

Investment policy

CAISSE DES VERSANTS DU MONT ROYAL



 **Desjardins**
Caisse des Versants
du mont Royal

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1. FOREWORD

Caisse Desjardins des Versants du mont Royal's mission is to contribute to the economic and social well-being of people and communities. The caisse contributes to the community by supporting projects alongside local organizations and institutions, without taking the place of government.

This policy aims to provide information to caisse members and partners on the caisse's contributions to the community. It provides the caisse's board of directors with guidelines on allocating and managing the financial support provided by the caisse, which includes the Community Development Fund (CDF), donations and sponsorships.

2. PURPOSE AND OBJECTIVES

This policy is based on Desjardins Group's business reality while considering the specific needs of members and the community, the caisse's strategic planning and Desjardins Group's priorities.

By supporting community development, the caisse promotes Desjardins Group's values:

- Money at the service of human development
- Personal commitment
- Democratic action
- Integrity and rigour in the cooperative enterprise
- Solidarity with the community
- Intercooperation

OBJECTIVES OF THE INVESTMENT POLICY

- Share the framework for the caisse's community involvement.
- Make sure members and the community have the information needed for their understanding.
- Meet the needs of our members and the community by supporting meaningful projects.
- Promote the cooperative difference and the democratic participation of members.
- Promote members' access to funding by setting clear criteria.

3. TYPES OF CONTRIBUTIONS

There are many ways the caisse can enrich the lives of people and communities. Along with providing financial support, the caisse can encourage employees and board members to develop strong relationships with members and the community.

COMMUNITY DEVELOPMENT FUND (CDF)

The CDF is a way for caisse members to contribute to sustainable development in their communities, alongside other financial support mechanisms provided by local, regional or sector-specific organizations.

CDF investments are a key factor in getting many projects off the ground. They're designed to support meaningful projects that meet community needs.

Meaningful projects are projects that:

- Unite different stakeholders around a common goal that will have a lasting impact on the community
- Have a lot of added value for people and the community, empowering them to take charge of their development and their ability to act

SPONSORSHIPS

A sponsorship is an amount of money provided in order to establish a business partnership or carry out an activity, event or project in exchange for an institutional or commercial benefit, with a view to obtaining visibility and business reciprocity so that Desjardins can reach a target clientele. Because this is a business opportunity, every file is presented with a promotion plan that defines the initial objectives, methods, budget and a way to evaluate the expected benefits.

DONATIONS

Donations include financial assistance, materials or services provided to non-profit organizations (associations, institutions and cooperatives) to support their development activities while boosting caisse visibility. Donations directly support the organization's cause.

VOLUNTEERING

The caisse may occasionally offer the time and expertise of its staff and board members.

4. USE OF THE COMMUNITY DEVELOPMENT FUND

Contributions to the Community Development Fund are approved by members at the annual general meeting (AGM). The contributions come from the surplus earnings reserved for member dividends. Members who attend the AGM must receive an annual report on the use of the CDF.

The CDF is managed exclusively by the caisse’s board of directors. The board alone is responsible for determining how the money in the CDF is used.

The caisse’s board of directors is not required to invest the total amount of money contributed to the CDF every year. In addition, the board can only use money from the CDF after it has set aside the funds required to meet earlier multi-year commitments made by the caisse.

Members receive a cooperative difference report every year at the AGM.

5. CDF INVESTMENT PRIORITIES

The caisse always does what’s best for its members. Therefore, after consulting members and partners, it has defined the following investment priorities.

| Investment priorities | Details |
|--|--|
| Health and healthy lifestyles | <ul style="list-style-type: none"> • #1 priority: The environment: <ul style="list-style-type: none"> - Our region is a major driver of sustainable development and environmental advocacy. - We want to contribute more actively to raising awareness about environmental protection. • Healthy lifestyles, sports and recreation • Research and preventive care • Work-life balance • Cooperation and health |
| Community and humanitarian work | <ul style="list-style-type: none"> • #1 priority: Social and community support • Humanitarian work • Sharing economy |
| Education | <ul style="list-style-type: none"> • #1 priority: Education and training • Financial literacy • Talent development • Academic development • Research and innovation |
| Culture | <ul style="list-style-type: none"> • Arts and culture in the community • Support for emerging artists |
| Economic development, jobs and entrepreneurship | <ul style="list-style-type: none"> • Support for Desjardins's business development goals in target markets • Increased visibility and recognition in the community for Desjardins and its partners |
| Cooperation | <ul style="list-style-type: none"> • Sustainable economic development model • Cooperative entrepreneurship • Democratic life • Civic engagement |

6. ELIGIBILITY AND SELECTION CRITERIA (CDF, DONATIONS AND SPONSORSHIPS)

Desjardins member organizations will be given priority for funding. However, the caisse will consider applications from organizations that are not members, taking into account their contribution to the community.

The caisse will give special attention to project developers and donation and sponsorship applicants that have taken sustainability into account.

Associations, groups, organizations, individuals and project developers that apply for funding from the caisse must meet the following criteria.

| | CDF | Sponsorship | Donation |
|--|---|---|---|
| Eligibility criteria | <p>Be a non-profit corporation, cooperative, association, organization or group</p> <ul style="list-style-type: none"> Individuals and private-sector businesses considered for caisse-specific programs only, such as scholarships and support for entrepreneurs (microcredit for businesses, Créavenir Youth Entrepreneurship Program, etc.) Project or event taking place in the caisse's territory Aligned with the caisse's investment priorities | <ul style="list-style-type: none"> Be a non-profit corporation, cooperative, association, organization or group Be a member of Caisse Desjardins des Versants du mont Royal or, in the case of a joint sponsorship, be a member of another Desjardins caisse The number of people participating in the project, activity or event and the communities they belong to, as well as any media coverage, must be suitable for caisse's participation | <ul style="list-style-type: none"> Must be a registered charity or non-profit organization with any relevant documents required for the application. Funding cannot be used to cover wage support only. |
| Specific selection or analysis criteria | <ul style="list-style-type: none"> Show how the project will benefit the community. Be a meaningful project. Provide visibility for the caisse. | <ul style="list-style-type: none"> Provide the caisse significant visibility or business opportunities through a reciprocal business relationship. Fall in line with the caisse's business objectives. Offer several sponsorship arrangements. Include an exclusive relationship in the financial services sector for a reasonable period. | <ul style="list-style-type: none"> Must be able to demonstrate self-sustainability in the medium term. |

| | CDF | Sponsorship | Donation |
|---------------------|---|-------------|----------|
| Not eligible | <ul style="list-style-type: none"> • Funding cannot support the regular operations of a public sector entity or government body. • Funding cannot replace government financial aid programs, but can be part of the community's share or outlay, as required by the program. • Organizations that receive support from the caisse must not compromise Desjardins Group's values. • Funding cannot be used to pay back debt or invested in a reserve. • Organizations in a precarious financial situation, that have been involved in fraud or whose activities could negatively affect the caisse's reputation will not be considered. • Funding cannot be used for personal projects (such as a trip or excursion) or projects concerning a single individual or a restricted group of individuals from the community or projects that are political in nature. • Funding cannot be used to produce a video, DVD or film that is not educational in nature. • Applications received as form letters or reply forms will not be considered. | | |

7. SUBMISSION AND ANALYSIS PROCEDURE

The caisse will ask the applicant for information based on the scope of the application. Any incomplete applications will not be analyzed and will be returned to the applicant for correction, which may cause delays in processing times. The application will need to be submitted again and processed only when all required documents have been received.

7.1 Project submission and deadlines

Applications must be submitted at least 60 days before the project's planned start date.

To ensure timely processing, funding application forms are available on the caisse website.

<https://www.desjardins.com/ca/your-caisse/index.jsp?transit=81530208>

After analysis, applicants will be informed of how much funding they will receive from the caisse.

7.2 Code of Professional Conduct

Anyone called upon by the caisse to complete a task on its behalf related to this policy is bound by Desjardins's *Code of Professional Conduct*, including the provisions on confidentiality and conflict of interest management.

8. RECIPIENT'S COMMITMENT

The relationship created when the caisse agrees to provide assistance is similar to the caisse's business relationships. The caisse may require both parties to sign a partnership agreement. The organization must agree in writing to comply with the requirements set out in this policy and in their application, as well as any requirements issued by the caisse, as applicable.

8.1 Respect

The caisse and the organization agree to fully respect each other's missions.

8.2 Transparency

The caisse and the organization agree to be as transparent as possible with respect to the funding provided. In particular, the organization agrees to notify the caisse of any change that could impact the funding provided by the caisse based on the original application.

8.3 Business relationship with the caisse

The organization agrees to further develop its business relationship with the caisse. It also agrees to encourage its members to do business with the caisse, or more generally, with Desjardins Group entities.

8.4 Commitment and relationship with the caisse

The individuals or organizations that receive funding must show that they're committed to using all the resources available to them. All assistance is conditional upon the commitment and investment of applicant individuals and organizations.

8.5 Visibility

Sponsorships and funding provided through the CDF must include a detailed visibility plan that promotes the caisse's community involvement. The caisse can also ask that board members and employees attend the event or project announcement.

Partners that receive funding from the caisse over multiple years must prepare an annual report to ensure continued visibility and ongoing compliance with the terms of the agreement.

The organization must also make sure that it can provide photos of the event, project or participants to be included in the caisse's annual report.

8.6 Activity review and reporting

For the purpose of continuous improvement and reporting, the organization agrees to provide Desjardins with an overview presenting the project and its impact on members and the community.

9. REVIEW OF THE INVESTMENT POLICY

The caisse agrees to review this policy as necessary.