

MISSION AND VALUES

CODE OF PROFESSIONAL CONDUCT

The masculine gender is used for the purpose of readability. In the event of inconsistencies between the French and English versions of this text, the French version will prevail in meaning and content.



Desjardins

ETHICS AND PROFESSIONAL CONDUCT AT DESJARDINS

Desjardins, Canada's leading cooperative financial group, places great importance on integrity, an integral part of its values, which allows the organization to enjoy a strong reputation as an entity in which members, customers, business partners, the community and the government have placed their trust.

Desjardins also seeks to inspire trust through the commitment of its employees, its financial soundness and its contribution to sustainable prosperity.

To lend meaning to this commitment and to motivate people to respect the principles and rules of professional conduct that make up this Code, Desjardins takes a complementary approach to ethics and professional conduct. Everyone—officers, employees and components—must strictly comply with legal, regulatory and contractual obligations related to their professional activities.

ETHICS AT DESJARDINS

Desjardins adheres to an ethical Code that ensures consistency between statements, decisions and actions. It emphasizes the link between the Desjardins mission, the integration of its values into daily practices and the individual's adherence to the rules of professional conduct. Since its founding, Desjardins has successfully relied on the commitment of its people to ensure this consistency and carry out its mission.

Ethics at Desjardins are rooted in:

- The organization's cooperative identity
- The values it shares with thousands of cooperatives throughout the world, those of the International Co-operative Alliance, as well as its own values
- The fulfilment of these values in the pursuit of its mission, which frames its purpose and positions its role in society

The mission and values guide Desjardins officers and employees in making sound judgments. All individuals at Desjardins must base their decisions and actions on the mission and values, thereby endowing their ethical obligations with meaning and context.

The mission of Desjardins is to contribute to improving the economic and social well-being of people and communities within the compatible limits of our field of activity:

- By continually developing an integrated cooperative network of secure and profitable financial services, owned and administered by the members, as well as a network of complementary financial organizations with competitive returns controlled by the members;
- By educating people, particularly members, officers and employees, about democracy, economics, solidarity, and individual and collective responsibility.

The fundamental values of cooperatives, according to the International Co-operative Alliance, are self-help and self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.¹

¹ Source: International Co-operative Alliance – Statement on the Cooperative Identity

The specific values of Desjardins² are:

- Money at the service of human development: At Desjardins, we think money constitutes a lever for the autonomy and development of people and communities.
- Personal commitment: By choosing Desjardins, our members, officers and employees contribute to and invest themselves in the development of their cooperative and the entire group.³
- Democratic action: At Desjardins, power is exercised democratically, meaning that all members may participate in decisions and orientations in accordance with the “one member, one vote” principle.
- Integrity and rigour in the cooperative enterprise: At Desjardins, for the common good, no effort is spared to earn and maintain the trust of our members, clients and partners. This responsibility requires honesty, objectivity, competence and transparency, as well as respect for all regulations and guidelines pertaining to our business and management practices.
- Solidarity with the community: At Desjardins, we actively participate in the social and economic development of communities in order to help create sustainable prosperity.
- Intercooperation: At Desjardins, we pool our resources – which is key if we want to do our best to meet the needs of our members and clients. Working together is also necessary to deliver consistent and effective contributions towards community development.

PROFESSIONAL CONDUCT AT DESJARDINS

At Desjardins, professional conduct is carried out according to the strict and rigorous principles and rules that make up the Desjardins Code of Professional Conduct.

The principles are themselves based on cooperative values and the values of Desjardins, and they form the cornerstone of the rules of professional conduct. The rules of professional conduct provide precise guidelines and directions for the actions of officers and employees.

All officers, employees and components of Desjardins are required to comply with the Code in its entirety. The components must also enforce the Code and take the necessary steps to resolve any situation which might constitute a violation of the Code.

² A description accompanies each of Desjardins Group's values to ensure a common understanding throughout the organization and to facilitate the integration of these values into the decisions and actions of all individuals working at Desjardins.

³ The caisses, the Federation and the other components of Desjardins.

DESJARDINS CODE OF PROFESSIONAL CONDUCT

PRINCIPLES OF PROFESSIONAL CONDUCT

The principles of professional conduct guide the officers, employees and components of Desjardins in their decisions and actions, particularly in situations not covered by rules.

1. Respect for persons

Desjardins recognizes that every individual is a fundamentally worthy, free and responsible human being.

Based on this principle, Desjardins officers and employees undertake to:

- a) Treat each person with respect and courtesy
- b) Strictly adhere to the principles of confidentiality and discretion
- c) Meet the needs of people in the most effective way
- d) Provide people with accurate, useful and understandable information so they can make informed decisions
- e) Act in a professional manner in all situations
- f) Avoid all forms of harassment and discrimination

2. Respect for the common interest and the common good

In line with its mission of contributing to the economic and social well-being of people and communities, Desjardins believes that public interests take priority over private interests.

Based on this principle, Desjardins officers and employees undertake to:

- a) Act with honesty, integrity and transparency
- b) Respect current legal structures
- c) Place the needs of members and clients ahead of their own
- d) Promote the healthy exercise of democratic power by our members
- e) Promote freedom of judgment and opinion in all decision-making
- f) Safeguard the independence of each component of Desjardins with regard to political, religious and other affiliations

3. Respect for the organization

Desjardins and its various components are the end-product of a popular movement driven by the values of democracy and cooperation. Desjardins has earned an excellent reputation over this long evolutionary process, which must be protected to ensure its continuity.

Based on this principle, Desjardins officers and employees undertake to:

- a) Not commit any act that may be prejudicial to Desjardins
- b) Always remain loyal to Desjardins
- c) Respect and support all objectives and decisions established through a democratic process
- d) Protect the confidential nature of Desjardins's objectives, plans, projects and decisions
- e) Contribute to the development, efficiency and financial strength of Desjardins

RULES OF PROFESSIONAL CONDUCT

These rules of professional conduct apply to duties and obligations, and outline appropriate conduct to use in specific situations. In applying these rules, the values and principles upon which they are founded must be taken into account.

1. DEFINITIONS AND INTERPRETATION

The definitions are listed in the appendix.

APPLICABLE RULES FOR OFFICERS AND EMPLOYEES

2. RESPONSIBILITIES AND DUTIES

In the course of their duties, officers and employees must always and in all circumstances act with prudence, diligence, honesty and loyalty. They must follow the legislation in effect in the jurisdictions where they or Desjardins carry on activities, as well as all internal regulations of their component or of Desjardins. They must not be involved directly or indirectly in transactions or practices that are illegal or unacceptable to the component or to Desjardins.

Any officer or employee who is subject to the legal framework of a profession or activity sector, such as auditing and inspection, insurance, securities or trust services must follow the spirit and the letter of this framework in addition to the principles and rules of the Code of Professional Conduct.

Any employee whose primary responsibilities involve performing duties for another component is also required to uphold the principles and rules of professional conduct of that component.

3. CONFLICT OF INTEREST

All officers and employees must avoid placing themselves in a situation of conflict of interest.

As soon as an officer or an employee determines that he is in a situation of conflict of interest (real), he must disclose it in full detail, abstain from voting or making any decision on any issue concerning said situation and avoid influencing any related vote or decision. He must also withdraw from any meeting for the duration of the discussion and decision-making concerning said situation. If applicable, he may transmit information regarding the situation prior to the discussion. The disclosure of the conflict of interest and the withdrawal of the officer from the meeting must be mentioned in the minutes.

As soon as an officer or an employee feels that he could be perceived as being in a situation of conflict of interest (apparent), he must disclose it in full detail. Depending on the particular component's rules regarding conflicts of interest, the decision-making body on which the officer sits or the employee's immediate superior shall agree upon the position to be adopted, such as:

- Asking the officer or employee to abstain from discussion and decision-making
- Imposing limitations on his interventions, participation in discussion and decision-making
- Requesting advice from the body responsible for ethics and professional conduct
- Concluding that no action is necessary

The disclosure of the conflict of interest, the decision made in consequence and the justification for the decision must be mentioned in the minutes of the meeting, in the meeting report or in writing in the employee's file, as applicable.

4. GIFTS AND GRATUITIES

a) Monetary gifts

As part of his duties, an officer or employee must never accept or solicit gifts in the form of cash, cheque or marketable securities, for himself, an associate or a third party, except if this solicitation is made for purposes of a fundraising campaign of an organization recognized by the component or by Desjardins.

b) Other gifts and gratuities

Modest gifts and gratuities such as hospitality, tickets for sporting events or performing arts or other benefits can be accepted by an officer or employee if these are offered in a spirit of professional courtesy and sound business relations. The officer or employee must make sure that the gift or gratuity does not impair his objectivity or his judgment. The officer or employee should consult the designated authority on ethics and professional conduct when in doubt as a situation occurs.

5. FAVOURITISM

Officers must refuse and bring to the attention of the body in charge of ethics and professional conduct all requests for favouritism they encounter that are made in exchange for immediate or future benefits for themselves or a third party. Employees must refuse and bring to the attention of their superior or the body in charge of ethics and professional conduct all requests for favouritism they encounter which are made in exchange for immediate or future benefits for themselves or a third party.

6. CONTRACTS FOR THE SUPPLY OF GOODS OR SERVICES

Officers or employees must not influence their component or participate, on behalf of the component, in negotiating or concluding a contract for the supply of goods or services that could be awarded to them or to an associate or to a member of their immediate family.

7. INCOMPATIBLE DUTIES

An officer or employee may not perform an activity or hold a position or a job with a competitor if doing so places him in a position that may prejudice the interests of Desjardins or a component of Desjardins. "Competitor" refers to any person other than a component that manufactures, offers or distributes products or services to the same clientele in competition with the financial or other activities of Desjardins.

It is the responsibility of the board of directors of the component, on the advice of the designated authority on ethics and professional conduct, to assess the level of competition and the risk of prejudice that situations involving officers represent. For situations regarding employees, the assessment is made by the designated authority itself or by a person named by the component.

8. RESPECT FOR THE ORGANIZATION

- a) All officers and employees must refrain from making remarks or expressing opinions that could prejudice the interests, image or reputation of a component or of Desjardins.
- b) All officers and employees must take the necessary steps to ensure that all disputes involving the interests of one or several components remain confidential.
- c) All officers and employees must ensure not to prejudice the interests, image or reputation of a component or of Desjardins in carrying out activities as part of or outside the scope of their duties or job.
- d) An officer or employee must never give the impression that he is speaking on behalf of a component or of Desjardins, without receiving prior authorization to do so.

The obligations mentioned in this section shall continue to apply even after the officer or employee has completed his duties or his employment has terminated.

9. CONFIDENTIALITY

An officer or employee may only access the confidential information he needs to carry out his duties and only as much as is required by his duties.

An officer or employee must never disclose confidential information unless duly authorized to do so, for instance with the express written consent of a member or client, unless such disclosure is permitted or required by a legal provision.

An officer or employee must never use confidential information for his own benefit or that of another person.

The obligations mentioned in this document continue to apply even after the officer or employee has completed his duties or his employment has terminated.

10. DATA PROTECTION

Officers and employees must safeguard access to confidential information and preserve the confidential nature of the business, systems, programs, working methods and projects of the component or any other component. They must also comply with intellectual property legislation and not plagiarize or compile documents, in whole or in part, in any form whatsoever.

11. ELECTORAL PROCESS

Officers, individuals who run as candidates in an election within a component, individuals who support such a candidate or employees must comply with the provisions of the laws, rules or decisions that apply to this election. They must notably:

- a) Conduct themselves in a manner that is free from undue influence and favouritism and that refrains from damaging the reputation of others
- b) Avoid partisan stands, if they are an employee, during any and all elections within a component

When the component provides the candidates with the means to gain recognition, it must make sure that all candidates have an equal opportunity to benefit from them.

12. SECURITIES TRANSACTIONS

An officer or an employee may not directly or indirectly perform personal stock or security transactions on the strength of information acquired strictly by virtue of their office, nor disclose this information to third parties unless required to do so by law or by their office.

If, at the request of a component, an officer or an employee acts as an officer or administrator of a corporate entity making a public offering, he must comply with the insider trading legislation respecting the declarations and transactions applicable to that corporate entity's securities transactions.

13. DISCLOSURE

All officers and employees must, as part of their duties, disclose accurately and completely any information requested of them by a competent authority.

Subject to restrictions imposed by an act or regulation, an officer or employee must cooperate on any internal investigation conducted by the component.

14. DECLARATION OF INTERESTS AND ASSOCIATES

All officers and employees occupying a position within a component of Vice-President or higher must fill out annually, in the form and content prescribed by this component, a declaration of interests and associates.

15. RESIGNATION

An officer who resigns from his duties for reasons related to the conduct of affairs of the component must declare his reasons in writing and send a copy to the body responsible for ethics and professional conduct of the component and to any other designated authority, if applicable.

1. When there is reason to believe that this conduct violates a provision of an act, regulation, standard or the Code
2. When there is reason to believe that this conduct damages the financial situation of the component

An officer who, in good faith, produces such a declaration shall not incur any civil liability as a result.

16. CONSULTATION

An officer who faces an ethical challenge or a situation pertaining to professional conduct or who has a question on the interpretation or application of the principles and rules of professional conduct may refer to the body responsible for ethics and professional conduct of the component which itself may, if necessary, appeal to the Board of Ethics and Professional Conduct of the Federation for opinions, advice, recommendations or comments that it may then take into consideration, at its discretion.

An employee who faces an ethical challenge or a situation pertaining to professional conduct or who has a question on the interpretation or application of the principles and rules of professional conduct may refer to his superior or to the body responsible for ethics and professional conduct of the component which itself may, if necessary, appeal to the Board of Ethics and Professional Conduct of the Federation for opinions, advice, recommendations or comments that it may then take into consideration, at its discretion.

17. REPORTING

Any officer who is aware of a fact that, in his opinion, may constitute a violation of the principles and rules of professional conduct has a responsibility to report it:

- a) By contacting the body responsible for ethics and professional conduct of the component, or
- b) By using the reporting mechanism put in place by Desjardins

Any employee who is aware of a fact that, in his opinion, may constitute a violation of the principles and rules of professional conduct has a responsibility to report it:

- a) By contacting his superior
- b) By contacting the body responsible for ethics and professional conduct of the component, or
- c) By using the reporting mechanism put in place by Desjardins

Necessary measures will be taken to ensure confidentiality and to protect the identity of the person making the report. No sanctions may be taken against an officer or employee who has made such a report in good faith.

RULES APPLICABLE TO COMPONENTS

18. BUSINESS RELATIONS

A component must conduct its business relations with officers, employees and designated persons as it does in the normal course of its operations and in compliance with current regulations.

19. REPUTATIONAL RISK

A component must refrain from publicly disclosing anything that is likely to discredit another component or tarnish its reputation. Necessary measures must be taken to ensure that disputes involving the interests of one or several components remain confidential.

20. CONTRACTS

Any contract for the supply of goods or services or the acquisition of assets must offer the component favourable, or at least competitive, terms and conditions and be awarded impartially and without favouritism. A component may enter into such contracts with an officer, an employee, an associate of an officer or employee, or a member of an officer's or employee's immediate family if it is allowed under the legal, regulatory or normative provisions governing the component, and strictly under the terms of the conditions in these provisions.

21. TIE-IN SALES

A component cannot oblige a person who wishes to purchase a product or service, to purchase another product or service offered by the component or by another component, unless this person voluntarily accepts a global offer of services involving a package of a number of products or services.

22. CONSULTANTS AND SUPPLIERS

When a component requires the services of a consultant or a supplier, it must determine and require contractual protection in accordance with the rules of professional conduct, according to the nature of the contract and the risk it represents, particularly as it applies to confidentiality, conflict of interest and data protection.

23. COMMITMENT

Each component must make available to officers and employees a document outlining the principles and rules of professional conduct, inform them of any changes as soon as possible and hold regular awareness and training sessions.

Each component must take the necessary measures to notify officers and employees, upon their arrival or hiring, as applicable, and to again remind them each year, that they must uphold the rules and principles of professional conduct and allow their actions and decisions to be guided by the values on which they are based.

24. DIRECTORY

Each component must oversee the establishment and maintenance of an updated directory containing data on declarations of interest and associated persons.

25. SUPERVISION

The board of directors of a component is responsible for enforcing the principles and rules of professional conduct. The body responsible for ethics and professional conduct of the component is responsible for ensuring that the principles and rules of professional conduct are respected and for reporting its activities.

26. VIOLATION

Any violation of the principles and the rules of professional conduct must be treated with due diligence, with respect for persons and confidentiality, by the body responsible for ethics and professional conduct for the component or, in the case of an employee, by his superior, if applicable.

Any violation of the principles and the rules of professional conduct, as well as any hindrance to the performance of duties by the body responsible for ethics and professional conduct or by the superior concerned, may result in sanctions or disciplinary measures depending on the severity of the situation and the consequences of the latter.

APPENDIX – DEFINITIONS

Unless otherwise indicated by the context, the following definitions apply:

SECTION 1 – DEFINITIONS COMMON TO ALL COMPONENTS

- 1.1.1 "Code" means the Desjardins Code of Professional Conduct, i.e. the principles and rules applicable to officers, employees and components of Desjardins.
- 1.1.2 "Administrator" means any person who is a member of a board of directors.
- 1.1.3 "Component" refers to any entity that is part of Desjardins, namely the Desjardins caisses, caisses populaires that are members of La Fédération des caisses populaires de l'Ontario Inc., shared services units (e.g. business centre, administrative centre), the Fédération des caisses Desjardins du Québec, the Caisse centrale Desjardins, La Fédération des caisses populaires de l'Ontario Inc., the Fonds de sécurité Desjardins, Développement international Desjardins, the Fondation Desjardins, La Société historique Alphonse-Desjardins, the Desjardins Group Pension Plan, the holding companies and subsidiaries; in Quebec, "subsidiary" refers to any legal entity or partnership under Section 472 of the *Act respecting financial services cooperatives* and, in Ontario, to any body corporate referred to under Section 3 of the *Credit Unions and Caisses Populaires Act, 1994*.
- 1.1.4 "Spouse" refers to:
- In Quebec:
 - a) A person who is living with the person to whom he is joined by marriage or civil union, or
 - b) A person who is living with another person of the same or opposite sex in a conjugal relationship and has been living with that person for at least one year
 - In Ontario:
 - a) Either of two persons who are married to each other, or
 - b) Either of two persons who are not married to each other and who have cohabited, as the case may be, continuously for a period of not less than three years or in a relationship of some permanence, if they are the natural or adoptive parents of a child
- 1.1.5 "Board of directors" refers to the decision-making body of the component that administers its affairs.
- 1.1.6 "Desjardins" refers to Desjardins Group.
- 1.1.7 "Officer" refers to a member of a board of directors, commission or committee of a component, and any other person appointed as officer by the board of directors or under the legislation governing a component.
- 1.1.8 "Employee" refers to any person who works part time, full time or on an occasional basis for a component.
- 1.1.9 "Immediate family" signifies, with respect to an officer or employee, his father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law, his adult child or the adult child of his spouse, as well as any other person living with the officer or employee and having a family relationship with him.

- 1.1.10 "Federation" signifies the Fédération des caisses Desjardins du Québec.
- 1.1.11 "Body responsible for ethics and professional conduct" refers to the body entrusted by an Act, regulation or decision of the board of directors of the component to adopt rules of professional conduct, where applicable, and to ensure compliance with the Code of Professional Conduct.
- 1.1.12 "Person" refers to any private individual or legal entity, including a partnership, association or other entity.
- 1.1.13 "Associate" refers to the spouse of an officer or employee, the minor child of this officer, employee or spouse, a legal entity or partnership that is controlled, either independently or collectively by the officer or employee, his spouse or minor child or the minor child of his spouse. "Minor child of his spouse" refers to the child living with the officer or employee.
- 1.1.14 "Legal person or controlled corporation" signifies the following:
- A legal person is controlled by a person where that person holds, directly or through legal persons controlled by that person, more than 50% of the voting rights attached to the shares of the former or can elect the majority of its directors.
- A partnership is controlled by a person where that person holds, directly or through legal persons controlled by that person, more than 50% of the shares in the partnership. A limited partnership is controlled by a person where that person or a legal person controlled by that person is the general partner of the partnership.
- A legal person is controlled by the Federation where the Federation and the caisses that are its members jointly hold, directly or through legal persons controlled by them, more than 50% of the voting rights attached to the shares or can elect a majority of its directors.
- A legal person is controlled by a caisse where the caisse and other caisses belonging to the network jointly hold, directly or through legal persons controlled by them, more than 50 % of the voting rights attached to the shares or can elect a majority of its directors.
- 1.1.15 "Confidential information" refers to any information, whether oral, written, in electronic or other form, of whatever nature concerning a member, client, officer, employee, component or business partner; it is also any information that an officer or employee is formally required to keep secret and any information that is transmitted to an officer or employee, or to which he becomes exposed in circumstances that suggest it should be kept confidential.
- 1.1.16 "Conflict of interest situation" refers to a situation that causes (actual), or appears to cause (apparent) an officer or employee, who is required to act in the best interest of a component, to fail in this obligation and instead to act in his own interest or the best interest of another person, including an associate.