in section 13.
- 3- Where applicable, this agreement is subject to the provisions of the Application Form for an RRSP or any other plan issued and administered by Desjardins Trust Inc. that the member has already signed with the Caisse.

**TERMS AND CONDITIONS GOVERNING THE GUARANTEED INVESTMENT**

- 4- This investment constitutes a deposit made to the above-mentioned Desjardins caisse (the "Caisse"), a financial services cooperative, which is a member of the Fédération des caisses Desjardins du Québec (the "Fédération").
- 5- The member agrees to make, on the date of initial deposit, a first deposit (the "Initial Deposit") on which pre-issue interest is calculated according to section 13 of this agreement.
- 6- On the date of issue (the "Date of Issue"), the member expressly consents that the amount of the Initial Deposit and the pre-issue interest be reinvested in the form of a Market-linked Guaranteed Investment maturing on the maturity date (the "Date of Maturity"). The term of the Guaranteed Investment is five (5) years (the "Term").
- 7- The principal of this investment is guaranteed by the Caisse at maturity. The Guaranteed Investment may not be negotiated, transferred or redeemed, and no amount in principal shall be redeemable or payable before the Date of Maturity, except for the provisions stipulated in section 29. No secondary market exists for this Guaranteed Investment nor will one be established.
- 8- The minimum guaranteed return of this investment is payable annually in compliance with the conditions set out in section 17 of this agreement.
- 9- This Guaranteed Investment may be hypothecated or given as security only in favour of the issuing Caisse to the extent permitted under current legislation.
- 10- This Guaranteed Investment is in Canadian dollars. The redemption of the principal and the payment of interest will be made in Canadian dollars.
- 11- This Guaranteed Investment is a deposit within the meaning of the *Deposit Insurance Act*, up to the maximum eligible amount. More information is available online ([www.lautorite.qc.ca](http://www.lautorite.qc.ca)).

**FEES**

- 12- This Guaranteed Investment is not subject to any management fees. Therefore, the interest corresponding to the yield will not be affected by any management fees.

**TERMS AND CONDITIONS GOVERNING THE METHOD OF CALCULATION OF INTEREST**

- 13- For the period between the date of Initial Deposit and the Date of Issue, the interest on the Initial Deposit shall be calculated on the daily balance at the pre-issue interest rate of 0.650% per annum.
- 14- For the period between the Date of Issue and the Date of Maturity, the interest generated by the Guaranteed Investment shall be determined according to the variation in the Zenitude - Secure Guaranteed Portfolio (Interest paid annually) in the following manner:

Interest = Principal X Cumulative return X 100%
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|------------|--|
| Principal  | = The amount of the Initial Deposit plus the pre-issue interest accrued between the date of the Initial Deposit and Date of Issue.   |
| Cumulative | = Total cumulative return of components C <sub>1</sub> and C <sub>2</sub> as per their respective ratios. Component C <sub>2</sub> is subject to a minimum and maximum return as described in sections 15 to 17. |
| 100%       | = The rate of participation in the growth of the Zenitude - Secure Guaranteed Portfolio (Interest paid annually).  |

**OTHER CONDITIONS ON FOLLOWING PAGES**

**15-**The maximum and minimum returns to be applied to the entire Zenitude - Secure Guaranteed Portfolio (Interest paid annually) will only be known on April 6, 2018 when the fixed-yield component will have been determined, as described in section 17. The member will be informed of these values upon reception of the Investment Features Confirmation Notice.

**16-**The Zenitude - Secure Guaranteed Portfolio (Interest paid annually) is broken down in the following manner:

i - Fixed-yield component:

C<sub>1</sub> : Conventional term savings 60%

ii - Variable-yield component:

C<sub>2</sub> : Globally Diversified Basket 40%

**17-**The contribution of each of the components to the yield of the Guaranteed Investment is described below:

i - Fixed-yield component

C<sub>1</sub> : Conventional term savings

The cumulative return on the conventional term savings, which applies to 60% of the principal, shall be determined as follows:

Minimum guaranteed cumulative return for C<sub>1</sub> = Fixed annual return applied to the entire term and equal to the higher of the following interest rates:

- The rate in force at the Caisse as at January 29, 2018 for a 5-year conventional term savings deposit, increased by a 1.15% variation;
- Or the rate in force at the Caisse as at April 06, 2018 for a 5-year conventional term savings deposit, increased by a 1.15% variation.

ii - Variable-yield component

C<sub>2</sub> : Globally Diversified Basket

The cumulative return on the Globally Diversified Basket, which applies to 40% of the principal, shall be determined as follows:

Cumulative return for C<sub>2</sub> = Minimum guaranteed cumulative return for C<sub>2</sub> + Variable return at maturity for C<sub>2</sub>

Minimum guaranteed cumulative return for C<sub>2</sub> = 4.500% equal to a minimum guaranteed annual return = 0.900%

Variable return at maturity for C<sub>2</sub> =  $\left[ \left( \frac{CP^2}{CP^1} \text{ for } T_1 + \frac{CP^2}{CP^1} \text{ for } T_2 + \dots + \frac{CP^2}{CP^1} \text{ for } T_{20} \right) \times 1/20 \right] - 1$  - Minimum guaranteed cumulative return for C<sub>2</sub>

Maximum return at maturity for C<sub>2</sub> = 13.500% equal to an annual return = 2.700%

CP<sup>2</sup> = The average closing price of each security on February 6, 2023, March 6, 2023 and April 11, 2023 (or the following business day if no reading takes place on this security on any of these dates).

CP<sup>1</sup> = The price of each security at closing on April 6, 2018 (or the following business day if no reading takes place on this security on this date).

S<sub>1</sub> to S<sub>20</sub> = Each one of the twenty (20) securities listed hereunder.

List of stock market securities. The weight applying to each security is 5%.

Security	Stock Market	Currency	Security	Stock Market	Currency
S <sub>1</sub> : Air Products and Chemicals Inc. (APD UN)	New York SE	American Dollar	S <sub>11</sub> : Muenchener Rueckversicherungs AG (MUV2 GY)	XETRA Frankfurt	Euro
S <sub>2</sub> : Royal Bank of Canada (RY CT)	Toronto SE	Canadian Dollar	S <sub>12</sub> : National Grid Plc (NG/ LN)	London SE	British Pound
S <sub>3</sub> : BCE Inc. (BCE CT)	Toronto SE	Canadian Dollar	S <sub>13</sub> : Paychex Inc. (PAYX UQ)	NASDAQ GS	American Dollar
S <sub>4</sub> : Canadian National Railway Company (CNR CT)	Toronto SE	Canadian Dollar	S <sub>14</sub> : Public Storage (PSA UN)	New York SE	American Dollar
S <sub>5</sub> : Geberit AG (GEBN SE)	SIX SE	Swiss Franc	S <sub>15</sub> : Takeda Pharmaceutical Company Limited (4502 JT)	Tokyo SE	Japanese Yen
S <sub>6</sub> : Genuine Parts Company (GPC UN)	New York SE	American Dollar	S <sub>16</sub> : The Procter & Gamble Company (PG UN)	New York SE	American Dollar
S <sub>7</sub> : Hennes & Mauritz AB (HMB SS)	Stockholm SE	Swedish Krona	S <sub>17</sub> : Thomson Reuters Corporation (TRI CT)	Toronto SE	Canadian Dollar
S <sub>8</sub> : Johnson & Johnson (JNJ UN)	New York SE	American Dollar	S <sub>18</sub> : TransCanada Corporation (TRP CT)	Toronto SE	Canadian Dollar
S <sub>9</sub> : The Toronto-Dominion Bank (TD CT)	Toronto SE	Canadian Dollar	S <sub>19</sub> : Vodafone Group Plc (VOD LN)	London SE	British Pound
S <sub>10</sub> : L'Oréal SA (OR FP)	EN Paris	Euro	S <sub>20</sub> : Woodside Petroleum Limited (WPL AT)	Australian SE	Australian Dollar

The minimum guaranteed cumulative return for C<sub>1</sub> and the minimum guaranteed cumulative return for C<sub>2</sub> will be paid annually as follows, as per their respective ratios, as described in section 16:

Periodic payment<sub>i</sub> = (60% X Minimum guaranteed cumulative return for C<sub>1</sub> + 40% X Minimum guaranteed cumulative return for C<sub>2</sub>) / i period number

i = Each of the periods using the dates mentioned below.

Periodic payment dates:

i period	i payment date
1	April 18, 2019
2	April 18, 2020
3	April 18, 2021
4	April 18, 2022
5	April 18, 2023

**INTEREST LIMIT**

- 18-** The interest paid at maturity on component C<sub>2</sub> is subject to a maximum as described in section 17. The maximum annual rate of return that applies to the entire portfolio shall be set out in the Investment Features Confirmation Notice.
- 19-** The return on the variable-yield component does not take into account the payment of dividends or distributions on shares or other securities included of the portfolio.

**RISK AND SUITABILITY**

- 20-** Since the return on the Guaranteed Investment is tied to changes in the market, this Guaranteed Investment carries a higher level of risk than a traditional fixed-rate investment. Ultimately, the yield of the portion based on the performance of the stock market may be nil at maturity and only the minimum guaranteed interest could be paid. This Guaranteed Investment is different from traditional fixed-rate investments because it does not guarantee a return determined in advance. Also, the yield of the portion based on the performance of the stock market can only be known for certain at maturity and is a function of the appreciation of the securities, which could be subject to major fluctuations in the capital markets. Consequently, the Caisse cannot guarantee a return at the Date of maturity on the portion of the yield based on the performance of the stock market.
- 21-** The return at maturity on the variable-yield component of the Guaranteed Investment will not be affected by changes in exchange rates, even if the security prices are published in foreign currencies.
- 22-** The Guaranteed Investment is not a direct investment in securities of the variable-yield component. Therefore, the member is not entitled to the rights or the benefits of a shareholder, such as the right to receive distributions or dividends or the right to vote or attend shareholders' meetings.
- 23-** The cumulative return of the variable-yield component is calculated based on the average of the closing price of each security as described in section 17. Consequently, the yield paid out at maturity may not reflect the rate of return on the variable-yield component between the Date of Issue and the Date of Maturity.
- 24-** Given the features of this kind of investment, the potential purchaser should consult his/her advisor to make sure that such an investment meets his/her investment objectives.
- 25-** This Guaranteed Investment is a sound investment for those whose investment horizon is at least as long as the term of the Guaranteed Investment and who also intend to keep it until maturity. It is also a sound choice for those who wish to diversify their investments and who wish to gain exposure to the capital market. However, it is not suitable for those who require an income during the term.

**CONFLICT OF INTEREST**

- 26-** The Caisse could find itself in a situation of conflict of interest because, as the issuer of the Guaranteed Investment, it or, as the case may be, the Fédération des caisses Desjardins du Québec (FCDQ) or another entity belonging to the same group as the FCDQ, calculates the yield and interest payable to members at maturity. However, the security prices are public information and accessible to members.
- 27-** When an advisor offers or recommends products made or distributed by Desjardins Group, he/she may earn incentive-based remuneration in the form of a bonus in addition to his/her salary. Although this incentive-based remuneration may create a conflict of interest, the Caisse and the advisor must ensure that the recommendations made or transactions carried out are appropriate for the member.
- 28-** In addition to his/her primary role, an advisor may carry out another paid activity, working for another registered entity within the same group as the Fédération, in particular, as a financial planner or a mutual fund representative. These activities are separate from those carried out as an advisor at the Caisse and are therefore not the Caisse's responsibility.

**TERMS AND CONDITIONS GOVERNING REDEMPTION AND CONVERSION OPTIONS**

- 29-** Once a year, after the Guaranteed Investment has been held for three (3) years, the member may exercise his/her redemption or conversion option according to the terms and conditions set out hereunder. The redemption option allows a member to redeem the total amount or a portion of the Guaranteed Investment. The conversion option allows a member to convert the total amount or a portion of the investment into another market-linked investment for a term that is equal to or longer than the term remaining on the current investment. Where appropriate, the member will have to contact the Caisse to find out about the eligible investments that are available to him/her during the conversion request period.

**Eligible Amounts and Notice of Execution**

To exercise his/her redemption or conversion option, the member must advise the Caisse in writing, by telephone or by fax during the redemption or conversion periods indicated hereunder. For a conversion, the member must indicate the new investment and the term selected. The redemption or conversion option may be exercised on the total amount or a portion of the amount invested (partial withdrawals of at least \$3,000, with a remaining balance of at least \$3,000). In cases where the balance prior to the exercise of the redemption or conversion option is less than \$6,000, the full amount of the investment must be redeemed or converted. Unless otherwise specified by the member, the option selected will be exercised on the full amount of the investment.

**The Caisse is not in any manner required to advise the member of the periods in which he/she may exercise these options, the member being solely responsible for notifying the Caisse of his/her decision to exercise one or the other option according to the agreed terms.**

The member who has notified the Caisse of his/her decision to exercise one of these options may only cancel this request during the redemption or conversion request periods, as determined hereunder.

**Dates for Exercising the Redemption or Conversion Options**

	Period No. 1	Period No. 2
Redemption or conversion request period*	2021-04-12 to 2021-04-23	2022-04-11 to 2022-04-22
Date of determination of the redemption or conversion value	2021-05-05	2022-05-05
Effective date of the redemption or conversion**	2021-05-06	2022-05-06

\* Period during which either option may be exercised and that extends over a period of ten (10) business days.

\*\* Date on which the principal and interest payment is made, if applicable, or the transfer to another investment is made.

#### **Determination of the Redemption or Conversion Value**

The value of the redemption corresponds to the market value of the Guaranteed Investment on the date its value has been determined. The value of the conversion to another market-linked guaranteed investment is higher than the redemption value due to an increase granted to the member for demonstrating loyalty.

It is impossible to determine the redemption or conversion value in advance. The member will be informed of the approximate value of the redemption or conversion on request, during the request period only. The value is given for guidance only due to the time frame between the date the redemption request was made and the date the value of the redemption or conversion is determined. **The member may therefore obtain a value that does not correspond to the approximate value received during the option request period, and the variations may be either higher or lower.**

For redemptions or conversions which occur before the Date of Maturity, an interest correction (the "Interest Correction") may be made on previous interest payments. In this case, an Interest Correction will be made in the account into which the interest was previously paid. Should there be insufficient funds remaining in this account, an Interest Correction will be made directly on the redemption product or the amount to be converted.

For partial redemptions or conversions, interest on the balance of the principal will be calculated according to section 14 of this agreement for the period between the effective date of redemption or conversion and the Date of Maturity.

The redemption or conversion value varies based on the following factors: the cumulative return on the Guaranteed Investment since its issue, the fact that the principal guarantee applies at maturity only, volatility, interest rates, the amount of interest already paid and the term remaining before the Date of Maturity. Factors that influence redemption and conversion values interact, which means, for example, that one factor may cancel the potential increase in the redemption or conversion value that is attributable to another factor. To illustrate, an increase in interest rates may cancel the full amount or part of the increase in the redemption or conversion value that is attributable to the investment's cumulative return. **Therefore, the redemption or conversion value may not reflect the product's cumulative return since its issue, and may even be lower than the principal. The redemption or conversion value never equals the maximum possible value of the investment at maturity.**

For a redemption or conversion, any amount paid over and above the principal and the minimum guaranteed interest already declared will be considered interest income for Guaranteed Investments held outside registered plans. Prior to making the decision to exercise either of these options, it is recommended that the member inquire about the applicable tax treatments.

#### **Extraordinary Events**

Even if the Caisse intends to proceed with the redemption or conversion request on the dates specified, extraordinary events may arise, as stipulated in section 31 hereunder, that may prevent the Caisse from proceeding with the redemption or conversion as agreed. The member who notified the Caisse of his/her intention to exercise either of these options will then be informed of the situation.

### **RENEWAL AND TERMS AND CONDITIONS GOVERNING REDEMPTION OF PRINCIPAL AT MATURITY**

**30-** On the Date of Maturity of the Guaranteed Investment, unless AccèsD provides other instructions to the contrary, if the investment can be renewed online, or by notifying the Caisse no later than the fifth (5th) business day following such date, the balance of the principal and any interest shall be reinvested in a Guaranteed Investment of the same type offered with a corresponding minimum investment amount. The term shall be equal to the term of this Guaranteed Investment or, should no equal term be offered at that time, the term shall be the one closest to the term of this Guaranteed Investment. If a Market-linked Guaranteed Investment, offered with a minimum investment amount corresponding to the balance of the principal and any interest on the principal is not offered or is not available through automatic renewal for any reason whatsoever, the principal and any interest on the principal shall be deposited into a regular savings account or a personal chequing account. The annual interest rate shall be the rate then in effect at the Caisse for such a savings account. The interest shall be calculated daily and compounded annually.

#### **EXTRAORDINARY EVENTS**

**31-** The member acknowledges that a disruption on capital markets (e.g. transactions halted due to a sharp drop in or a problem with the publication of security prices), a change in the publication of security prices (e.g. a merger, a stock split), securities facing some financial hardship (e.g. company bankruptcy) or any other extraordinary circumstance or event out of the control of Desjardins Group and having a significant impact on product management (an "Extraordinary Event") may occur and affect the Caisse's capacity to calculate or pay the yield or to fulfill any other obligation on the date provided for. If the Caisse believes, at its sole discretion, that such an event has occurred, the member agrees that the Caisse may depart from the terms and conditions of this agreement and take any action as deemed appropriate and equitable in the circumstances, including, without limitation, the substitution of securities, adjusting, anticipating or deferring the calculation or the payment of the yield, or determining the yield in a different manner. The Caisse will determine which measures to take in the above-mentioned circumstances, at its sole discretion, and will take reasonable action and will consider the interests of all stakeholders, in particular, without limiting the scope of the foregoing, those of members with products, those of other members of the Caisse or Desjardins Group, and the interests of the Caisse and those of Desjardins Group.

Because the product includes a minimum guaranteed yield, an extraordinary event will not affect this minimum yield.

#### **ACCESS TO INFORMATION**

**32-** The return on the Guaranteed Investment is posted regularly on the Desjardins website ([www.desjardins.com](http://www.desjardins.com)). It is intended for information purposes only and is different from the repurchase or conversion value. The cumulative return on the Guaranteed Investment will not be known until the Date of Maturity. Complete information about Market-linked Guaranteed Investments is available on [www.desjardins.com](http://www.desjardins.com) or upon request by calling 1-800-CAISSES.

#### **TAXATION**

**33-** The pre-issue interest is considered to be interest income for tax purposes for the year the Guaranteed Investment is issued. The member must add the pre-issue interest invested in the Guaranteed Investment according to section 6 to his/her income for the year said investment is issued. Interest paid on each payment date, as described in section 17, must be added annually to the member's income for the year in which it was paid. Amounts paid at maturity are considered to be interest income. During the year it is paid, the member must add the interest received at maturity to his/her income, excluding the amounts taxed in previous years. Compliant tax information slips are issued by the Caisse for this purpose. This information is of a general nature and constitutes neither a legal nor a fiscal opinion. Please discuss with your tax advisor for more information.

**EXAMPLE OF RETURN CALCULATION AT MATURITY (5-year term) - Bull Market**

Components of the Zenitude - Secure Guaranteed Portfolio (Interest paid annually)	Cumulative Return at maturity*	Minimum Guaranteed Cumulative Return and Maximum Cumulative Return considered	Cumulative Return used (1) = (2) + (3)	Minimum Guaranteed Cumulative Return paid annually (2)	Variable Return paid at maturity (3)	Weight in the portfolio (4)	Contribution to the Portfolio's Cumulative Return (5) = (1) X (4)	Average Annual Return
C <sub>1</sub> : Conventional term savings	13.50%	N/A	13.50%	13.50%	N/A	60%	8.10%	
C <sub>2</sub> : Globally Diversified Basket	13.62%	4.50% to 13.50%	13.50%	4.50%	9.00%	40%	5.40%	
							<b>13.50%</b>	<b>2.70%</b>

\* See section 17 for details on how return is calculated for each of the components. For conventional term savings, a simple annual rate of 2.70% (including the premium) has been used for information purposes only. It should not be interpreted as the interest rate to be applied to this agreement.

**The return is presented solely for information purposes and is not a guarantee of future performance.**

**EXAMPLE OF RETURN CALCULATION AT MATURITY (5-year term) - Bear Market**

Components of the Zenitude - Secure Guaranteed Portfolio (Interest paid annually)	Cumulative Return at maturity*	Minimum Guaranteed Cumulative Return and Maximum Cumulative Return considered	Cumulative Return used (1) = (2) + (3)	Minimum Guaranteed Cumulative Return paid annually (2)	Variable Return paid at maturity (3)	Weight in the portfolio (4)	Contribution to the Portfolio's Cumulative Return (5) = (1) X (4)	Average Annual Return
C <sub>1</sub> : Conventional term savings	13.50%	N/A	13.50%	13.50%	N/A	60%	8.10%	
C <sub>2</sub> : Globally Diversified Basket	-1.18%	4.50% to 13.50%	4.50%	4.50%	0.00%	40%	1.80%	
							<b>9.90%</b>	<b>1.98%</b>

\* See section 17 for details on how return is calculated for each of the components. For conventional term savings, a simple annual rate of 2.70% (including the premium) has been used for information purposes only. It should not be interpreted as the interest rate to be applied to this agreement.

**The return is presented solely for information purposes and is not a guarantee of future performance.**

Additional information

**Info L1-L4 . . .**

