Desjardins
Wealth Management
Investments

MLGI
Market-linked
guaranteed investment

INVESTMENT AGREEMENT

Flex-Pay Guaranteed Investment - (Annual potential payment)
5 Year Term

Folio	
Account No.	
Amount of initial deposit	
Date of initial deposit (YYYY-MM-DD)	
Date of issue (YYYY-MM-DD)	2019-02-14
Date of maturity (YYYY-MM-DD)	2024-02-14

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

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 30. No secondary market exists for this Guaranteed Investment nor will one be established.

8- Periodic interest on this investment, if applicable, is payable annually, in compliance with the terms and conditions set out in section 14 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, if applicable, 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**).

FEES

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

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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 1.000% per annum.

14- For the period between the Date of Issue and the Date of Maturity, any interest generated by the Guaranteed Investment, if applicable, shall be determined on each date the index is read and deposited in the account on each investment payment date according to the variation in the price of the twenty (20) securities described hereafter (the "securities"), in the following manner:

$$\text{Periodic interest i} = \text{Principal X } RR_i$$

$$RR_i = 0\% \text{ if} \left[\left(CP^i/CP^0 \text{ for } S_1 + CP^i/CP^0 \text{ for } S_2 + \ \ldots \ + CP^i/CP^0 \text{ for } S_{20} \right) \text{ x } 1/20 \right] - 1 < 0\%$$

$$RR_i = 5.750\% \text{ if} \left[\left(CP^i/CP^0 \text{ for } S_1 + CP^i/CP^0 \text{ for } S_2 + \ \ldots \ + CP^i/CP^0 \text{ for } S_{20} \right) \text{ x } 1/20 \right] - 1 \geq 0\%$$

Where i = 1, 2, 3, 4 or 5

Principal = The amount of the Initial Deposit plus the cumulative pre-issue interest accrued between the date of Initial Deposit and the Date of Issue.

RR_i = Rate of return for the i period.

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

Period i	Index reading date	Payment date
Period 1	February 6, 2020	February 14, 2020
Period 2	February 8, 2021	February 14, 2021
Period 3	February 7, 2022	February 14, 2022
Period 4	February 6, 2023	February 14, 2023
Period 5	February 6, 2024	February 14, 2024

CP^i = The price of each security at closing on the index reading date (or the following business day if no reading takes place on this security on any of these dates).

CP^0 = The price of each security at closing on February 6, 2019 (or the following business day if no reading takes place on this security on this date).

S_1 to S_{20} = Each one of the twenty (20) securities listed hereafter.

Interest will be paid on a payment date if the return on the basket of securities on the corresponding index reading date for this period is greater than or equal to 0%. If the return on the securities is negative, no payment will be made.

The maximum cumulative return on the investment represents total potential periodic interest.

Here are the twenty (20) securities (common shares) as well as their respective stock markets and currencies. Each security has the same weighting in the portfolio. (The Caisse does not issue any opinion on the future evolution of the price of the securities.)

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

Security and Corresponding Bloomberg Rating	Stock Market	Currency
S_1: Aflac, Inc. (AFL UN EQUITY)	New York SE	American Dollar
S_2: BCE Inc. (BCE CT EQUITY)	Toronto SE	Canadian Dollar
S_3: Bouygues SA (EN FP EQUITY)	EN Paris	Euro
S_4: Burberry Group Plc (BRBY LN EQUITY)	London SE	British Pound
S_5: Cisco Systems, Inc. (CSCO UW EQUITY)	NASDAQ GS	American Dollar
S_6: Essilor International (EI FP EQUITY)	EN Paris	Euro
S_7: Fortis Inc. (FTS CT EQUITY)	Toronto SE	Canadian Dollar
S_8: Givaudan SA (GIVN SE EQUITY)	SIX SE	Swiss Franc
S_9: The Toronto-Dominion Bank (TD CT EQUITY)	Toronto SE	Canadian Dollar
S_{10}: Sun Life Financial Inc. (SLF CT EQUITY)	Toronto SE	Canadian Dollar
S_{11}: NTT Docomo, Inc. (9437 JT EQUITY)	Tokyo SE	Japanese Yen
S_{12}: Paychex Inc. (PAYX UW EQUITY)	NASDAQ GS	American Dollar
S_{13}: Phillips 66 (PSX UN EQUITY)	New York SE	American Dollar
S_{14}: Public Storage (PSA UN EQUITY)	New York SE	American Dollar
S_{15}: Roche Holding AG (ROG SE EQUITY)	SIX SE	Swiss Franc
S_{16}: Siemens AG (SIE GY EQUITY)	XETRA Frankfurt	Euro
S_{17}: Canadian Tire Corporation, Limited (CTC/A CT EQUITY)	Toronto SE	Canadian Dollar
S_{18}: The Procter & Gamble Company (PG UN EQUITY)	New York SE	American Dollar
S_{19}: Thomson Reuters Corporation (TRI CT EQUITY)	Toronto SE	Canadian Dollar
S_{20}: Wesfarmers Limited (WES AT EQUITY)	Australian SE	Australian Dollar

INTEREST LIMIT

15- Any interest paid, if applicable, on each deposit date, is subject to a maximum of 5.750%, even if the return on the basket of securities is higher.

16- The yield of the securities does not take into account the payment of dividends or distributions on shares or other securities included in the securities.

RISK AND SUITABILITY

17- 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. It is possible that the yield based on the performance of the stock market may be negative on each date the index is read and, therefore, no interest would be paid. This Guaranteed Investment is different from traditional fixed-rate investments because it does not guarantee a return determined in advance. The yield based on stock market performance can only be known for certain on each date the index is read 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 yield.

18- The Guaranteed Investment's return on each date the index is read will not be affected by changes in exchange rates, even if the security prices are published in foreign currencies.

19- The Guaranteed Investment is not a direct investment in the securities. 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.

20- The return on this investment is not calculated based on the rate of return on the securities between the Date of Issue and the Date of Maturity. Instead, it is calculated annually according to the formula provided in section 14. Consequently, the return on the Guaranteed Investment may not reflect the rate of return on each security between the Date of Issue and the Date of Maturity.

21- 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.

22- 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 in addition to receiving a potential periodic income. However, it is not suitable for those who require an income during the term.

CONFLICT OF INTEREST

23- 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.

24- 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.

25- 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.

RENEWAL AND TERMS AND CONDITIONS GOVERNING REDEMPTION OF PRINCIPAL AT MATURITY

26- 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 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 is not offered or is not available through automatic renewal for any reason whatsoever, 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

27- 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 the security prices), a change in the publication of the 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 guarantee capital, an extraordinary event will not affect the guarantee capital, but may positively or negatively affect the yield, and if negatively, it may be reduced to 0.

ACCESS TO INFORMATION

28- The return on the Guaranteed Investment is posted regularly on the Desjardins website (**www.desjardins.com**). It is intended for information purposes only and is different from the repurchase or conversion value. The Guaranteed Investment's yield and interest payable will only be calculated on each date the index is read. Complete information about Market-linked Guaranteed Investments is available on **www.desjardins.com** or upon request by calling 1-800-CAISSES.

TAXATION

29- This Guaranteed Investment is an investment eligible for tax-free savings accounts (TFSAs). For Market-linked Guaranteed Investments not held in the aforementioned registered account, the pre-issue interest is considered to be interest income for income 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, if applicable, on each payment date, as described in section 14, must be included every year with the member's income for the year in which the interest was paid. The Caisse issues compliant tax slips 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.

TERMS AND CONDITIONS GOVERNING REDEMPTION AND CONVERSION OPTIONS

30- 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 hereafter. 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 hereafter. 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 a 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 hereafter.

Dates for Exercising the Redemption or Conversion Options

Period No.	Redemption or conversion request period*	Date of determination of the redemption or conversion value	Effective date of the redemption or conversion**
1	2022-02-07 to 2022-02-18	2022-03-08	2022-03-11
2	2023-02-06 to 2023-02-17	2023-03-08	2023-03-13

* 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.

The redemption or conversion value varies based on the following factors: the return on the securities since their 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 return on the securities. **Therefore, the redemption or conversion value may not reflect the return on the securities since their 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 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.

For a redemption or conversion, any amount paid over and above the principal and any 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 27, 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.

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

Date the index is read	Bull Market		Bear Market	
	Performance of the security basket compared to start value	Rate of return	Performance of the security basket compared to start value	Rate of return
February 6, 2020	2.00%	5.75%	0.00%	5.75%
February 8, 2021	0.00%	5.75%	-2.00%	0.00%
February 7, 2022	5.00%	5.75%	-8.00%	0.00%
February 6, 2023	15.00%	5.75%	-12.00%	0.00%
February 6, 2024	20.00%	5.75%	-3.00%	0.00%
	Cumulative return*	**28.75%**		**5.75%**
	Average paid annually	**5.75%**		**1.15%**

*** The cumulative return, representing the total interest paid, is presented for information purposes only and is not indicative of future performance.** It should not be interpreted as the return to be applied to this agreement.

ADDITIONAL INFORMATION

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