



Information kit

FOR DIRECTOR CANDIDATES





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Thank you for your interest in a caisse director position.

To help you with your decision and familiarize you with the application process, we have put together this information kit, which includes candidate eligibility requirements, the expectations and duties of a director, and a summary of the responsibilities of a Desjardins caisse board of directors and its committees.

Eligibility requirements

Any member wishing to apply for a director position must meet the eligibility requirements set out in the *Act Respecting Financial Services Cooperatives* (the Act). In addition, a provision has been added to the Desjardins Group Code of Professional Conduct specifying that, due to incompatible duties, members who perform activities for or hold a position with one of Desjardins Group's competitors in the financial services or insurance industry, for example, are ineligible. "Competitor" refers to any person who manufactures, offers or distributes products or services to the same client bases in competition with the financial or other activities of Desjardins Group.



Each caisse board of directors is required to adopt an enhanced group profile to set representation and skills targets for its members based on the caisse's situation and needs. This process allows the board to establish its criteria for filling director positions and to issue a call for nominations based on these criteria. Candidates must therefore complete the section in the nomination form to demonstrate to what degree they meet the criteria set by the caisse. All nominations will be submitted to the annual general meeting, whether they meet the criteria or not. The members will then elect their representatives.

In compliance with Desjardins policies and Autorité des marchés financiers requirements, all candidates must also authorize the caisse to carry out a background and credit check.

For more information, please see the eligibility requirements in the appendix and the call for nominations on your caisse's website at www.desjardins.com. Contact your caisse management team for a nomination form.

Nomination process

1. Members wishing to apply for a director position must ensure that they meet the following eligibility requirements on the date of the annual general meeting:
 - They must have been a member of the caisse for at least 90 days
 - They must be a Canadian citizen, resident or landed immigrant
 - They must have a home, residence, building or regular workplace in Quebec or be part of a group described in the caisse articles
2. If, after having read the eligibility requirements and this information kit, you wish to seek election as a director, you must:
 - Be nominated by a person who has been a member of the caisse for at least 90 days
 - Complete and sign the nomination form available from your caisse, which includes authorization for the caisse to carry out a background and credit check to verify your eligibility and integrity as a candidate for the director position
 - Submit the form to your caisse general manager by the deadline set out in the call for nominations.
3. The nominating committee will review the nominations based on the criteria in the board of directors' enhanced group profile and will contact the candidates to let them know whether they meet the eligibility criteria and, if so, to what extent.
4. Candidates will have an opportunity to introduce themselves to the members at the annual general meeting. If there are more candidates than positions available, an election will be held during the annual general meeting. If not, candidates will be declared elected by the election chair during the meeting.



Director duties and expectations

To contribute fully to caisse governance, caisse directors must fulfill certain duties and meet certain expectations.

Directors must:

- Demonstrate integrity, loyalty and the ability to form independent opinions on the information presented to them
- Listen to members to better understand their needs and expectations, and convey this information to the management team
- Ensure the sound and prudent administration of the caisse in accordance with the responsibilities of the caisse board of directors, the responsibilities entrusted to the Federation and governance documents
- Understand and promote the caisse's and Desjardins Group's vision, uphold cooperative principles and Desjardins's values, and commit to doing what's best for current and future members of the caisse and Desjardins
- Act ethically by fostering harmonious relationships and open, constructive dialogue, and ensuring that discussions, decisions and actions reflect Desjardins's values

Directors must also:

- Understand and respect the role and responsibilities of the board of directors and its committees
- Prepare for and attend meetings to meaningfully contribute to deliberations and decisions
- Demonstrate good judgment and share their opinions during deliberations
- Support the board's decisions

Lastly, directors must:

- Participate fully in the democratic and associative life of the caisse
- Complete the mandatory training so they can contribute fully and comply with regulatory guidelines
- Read the Desjardins Group Code of Professional Conduct and uphold its principles and rules
- Do a significant amount of business with Desjardins, which means using the products and services provided by the caisse and Desjardins Group components
- Actively help establish the enhanced group profile, assess board member skills and evaluate their contribution to the board and to any board committees on which they sit



Roles and responsibilities of the caisse board of directors

Caisse members elect representatives to the board of directors. Below is a summary of its main responsibilities.

The board of directors assesses, monitors and makes decisions about the caisse's affairs in keeping with Desjardins's values and based on what's best for current and future members, for the caisse and for Desjardins Group. The board takes the necessary steps to understand members' needs and to ensure member satisfaction. The board ensures that the caisse contributes to responsible and sustainable development in the community. The board makes sure that the caisse is managed in a sound and prudent manner according to governance documents to protect the caisse's long-term sustainability.

Specifically, the board:

- ensures that Desjardins's mission, values and distinctive nature are reflected in the caisse's practices and activities, including member education and community development.
- strives to meet the needs of current and future members and ensure member satisfaction. The board consults members and gets them involved in deciding the caisse's priorities. The board bases its decisions on what is best for members, keeping in mind the caisse's long-term sustainability and Desjardins Group's priorities.
- determines the caisse's strategic directions and priorities and approves and monitors the business plan and budget.
- ensures that the caisse is managed in a sound and prudent manner in accordance with risk management and compliance governance documents.
- appoints the general manager, evaluates their performance and ensures that governance documents and HR management programs are strictly followed.
- assesses its performance, adopts a skills development plan for its directors, reviews the mandates of its committees, ensures that the enhanced group profile is updated and its criteria met, and reports on its activities at the general meeting. The board oversees compliance with Desjardins's Code of Professional Conduct and other governance documents and guidelines.

Board of directors' committees

To foster deeper discussions and enhance its effectiveness, the board can entrust mandates to committees. Every caisse must have the following two committees: the Audit and Professional Conduct Committee and the Governance and Ethics Committee. Since the cooperation mandate is also mandatory, the board can choose to entrust the mandate to the Governance and Ethics Committee or another committee. The board can also create other committees to meet the caisse's specific needs.

Committees make recommendations to the board, which can then choose to approve, amend or reject them.



Audit and Professional Conduct Committee

The mandate of the Audit and Professional Conduct Committee is to review monitoring and financial reports, as well as reports on risk, compliance, and internal controls. It also oversees compliance with professional conduct rules and principles.

Governance and Ethics Committee

The Governance and Ethics Committee is charged with helping the board review and implement governance practices in line with governance documents and Desjardins's values.

Cooperation Committee

The cooperation committee helps the board gather feedback from members and the community. It also helps review cooperation initiatives and develop the board's community action and visibility plan.

Meeting frequency and compensation

Board of directors' meetings are generally held every four to six weeks, but the board may meet more often if needed. Committees may meet four to six times per year.

In addition to attending meetings, directors are expected to read the documents posted before each meeting on Desjardins's secure Elected Officer Portal. While preparation time varies by person, directors should allow on average four to eight hours to prepare for each meeting. They may also be asked to represent the caisse at various community events.

Directors are compensated in recognition of the importance of their caisse governance duties and responsibilities. Compensation is provided for each meeting the director attends and is taxable as personal income.



Excerpt from the Act Respecting Financial Services Cooperatives

ELIGIBILITY REQUIREMENTS

Section 227:

227. A natural person who is a member of the credit union may be a member of its board of directors and of its board of supervision, unless that person is disqualified for office as a member of such boards.

In addition to persons disqualified for office as directors under the Civil Code, and persons convicted of an offence or an indictable offence involving fraud or dishonesty who have not obtained a pardon, the following persons are disqualified for office as members of a board:

- (1) a member who has been a member for less than 90 days, unless he or she is a founder;
- (2) an auxiliary member;
- (3) the chief manager of the credit union or another of its employees, or an employee of the federation, where applicable, or of another legal person or partnership belonging to the financial group;
- (4) a member of another board of the credit union;
- (5) an officer or employee of another credit union; and
- (6) a person dismissed in the past five years under section 118, 118.2 or 335.

Extract from the caisse by-laws

BOARD MEMBER QUALIFICATIONS

6.0 In addition to the exceptions under the Act, any individual who is a caisse member may not serve as a board member if they:

- a) are not a Canadian citizen, resident or landed immigrant
- b) have ever had their membership revoked by a Desjardins caisse or
- c) are a director that has completed a three-year term without completing the mandatory training

For questions about director eligibility criteria, please contact the caisse's management team.