

BYLAWS

OF THE

**GROUPE COOPÉRATIF DESJARDINS
(GROUP BYLAWS)**

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BYLAWS OF THE GROUPE COOPÉRATIF DESJARDINS

PREAMBLE

The *Bylaws of the Groupe coopératif Desjardins* ("group bylaws") are developed in accordance with sections 547.1 to 547.4 of the *Act respecting financial services cooperatives*.

The group bylaws contain provisions to ensure the cohesion and operation of Groupe coopératif Desjardins ("Group"), except rules governing relations between the financial services cooperatives that form the Group and the Desjardins Security Fund. These bylaws govern relations between the Fédération des caisses Desjardins du Québec ("Federation") and the Quebec caisses that belong to it, as well as their respective auxiliary members, and describe how these relations work in practice. The group bylaws also cover the regulatory provisions applicable to member caisses of the Federation.

The first group bylaws are adopted by the Board of Directors of the Fédération des caisses Desjardins du Québec (Desjardins Group Board of Directors) as provided for in the transitional measure in section 311 of *An Act Mainly to Improve the Regulation of the Financial Sector, the Protection of Deposits of Money and the Operation of Financial Institutions*. The Federation and Quebec caisses that belong to it may also make or amend their own bylaws but only to the extent and only with regard to the matters permitted herein.

CHAPTER 1 – DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

In these bylaws, the following words and expressions have the meanings given below unless the context indicates otherwise:

absolute majority:	A majority made up of more than 50% of votes cast.
Act:	The <i>Act respecting financial services cooperatives</i> (CQLR, C-67.3) and its amendments.
alternate:	A person among the board of directors designated by the caisse's board of directors to act on behalf of a delegate who is absent or unable to act. (AGM 2024-03-23) (BDM 2024-01-30: CIF: 2024-02-24)
business day:	Any day of the week, except Sunday or a statutory holiday.
bylaws:	The <i>Bylaws of the Groupe coopératif Desjardins</i> .
caisse:	A financial services cooperative belonging to the Federation; a caisse participating auxiliary member is considered a caisse within these bylaws, except for sections 3.1 and 3.3 and chapters 12 (except sections 12.3) and 14. (AGM 2021-03-27)

candidate:	A director who runs for a position in accordance with the bylaws.
delegate:	A caisse director designated as such by the caisse's board directors, the person designated to represent the caisse on the community collaboration group and the Desjardins Collaboration Forum is automatically a delegate.
Desjardins Group or Desjardins:	<p>(AGM 2024-03-23) (BDM 2024-01-30: CIF: 2024-02-24)</p> <p>Financial group comprising the Federation and its subsidiaries, the Desjardins caisse network in Quebec, Caisse Desjardins Ontario Credit Union Inc., and the Desjardins Security Fund.</p> <p>(BDM 2024-01-30: CIF: 2024-02-24)</p>
DGMO:	The Desjardins Group Monitoring Office, which is in charge of the caisse inspection service required under the Act.
director:	A member of the board of directors of a caisse, of a caisse participating auxiliary member, of the Federation.
Federation:	The Fédération des caisses Desjardins du Québec.
general manager:	The general manager of a caisse, who is the chief manager within the meaning of the Act, including an interim manager.
Groupe coopératif Desjardins or the Group:	The Federation, the Quebec caisses that belong to it, and the Desjardins Security Fund.
independent director:	<p>A member of the board of directors who is deemed independent by the board of directors, in compliance with applicable laws and regulations.</p> <p>(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)</p>
intern director:	<p>Person designated as such by the caisse board of directors and who may attend caisse board meetings and the Federation's general meeting as an observer.</p> <p>Intern directors who are between the ages of 18 and 34 can also be designated to attend the Congress and, if the required conditions are met, a community collaboration group meeting or Desjardins Collaboration Forum as an observer.</p> <p>(AGM 2023-3-25)</p>
internal affairs:	<p>The non-business relations between the Federation or a caisse, the legal persons of the Group and their members, directors, officers and management staff.</p> <p>(BDM 2024-01-30: CIF: 2024-02-24)</p>

majority:	A majority made up of the largest number of votes cast.
observer:	<p>For the caisses, a caisse director or manager designated by the caisse's board of directors to attend a congress or general meeting without the right to put forward, second or vote on motions or participate in deliberations but with the right to speak during question periods.</p> <p>For the Federation, two (2) managers appointed by the board of directors who attend Federation Board of Directors' meetings as observers with the right to speak but without the right to put forward or second motions. They may speak during deliberations, but they do not have the right to vote and cannot propose or second motions.</p> <p>(AGA 2021-03-27) (SGM 2021-10-13) (AGM 2023-03-25)</p>
officer:	A member of the board of directors or the Board of Ethics and Professional Conduct.
president and chief operating officer:	<p>The president and chief executive officer of Desjardins Group, who serves as the chief manager of the Federation. This person is appointed by the Federation Board of Directors and is also a board member.</p> <p>(BDM 2024-01-30: CIF: 2024-02-24)</p>
secretary general:	The secretary general of Desjardins Group.
subsidiary:	A group of which the Federation is the holder of control within the meaning of the Act.
young director:	An elected caisse director under the age of 35 designated by a caisse to participate in a community collaboration group or the Desjardins Collaboration Forum.

1.2 INTERPRETATION AND APPENDICES

Under these bylaws, it is possible to depart from certain provisions in the Act, reject those that do not apply and substitute other useful provisions. The affected sections of the Act continue to apply in full, unless otherwise provided in these bylaws.

Appendix A is an integral part of these bylaws.

CHAPTER 2 – PRINCIPLES, MISSION AND POWERS

2.1 PRINCIPLES

The Federation bases its actions on the following principles:

- (1) The recognized principles, values and rules of cooperation, including:
- a) offering open and voluntary membership for caisses and auxiliary members,
 - b) sharing resources to carry out joint projects,
 - c) operating in a member-controlled democratic manner with transparent management,
 - d) ensuring Desjardins-wide solidarity with respect to priorities and actions arising from legitimate democratic decisions,
 - e) equitably sharing costs, benefits and results,
 - f) promoting intercooperation to foster business growth and caisse development,
 - g) making education a key part of operations and sharing knowledge and information;
- (2) The general, widely held principles of social responsibility, including:
- a) supporting the fundamental equality of people in dignity and rights,
 - b) putting people before profit,
 - c) not exploiting others,
 - d) putting the common good before individual interests,
 - e) remaining impartial in municipal, provincial and federal politics,
 - f) taking steps to protect the environment.

2.2 MISSION

In addition to the mission stated in the Act, the Federation must also:

- a) provide strategic management for Desjardins Group, which requires the Federation to guide, promote, coordinate and supervise the activities of the caisses, auxiliary members and subsidiaries. It also requires the Federation to:
 - oversee strategy for all of Desjardins to ensure its development as a cooperative financial group;
 - provide a centre of expertise for the caisses to help them carry out their mission;
- b) influence any legislation relevant to Desjardins Group's interests;
- c) coordinate Desjardins Group's financial operations in compliance with the provisions of the Act, bylaws, regulations and, where applicable, rules of ethics and professional conduct, standards and policies;
- d) coordinate regulatory compliance activities for Desjardins's operations;

- e) preserve and promote Desjardins's cooperative nature and purpose and ensure its contribution to the cooperative movement, notably in the financial services industry;
- f) exercise any other power or responsibility conferred by the caisses and approved by the board of directors to improve efficiency and synergy or to reduce costs;
- g) see to the financial health of the Group and its sustainability.

2.3 POWERS

To enable the Federation to fulfill its mission, the caisses and auxiliary members grant it the following powers:

2.3.1 Group coordinator

The Federation is responsible for:

- a) establishing a comprehensive strategic plan for Desjardins Group. All caisse, auxiliary member or subsidiary projects with potential political, strategic, financial or reputational implications for Desjardins must first be approved by the Federation;
- b) optimizing Desjardins's financial management;
- c) providing leadership to identify synergies that require coordination between Desjardins components;
- d) working with the caisses, auxiliary members and subsidiaries to identify and create partnerships that support Desjardins's growth and efficiency;
- e) developing positioning and strategies for defining and implementing a human resources master plan for Desjardins and proposing policies, programs and guidelines to accomplish this;
- f) looking after the risk management of Desjardins, drafting risk management policies and strategies and coordinating these activities for Desjardins components.

The Federation may draft policies and directives on subsidiaries' areas of activity, the territorial expansion of their activities and the agreements required to provide the products and services related to these activities.

2.3.2 Representative

The Federation is responsible for:

- a) acting as the official representative of Desjardins on any topics of shared interest. In this respect, the Federation is responsible for representing Desjardins at the regional, provincial, national and international levels;
- b) representing Desjardins, together with other stakeholders, before government authorities regarding any legislation that may affect Desjardins;
- c) overseeing Desjardins's corporate communications, including corporate advertising and marketing and the use and application of the symbol and

name of Desjardins components to reinforce Desjardins's brand image. The Federation coordinates advertising and marketing for services provided by the caisses, auxiliary members and subsidiaries.

2.3.3 Corporate authority

The Federation is responsible for:

- a) establishing the representation rules for subsidiary boards of directors;
- b) drafting the standard caisse bylaws and consulting the Desjardins Collaboration Forum on any changes to them;
- c) determining the underlying policies and guidelines used to develop rules of ethics and professional conduct for the Federation, the caisses, auxiliary members and subsidiaries.

2.3.4 Service provider

The Federation is responsible for:

- a) designing and offering savings, credit and other financial products and services for the caisses, auxiliary members and their members. The Federation also provides management, consulting, technical and professional services;
- b) ensuring optimal management of product and service distribution, both in person and online;
- c) supporting the caisses in their cooperative education, financial literacy and intercooperation efforts;
- d) coordinating efforts to bring new Desjardins products and services to market;
- e) designing IT development plans that address compatibility issues and the different computer interfaces used across Desjardins components. The Federation also drafts and enforces standards and policies governing security for data centres, Desjardins component IT networks and systems operating within them, as well as standards and policies governing the protection of the integrity and confidentiality of member and auxiliary member data stored in data centres and shared through the network.

CHAPTER 3 – MEMBERS

3.1 CAISSES

To be admitted as a member, a caisse must:

- a) apply for admission, following a decision ratified by its general meeting;
- b) undertake to comply with the bylaws and standards of the Federation;
- c) subscribe and pay for 10 qualifying shares at the price of five (\$5) dollars each;

(d) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2 AUXILIARY MEMBERS

The Federation establishes the following classes of auxiliary members:

3.2.1 Auxiliary members outside Quebec

To be admitted as an auxiliary member outside Quebec, a cooperative established outside Quebec having a similar mission to that of a caisse within the meaning of the Act must:

- a) apply for admission;
- b) subscribe and pay for ten thousand (10,000) qualifying shares at the price of five (5) dollars each;
- c) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.2 Affiliated auxiliary members

To be admitted as an affiliated auxiliary member, a user of the Federation's services that belongs to Desjardins Group must:

- a) apply for admission;
- b) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.3 Partner auxiliary members

To be admitted as a partner auxiliary member, a user of the Federation's services of which the Federation is the holder of control within the meaning of the Act must:

- a) apply for admission;
- b) subscribe and pay for ten thousand (10,000) qualifying shares at the price of five (5) dollars each;
- c) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.4 Business auxiliary members

To be admitted as a business auxiliary member, any other user of the Federation's services must:

- a) apply for admission, unless the board of directors or any other committee designated by the board deems it unnecessary;
- b) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.5 Federation participating auxiliary members

To be admitted as a federation participating auxiliary member, a cooperative established outside Quebec having a similar mission to that of the Federation must:

- a) apply for admission;
- b) subscribe and pay for ten thousand (10,000) qualifying shares at the price of five (5) dollars each;
- c) undertake to ensure its affiliated caisses have the same rights and obligations as Quebec caisses, subject to the act constituting the federation participating auxiliary member, the laws, bylaws and regulations applicable to the federation outside Quebec and any specific agreements between it and the Federation;
- d) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.6 Caisse participating auxiliary members

To be admitted as a caisse participating auxiliary member, a cooperative affiliated with a federation participating auxiliary member having a similar mission to a financial services cooperative must:

- a) be included in an application for admission by the federation participating auxiliary member with which it is affiliated;
- b) be admitted by the board of directors or any other committee designated by the board.

(BDM 2024-01-30: CIF: 2024-02-24)

3.2.7 Government auxiliary members

The board of directors or any other committee designated by the board can admit the Government of Canada, the government of a Canadian province, the government of a city or municipality, or a crown corporation as a government auxiliary member.

3.2.8 Auxiliary member rights

Auxiliary members have access to the services the Federation agrees to provide them.

Except for participating auxiliary members and subject to the rights conferred on government auxiliary members, auxiliary members cannot claim any other rights or participate in the allocation of surplus earnings, unless the general meeting decides otherwise.

Government auxiliary members can hold Federation shares.

3.3 UNDERTAKINGS BY THE CAISSES

To help the Federation carry out its mission, the caisses undertake to:

- a) obtain the Federation's approval when required by the Act, bylaws, regulations, standards, policies and rules of ethics and professional conduct. The Federation cannot be held liable for such approval;
- b) provide the Federation's authorized representative, whenever asked, with any information they may require, give them access to the books, records, documents and computer data needed to fulfill their mandate and facilitate the examination and copying of this material;
- c) support the Federation's priorities in order to promote cohesion among the caisses and avoid any detrimental competition between them;
- d) adopt the bylaws recommended by the Federation, subject to any amendments put forward by a caisse and approved by the Federation to the extent and with regard to the matters chosen by the Federation;
- e) allow Federation representatives to address the general meeting, if the Federation deems it relevant;
- f) review inspection reports, also known as supervision reports, and examination reports, perform the necessary follow-up and report back to the Federation within sixty (60) days;
- g) entrust a Desjardins component or an insurance company chosen by the board of directors to insure the caisse, its members, its staff, its directors and its management staff;
- h) participate in the Desjardins Group Pension Plan;
- i) obtain approval from the Federation before opening or closing an automated or non-automated service centre, or adding or removing an off-site ATM;
- j) comply with Payments Canada rules and other rules for clearing items;
- k) consign its securities, including assets placed in custody or given as security by members, to the institutions designated by the Federation;
- l) use only the Federation's financial funds for deposits and loans, except when authorized by the Federation;

- m) participate in a call for capital in the form of shares, approved by the general meeting, or, if applicable, in compliance with a Federation bylaw, subscribe and pay for the caisse's allotment of shares and authorize the Federation to charge the caisse for them.

3.4 UNDERTAKINGS BY AUXILIARY MEMBERS

To help the Federation carry out its mission, auxiliary members undertake to comply with applicable laws, bylaws, regulations, standards, policies and rules of ethics and professional conduct, and to obtain the Federation's approval when required. The Federation cannot be held liable for such approval. Auxiliary members also undertake to support the Federation's priorities in order to promote cohesion among the caisses and avoid detrimental competition between them.

Affiliated auxiliary members and partner auxiliary members also undertake to ensure their subsidiaries comply with the decisions applicable to them made in accordance with the Federation's powers.

Following a decision by the board of directors, the Federation may send an auxiliary member, but not a business auxiliary member, a notice to suspend, for a maximum of 90 days, the coming into force or application of any decision or measure that, in the opinion of the board, opposes any of the principles in the bylaws. On receiving the notice, the auxiliary member undertakes to suspend the decision or measure until the board of directors has debated the issue and made a decision.

3.5 LOSS OF AUXILIARY MEMBERSHIP STATUS

A user of the Federation's services ceases to be an auxiliary member in the following situations:

- a) suspension or expulsion;
- b) withdrawal;
- c) winding-up;
- d) loss of eligibility.

3.5.1 Suspension or expulsion

The board of directors, after informing an auxiliary member in writing of the grounds invoked for the auxiliary member's suspension or expulsion and after giving the member an opportunity to present observations, according to conditions set by the board, may suspend the member according to conditions set by the board or expel the member if the member:

- a) does not comply with the Act, statutes, bylaws, regulations, rules of ethics and professional conduct, standards, policies, orders, written instructions or guidelines of the Federation that apply to the auxiliary member;
- b) causes harm to Desjardins;
- c) fails to fulfill any of their undertakings toward the Federation;
- d) falsifies any information provided to the Federation in any way.

3.5.2 Withdrawal of an auxiliary member

Auxiliary members, with the exception of caisse participating auxiliary members, wishing to withdraw must first:

- a) in the case of a natural person, provide written notice to the Federation;
- b) in the case of a legal person, partnership or group, provide the Federation with a copy of the resolution adopted for this purpose by the board of directors or the decision signed by the majority of partners or members, as applicable;
- c) fulfill all their obligations toward the Federation, even those that are not yet due or payable in the future, or reach an agreement with the Federation establishing the terms and conditions of performance of those obligations.

3.5.3 Consequences of losing auxiliary membership status

When a federation participating auxiliary member loses the status of auxiliary member, the caisse participating auxiliary members affiliated with it also lose their status as auxiliary members.

Auxiliary members who withdraw or are expelled lose the right to any member dividends, if applicable.

In the event of a suspension, the auxiliary member loses, for the duration of the suspension, the right to receive notice of, to attend or to vote at meetings, as applicable. The auxiliary member also loses the right to the Federation's services as determined by the board of directors in its decision.

CHAPTER 4 – CONGRESSES AND MEETINGS

4.1 ROLE OF DELEGATES

The role of delegates is to act in the best interest of members, clients and Desjardins Group. Delegates act based on their knowledge of the needs and circumstances of the members they represent. They also take into account any discussions with members of their caisse's board of directors before meetings and congresses.

During meetings and congresses, delegates participate in discussions, share their opinions and listen to the opinions of others. Delegates vote independently, based on the information they have received and the discussions they have participated in. They are not bound by any positions adopted by their caisse's board of directors.

(AGM 2020-03-28)

4.2 CONGRESS

4.2.1 Role

The role of the congress is to provide the general meeting, the board of directors and Federation management with insight on the priorities underpinning Desjardins Group's tenets and governance. These priorities may address:

- Desjardins Group's mission and purpose as a cooperative financial group;

- the governance structure of Desjardins and its components, particularly with respect to the role and responsibilities of directors and officers;
- updates to Desjardins Group's values.

(AGM 2020-03-28)

4.2.2 Convening a congress

A congress is convened following a decision by the board of directors. The board of directors sets the date, time and location.

(AGM 2020-03-28)

4.2.3 Composition

The congress is attended by caisse delegates, intern directors between the ages of 18 and 34, members of the board of directors, members of the Board of Ethics and Professional Conduct and observers of the Federation.

Each caisse may also designate an observer to participate to congress.

During a vote, only the delegate has voting rights, and the weight of a vote cast by each delegate is explained in section 4.3.3.

Each caisse may designate an additional director to participate in deliberations; however, this director cannot vote on the proposed priorities.

Members of the board of directors and the Board of Ethics and Professional Conduct who are not or who cannot be appointed as delegates may speak during the congress.

(AGM 2020-03-28) (AGM 2023-03-25) (AGM 2024-03-23) (BDM 2024-01-30: CIF: 2024-02-24)

4.2.4 Transformation into a special meeting

Following a motion by the chair of the board of directors and for matters under the general meeting's jurisdiction, delegates may agree to transform the congress into a Federation special meeting to pass a motion that enacts the decisions made during the congress. The notice of meeting for the congress also serves as the notice of meeting for the special meeting.

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.3 GENERAL MEETING

4.3.1 Composition

The general meeting is attended by delegates, caisse intern directors, members of the board of directors, members of the Board of Ethics and Professional Conduct and observers of the Federation.

However, members of the board of directors and the Board of Ethics and Professional Conduct who are not or who cannot be appointed as delegates may speak during deliberations.

Caisses may also appoint observers to attend a general meeting.

With the exception of business auxiliary members, auxiliary members may appoint representatives to attend general meetings as observers.

(AGM 2020-03-28) (AGM 2023-03-25) (BDM 2024-01-30: CIF: 2024-02-24)

4.3.2 Role

In addition to the powers and responsibilities conferred by the Act, the general meeting's role is to:

- a) decide on motions put forward by the caisses;
- b) approve changes to Desjardins's mission and democratic structure and to the role of directors and officers;
- c) recommend significant changes to the powers held by the caisses;
- d) elect the members of the Board of Ethics and Professional Conduct and, subject to the provisions of these bylaws, elect the members of the board of directors.

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.3.3 Caisse and auxiliary member representation

A caisse is represented by the number of delegates stated below:

- 5,000 members or fewer: one (1) delegate
- 5,001 to 10,000 members: two (2) delegates
- 10,001 to 15,000 members: three (3) delegates
- 15,001 to 20,000 members: four (4) delegates
- 20,001 to 25,000 members: five (5) delegates
- 25,001 to 30,000 members: six (6) delegates
- 30,001 to 35,000 members: seven (7) delegates
- 35,001 to 40,000 members: eight (8) delegates
- 40,001 to 45,000 members: nine (9) delegates
- 45,001 members or more: ten (10) delegates

The number of caisse members is the number recorded in the Federation's registers on the date the secretary general confirms the number of delegates to which each caisse is entitled.

An auxiliary member entitled to attend the meeting may be represented by a single natural person.

The weight of a vote cast by a delegate is based on the number of members at their caisse and is established as follows:

- A delegate's vote counts for one (1) vote when their caisse has 50,000 or fewer members.
- A delegate's vote counts for an additional 0.1 votes for every additional 5,000 members at the delegate's caisse starting from 50,001 members (1.1 votes for 50,001 to 55,000, 1.2 votes for 55,001 to 60,000, and so on).
- (Repealed BDM 2024-01-30: CIF: 2024-02-24)

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.3.4 Annual meeting

The annual meeting must be held within four (4) months from the end of the Federation's fiscal year, on the date set by the board of directors.

(AGM 2020-03-28)

4.3.5 Special meeting

Unless otherwise provided, the rules for special meetings are the same as those for annual meetings.

(AGM 2020-03-28)

4.3.6 Notice of meeting

Subject to section 4.2.4, the secretary or any other person authorized by the board of directors must publish a notice of a general meeting, along with the meeting agenda to caisses, auxiliary members entitled to attend the meeting, members of the board of directors, and members of the Board of Ethics and Professional Conduct, and the external auditor at least ten (10) days before the date fixed for the meeting.

The notice is deemed to have been served if it was sent to the last address recorded in the Federation's registers.

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.3.7 Advance notices of motion

The chair of the board of directors, supported by the president and chief executive officer, and the secretary general, keeps a record of advance notices of motion. If a caisse wishes to submit a motion at a general meeting, it must submit an advance notice of motion to the president and chief executive officer within the timeframe adopted by the board of directors.

The chair of the board of directors collects the notices but does not triage them. However, the chair of the board of directors may group motions of a similar nature, while preserving their source. The chair of the board of directors presents all the notices received to the board of directors. The board of directors reviews the motions and has the power to reject any that are not of common interest to the caisses and Desjardins Group, that do not fall within the jurisdiction of the general meeting or that do not comply with the procedures set out in the bylaws.

A copy of the accepted advance notices of motion are sent to the caisses at the same time as the notice of meeting.

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.3.8 Question period

There must be two (2) question periods during the annual meeting: one for questions for the board of directors and the other for questions for the Board of Ethics and Professional Conduct. There must be at least fifteen (15) minutes for each question period; however, the meeting chair may end the question period when there are no further questions.

(AGM 2020-03-28)

4.3.9 Summary of procedural rules for meetings

Each year, when the annual general meeting is convened, the Federation prepares and sends delegates at each caisse a summary of the procedural rules followed by the meeting chair.

(AGM 2020-03-28) (BDM 2024-01-30: CIF: 2024-02-24)

4.4 DESJARDINS COLLABORATION FORUM

4.4.1 Establishment and composition

The Desjardins Collaboration Forum is established under these bylaws and is made up of the directors from the community collaboration groups, the caisse general managers, a young director or, if a young director is unavailable, an intern director between the ages of 18 and 34 designated by each community collaboration group, members of the board of directors, and members of the Board of Ethics and Professional Conduct.

The Federation adopts a collaboration policy, which the caisses are required to uphold, to govern the operations of the Desjardins Collaboration Forum and community collaboration groups.

(AGM 2020-03-28) (AGM 2023-03-25) (BDM 2024-01-30: CIF: 2024-02-24)

4.4.2 Responsibilities

The main responsibilities of the Desjardins Collaboration Forum are to:

- a) provide an avenue for caisses and, through them, caisse members to influence decisions on changes to Desjardins Group;
- b) consult caisses in advance on issues of importance to Desjardins as a whole, such as non-financial standards that may apply to the caisses. However, caisses do not have to be consulted for governance documents or amendments that are related to or must be made to comply with legislation, bylaws or guidelines;
- c) allow caisses to share their concerns and interests, including those of their members, with the board of directors and Desjardins management;

- d) share priorities and strategies to reinforce Desjardins Group's cohesion for the benefit of members.

(AGM 2020-03-28) (AGM 2023-03-25)

CHAPTER 5 – RULES APPLICABLE TO ALL GENERAL MEETINGS

5.1 QUORUM

For general meetings, the delegates attending the meeting constitute a quorum.

5.2 MEETINGS

The board of directors may establish the terms and conditions under which members may participate in a meeting by means of communications equipment enabling them to communicate with each other and vote.

The board of directors may also establish the terms and conditions governing advance polling in the context of a decision to be made or an election to be held at a meeting.

A resolution signed, whether by hand or electronically, by all the members entitled to vote on such resolutions during a meeting has the same force as if it had been passed at a meeting.

5.3 VOTING RIGHTS

During a general meeting, delegates cannot assign their voting rights to someone else. At no time is any person entitled to vote more than once.

The people serving as chair or secretary of the meeting or election, as well as the scrutineers, maintain their right to vote if they are delegates.

(AGM 2020-03-28)

5.4 VOTING

Unless otherwise provided in the Act, bylaws or regulations, the meeting's decisions are taken by a majority of the votes cast. In the event of a tie, the meeting chair has the power to decide between the options submitted, except for during elections. The exercise of this power is at the sole discretion of the meeting chair.

(BDM 2024-01-30: CIF: 2024-02-24)

5.5 VOTING PROCEDURE

Subject to any rules adopted by the board of directors under section 5.2, the vote may be taken by a show of hands, except in the following cases:

- a) When twenty-five per cent (25%) of the people entitled to vote request a secret ballot;
- b) When the legislation, bylaws or regulations require the vote to be by secret ballot;
- c) When the meeting chair decides otherwise.

Contrary to section 4.3.3, for a vote by show of hands, each delegate's vote counts for one (1) vote.

(AGM 2020-03-28)

5.6 ROLE OF THE CHAIR

The chair of the board of directors presides over the general meeting. The vice-chair of the board of directors acts as the meeting chair if the board chair is absent, or unable or incapable of fulfilling the role.

The meeting chair must ensure compliance with the bylaws. The chair decides on procedural matters and cannot put forward or second motions. In making decisions, the chair may draw on the generally accepted rules of procedure for deliberative meetings but retains complete discretion in this regard.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

5.7 MEETING SECRETARY

The secretary of the board of directors acts as secretary of the general meeting. The assistant secretary replaces the secretary if the secretary is absent or unable to act.

CHAPTER 6 – BOARDS, COMMITTEES, COMMISSIONS AND COMMUNITY COLLABORATION GROUPS

6.1 RULES APPLICABLE TO BOARD, COMMITTEE AND COMMISSION MEETINGS

The rules in this section apply to all board and committee meetings referred to in this chapter, with the exception of community collaboration group meetings.

6.1.1 Meetings

Unless otherwise provided in the bylaws, a meeting may be held using communications equipment enabling participants to communicate with each other, such as by phone or video conference, provided a majority of members agree. The members are deemed in that case to have attended the meeting.

A resolution signed, whether by hand or electronically, by all the members entitled to vote on such resolutions during a meeting has the same force as if it had been passed at a meeting.

6.1.2 Voting

Each member is entitled to one vote. Decisions are taken by a majority of the votes cast by the members present. In the event of a tie, the chair has a casting vote, subject to the terms for electing officials as adopted by the board of directors.

(BDM 2024-01-30: CIF: 2024-02-24)

6.1.3 Voting procedure

The vote is taken by a show of hands, except in the following cases:

- a) When twenty-five per cent (25%) of people entitled to vote request a secret ballot;
- b) When the legislation, bylaws or regulations require the vote to be by secret ballot;
- c) When the meeting chair decides otherwise.

(BDM 2024-01-30: CIF: 2024-02-24)

6.1.4 Role of the chair

The meeting chair must ensure compliance with the bylaws. The chair decides on procedural matters and cannot put forward or second motions. In making decisions, the chair may draw on the generally accepted rules of procedure for deliberative meetings but retains complete discretion in this regard.

6.2 DESJARDINS GROUP BOARD OF DIRECTORS

6.2.1 Composition and enhanced group profile

The board of directors has nineteen (19) members:

- The president and chief executive officer;
- Twelve (12) caisse directors elected or appointed according to the bylaws;
- Six (6) directors who are not caisse directors and who are co-opted by the board of directors, according to the enhanced group profile, for a four-year (4-year) term renewable for up to twelve (12) years.

The president and chief executive officer cannot vote to co-opt any member of the board of directors.

The board of directors adopts and updates, as needed, an enhanced group profile, which it strives to achieve, and which takes into account the following criteria:

- Skills associated with a domestic systemically important cooperative financial institution;
- Skills associated with Desjardins Group's strategic directions
- Skills related to the individual qualities required to be a member of the board of directors;
- Fair representation of the diversity of communities, members, clients and the caisse network.

(AGM 2020-03-28) (AGM 2021-03-27) (SGM 2021-10-13) (BDM 2024-01-30: CIF: 2024-02-24)

6.2.2 Eligibility criteria and length of term for the board of directors

Caisse board members may run for a position on the board of directors provided they meet some of the criteria in the board's enhanced group profile.

An individual cannot serve more than three (3) four-year (4-year) terms on the board of directors, whether or not the terms are served consecutively.

A member of the Board of Directors who loses his or her status as a member of the Board of Directors of a caisse because he or she is not re-elected at the general meeting of the caisse may, with the consent of the Board of Directors, continue to hold office until the next annual general meeting of the Fédération.

(AGM 2021-03-27) (AGM 2024-03-23)

6.2.3 Quorum

The quorum at meetings of the board of directors is a majority of its members. However, should one or more members need to withdraw from a meeting, thereby jeopardizing quorum, quorum will be reduced to the number of voting members present for the duration of deliberations on the subject in question.

6.2.4 Role

Subject to the Act, bylaws and regulations, the board of directors shall exercise all the powers necessary to manage, or supervise the management of, the internal affairs and the activities of the Federation. It is the body responsible for guiding, planning, coordinating and monitoring all Desjardins Group activities.

Without limiting the generality of the foregoing, the board of directors' role is to:

- a) adopt the organizational model for Desjardins Group's strategic management and the associated macrostructure;
- b) approve its subsidiaries' organizational priorities;
- c) initiate consultations with the caisses;
- d) adopt bylaws or amend existing bylaws on the following topics:
 - the Federation's internal affairs and activities, the cohesion and operation of the Group, provided the adoption or amendment of these bylaws does not restrict the powers of the Federation's general meeting,
 - annual rotation of members of the board of directors and members of the Board of Ethics and Professional Conduct,
 - share capital,
 - financial funds,
 - financial governance;

in the following circumstances only:

- the bylaw was favourably received by the caisses,

- urgent action is required,
 - the bylaw is the result of an organization-wide consensus, following consultation with the Desjardins Collaboration Forum,
 - a technical amendment is being made to an existing bylaw;
- e) adopt, after consulting the Desjardins Collaboration Forum, a policy outlining how the community collaboration groups work, including the participation of local members of group caisse boards of directors present in the community, caisse managers and young directors, or if a young director is unavailable, an intern director between the ages of 18 and 34. The policy outlines how caisses are assigned to a community collaboration group so that they can effectively fulfill their responsibilities. The policy also outlines how the Desjardins Collaboration Forum works, including the participation of members;
- f) appoint the president and chief executive officer in accordance with the *Governance Policy*, and in this context, the board:
- adopts the main parameters of the next strategic plan, which are first discussed at the Collaboration Forum;
 - determines and updates the profile for the position of president and chief executive officer based on Desjardins Group's needs;
 - adopts the guiding principles for the president and chief executive officer's term of office and employment conditions;
- g) appoint the chief monitoring officer of Desjardins Group and obtain, when making this appointment, a recommendation from the Board of Ethics and Professional Conduct. If the chief monitoring officer of Desjardins Group is dismissed, the board of directors must obtain an opinion from the Board of Ethics and Professional Conduct and seek prior approval from the Autorité des marchés financiers;
- h) adopt the enhanced group profile for the members of the Nomination and Election Committee and the rules for the call for nominations for the caisse directors who will make up this committee. These directors cannot be members of the board of directors or of the Board of Ethics and Professional Conduct;
- i) with respect to the election process for the board of directors and the Board of Ethics and Professional Conduct:
- set the date for the general meeting;
 - determine the group profile for the board of directors;
 - receive the Nomination and Election Committee's findings regarding how well candidates align with the enhanced group profile and with the areas for improvement identified by the board and report back to the general meeting, reserving the right to present only the candidates who represent those and any other criteria established by the board of directors;

- ratify or reject the nomination and election committee's recommendation with respect to the withdrawal of a candidate.

(AGM 2021-03-27) (BDM 2021-04-26) (AGM 2023-03-25) (BDM 2024-01-30: CIF: 2024-02-24)

6.2.5 Meetings and notices

Regular meetings are held at the date, time and place chosen by the board of directors. Members of the board of directors are notified in writing, with no additional notice required.

Notices of special meetings will state the matters to be considered. A written or verbal notice stating the place, day and time of each special meeting must be provided to each member of the board of directors at least four (4) days before the meeting date. Special meetings can also be held without notice if all members of the board of directors are present or if absent board members waive their notice, in writing or electronically, for such meeting.

6.2.6 Special meetings

Special meetings may be convened at any time by the chair of the board of directors or by any two (2) members of the board of directors.

(BDM 2024-01-30: CIF: 2024-02-24)

6.2.7 Officials

In accordance with the terms and conditions set out in the *Governance Policy*, each year after the Federation AGM and the caisse AGMs, the board of directors chooses, in the following order, a board chair, vice-chair and secretary from among the independent board members who have the required skills established by the board.

The president and chief executive officer may not take part in choosing the officials.

If the board chair is chosen from among the board members of the caisse network, the board vice-chair shall then be chosen from among the board members who aren't from the network, and vice versa.

(BDM 2019-12-05) (BDM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

6.2.8 Role of the chair, vice-chair, secretary, and assistant secretary

The chair of the board of directors presides over the board's meetings, moderates debates, maintains order and decides on procedural matters. The board chair also exercises all other duties and powers assigned to them under the Act and bylaws and by board resolution.

The vice-chair replaces the chair when the chair is absent or unable to act, including when the chair has a real or perceived conflict of interest. The vice-chair also exercises all other duties and powers assigned to them by the board of directors.

The secretary provides secretarial services for board meetings.

The assistant secretary supports the secretary in fulfilling their duties. The assistant secretary exercises the powers of the secretary whenever the latter is absent or unable to act. The assistant secretary also performs all other duties assigned to them by the board of directors.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

6.2.9 Commissions and committees

The board of directors may delegate the powers conferred on it by the Act or the bylaws to one or more board members, officers, managers, employees, commissions or committees, to the extent and by the means determined by the board.

6.2.10 Disqualification

Subject to article 6.2.2 of the present by-law, a member of the Board of Directors who no longer meets the requirements set out in the Act or the bylaws to sit on the board of directors immediately ceases to hold office as a board director.

(AGM 2024-03-23)

6.2.11 Vacancy

The board of directors may fill a vacancy for a board member position for the remainder of the term of office using the enhanced group profile as a guide.

The president and chief executive officer may not take part in choosing the person to co-opt to the board of directors.

(BDM 2024-01-30: CIF: 2024-02-24)

6.2.12 Remuneration

With the exception of the president and chief executive officer, members of the board of directors and members of the Board of Ethics and Professional Conduct are remunerated according to the amounts in the applicable policy adopted by the Federation.

This policy also sets out how remuneration paid to members of the board of directors and members of the Board of Ethics and Professional Conduct is disclosed.

(BDM 2024-01-30: CIF: 2024-02-24)

6.3 (REPEALED : BDM 2024-01-30: CIF: 2024-02-24)

6.3.1 (Repealed: BDM 2024-01-30: CIF: 2024-02-24)

6.4 BOARD OF ETHICS AND PROFESSIONAL CONDUCT

6.4.1 Composition and enhanced group profile

The Board of Ethics and Professional Conduct is made up of five (5) caisse board members who are either elected or appointed in accordance with the bylaws.

The Board of Ethics and Professional Conduct adopts and updates, when necessary, an enhanced group profile, which it strives to achieve, and which takes into account the following criteria:

- Skills required for the Board of Ethics and Professional Conduct to fulfill its role;
- Skills related to the individual qualities required to be a member of this board;
- Fair representation of the diversity of communities, members, clients and the caisse network.

6.4.2 Eligibility criteria and length of term for the Board of Ethics and Professional Conduct

Caisse board members are eligible for a position on the Board of Ethics and Professional Conduct if they have no direct or indirect business relationships with the Federation or a caisse, other than those tied to their membership status, and meet some of the criteria in the board's enhanced group profile.

A member of the Board of Ethics and Professional Conduct cannot serve more than three (3) four-year (4-year) terms, whether or not they are served consecutively.

A member of the Board of Ethics and Professional Conduct who loses his or her status as a member of the Board of Directors of a caisse because he or she is not re-elected at the general meeting of the caisse may, with the consent of the Board of Ethics and Professional Conduct, continue to hold office until the next annual general meeting of the Fédération.

(AGM 2021-03-27) (AGM 2024-03-23)

6.4.3 Role

In addition to the duties outlined in the Act which include appointing Desjardins Group's chief monitoring officer, the Board of Ethics and Professional Conduct:

- a) provides its opinion to the board of directors regarding the dismissal of Desjardins Group's chief monitoring officer;
- b) provides its opinion to the board of directors regarding the DGMO's annual plan and budget;
- c) makes sure the required conditions are in place to allow the board of ethics and professional conduct to receive reports of any issues related to the DGMO's independence and impartiality;
- d) examines situations that could hinder the DGMO's freedom and ability to act and takes action to resolve them;

e) receives complaints from caisses and auxiliary members.

6.4.4 Meetings and notices

Regular meetings are held at the date, time and place chosen by the Board of Ethics and Professional Conduct. Members of the Board of Ethics and Professional Conduct are notified in writing, with no additional notice required.

Notices of special meetings will state the matters to be considered. A written or verbal notice stating the place, day and time of each special meeting must be provided to each member of the board of ethics and professional conduct at least four (4) days before the meeting date. Special meetings can also be held without notice if all members of the Board of Ethics and Professional Conduct are present or if absent members waive their notice, in writing or electronically, for such a meeting.

6.4.5 Special meetings

Special meetings may be convened at any time by the chair or any two (2) members of the Board of Ethics and Professional Conduct.

6.4.6 Officials

Each year after the Federation AGM and the caisse AGMs, the Board of Ethics and Professional Conduct chooses, in the following order, a board chair and vice-chair, in accordance with the terms and conditions adopted by the board.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

6.4.7 Role of the chair and vice-chair of the board, and the secretary general

The chair of the Board of Ethics and Professional Conduct presides over the board's meetings, moderates debates, maintains order and decides on procedural matters.

The vice-chair replaces the chair when the chair is absent or unable to act, including when the chair has a real or perceived conflict of interest. The vice-chair also exercises all other duties and powers assigned to them by the Board of Ethics and Professional Conduct.

The secretary general provides secretarial services for the meetings of the Board of Ethics and Professional Conduct.

6.4.8 Disqualification

Subject to article 6.4.2 of the present by-law, a member of the Board of Ethics and Professional Conduct who no longer meets the requirements set out in the Act or the bylaws to sit on the Board of Ethics and Professional Conduct immediately ceases to hold office on the board.

(AGM 2024-03-23)

6.4.9 Vacancy

The Board of Ethics and Professional Conduct may fill a vacant position on its board for the remainder of the term of office using the enhanced group profile as a guide.

(BDM 2024-01-30: CIF: 2024-02-24)

6.5 COMMUNITY COLLABORATION GROUPS

6.5.1 Establishment and composition

The community collaboration groups are established under these bylaws and are made up of caisses whose members living in the area share an economic or social connection based on a contiguous territory or membership in a group. The community collaboration groups include the board chair of each participating caisse or another board member appointed annually by the caisse. Each community collaboration group must include at least one (1) young director or, if a young director is unavailable, an intern director between the ages of 18 and 34.

The members of the Federation's board of directors may participate in community collaboration groups subject to the conditions set out in the collaboration policy.

(AGM 2023-03-25)

6.5.2 Responsibilities

The community collaboration groups' main responsibilities are to:

- a) ensure collaboration between caisses in a community and intercooperation for the benefit of members;
- b) ensure that caisses work together to address members' expectations in line with Desjardins Group's directions and goals, notably with respect to overall performance and development of the distribution network;
- c) contribute to the vitality of cooperative life and the caisses' commitment to members and their communities;
- d) ensure that member, caisse and community interests and concerns are brought to the attention of the Federation's board of directors and senior management.

CHAPTER 7 – ELECTING OR CO-OPTING MEMBERS TO THE BOARD OF DIRECTORS AND THE BOARD OF ETHICS AND PROFESSIONAL CONDUCT

7.1 GENERAL MEETING

Caisse board directors and the members of the Board of Ethics and Professional Conduct are elected by delegates at the annual general meeting, based on the board's enhanced group profile.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

7.2 ELECTION RULES

7.2.1 Electoral process at general meetings

The chair of the Nomination and Election Committee is the election chair. The Nomination and Election Committee appoints the election secretary and scrutineers, who are not required to be members of this committee.

The election chair oversees the voting process during elections as well as communications with election officials and the members of the general meeting.

Elections for the members of the board of directors and the Board of Ethics and Professional Conduct must comply with the rules in section 7.2 of the bylaws.

The election chair instructs delegates to elect as many candidates as there are positions to fill.

As many rounds of voting are held as is necessary to obtain an absolute majority for as many candidates as there are positions.

Starting with the second round, any candidate who received no votes in the previous round is eliminated. The candidate with the fewest votes, or any candidate tied for the fewest votes, is also eliminated, unless this results in fewer than two (2) remaining candidates.

Notwithstanding the preceding paragraph, the following rules apply when there are more than nine (9) candidates:

If there are between ten (10) and nineteen (19) candidates, the two (2) candidates with the fewest votes, and any candidates tied with them, are eliminated.

- If there are between twenty (20) and twenty-nine (29) candidates, the three (3) candidates with the fewest votes, and any candidates tied with them, are eliminated.
- If there are thirty (30) or more candidates, the four (4) candidates with the fewest votes, and any candidates tied with them, are eliminated.
- If after applying the above rules there are fewer than nine (9) candidates remaining, the candidates required to meet a minimum of nine (9) continue to the second round. The candidates who received the most votes in the previous round, or any candidates tied for the most votes, continue.

If after the deadline for receiving nominations has passed, the number of candidates who meet the eligibility criteria and match the criteria in the board's enhanced group profile is less than or equal to the number and, if applicable, category (members of the board of directors or members of the Board of Ethics and Professional Conduct) of positions to be filled, the election chair declares these candidates elected. The secretary general informs the general meeting.

If vacant positions remain on the board of directors or the Board of Ethics and Professional Conduct, a call for nominations is not held during the general meeting; the board of directors or the Board of Ethics and Professional Conduct fills the positions itself using the board's enhanced group profile as a guide.

(BDM 2019-12-05) (BDM 2021-03-27) (BDM 2021-04-26) (BDM 2024-01-30: CIF: 2024-02-24)

7.2.2 Required majority

During a general meeting, candidates must be elected by absolute majority.

(AGM 2021-03-27)

7.2.3 Ballot

Delegates may vote for as many candidates as they choose, up to the number of positions to be filled. If elections are held one (1) position at a time, a ballot must contain only one (1) vote to be valid.

(AGM 2021-03-27)

7.2.4 Announcement of elected candidates

The number of votes for a candidate cannot be revealed.

The election secretary destroys the ballots after the general meeting.

(AGM 2021-03-27)

7.2.5 Integrity and confidentiality

The election chair, election secretary and scrutineers ensure the integrity and confidentiality of the electoral process.

7.2.6 Advertising

On election day, no one may use any form of advertising whatsoever to support or oppose a candidate at the meeting site or any neighbouring location that may be noticed by anyone entitled to vote at the meeting. Candidates must also refrain from any advertising on election day.

The secretary general will never send caisses any documentation other than as provided in these bylaws.

(AGM 2021-03-27)

7.2.7 Candidate information

The board of directors must ensure that the electoral process provides all candidates with the same opportunity for exposure. The board of directors must also make the necessary information available to caisse delegates sufficiently in advance of the meeting.

(AGM 2021-03-27)

7.3 ELECTORAL PROCESS GUIDE

Each year, at the start of the electoral process, the Federation prepares and sends each caisse a guide for directors. The guide contains all the latest information they need to cast their vote or apply for a position on the board of directors or the Board of Ethics and Professional Conduct.

Without limiting the generality of the foregoing, the guide includes the following information:

- A description of the skills and qualifications required for the positions, as noted in the enhanced group profile for each board;
- The frequency of meetings and the time typically required for people in these positions to properly do their job;
- The remuneration provided for the positions;
- The role and duties of the board of directors and board of ethics and professional conduct.

(AGM 2021-03-27) (AGM 2024-03-23) (BDM 2024-01-30: CIF: 2024-02-24)

CHAPTER 8 – PRESIDENT AND CHIEF EXECUTIVE OFFICER

8.1 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.2 ELIGIBILITY

Any natural person may be appointed president and chief executive officer, unless they fail to meet the requirements as described in section 328 of the Act. They must also meet the following criteria:

- a) They will have to become a Desjardins caisse member and client, and do all of their banking with Desjardins Group, if they don't already, once their term begins;
- b) (Repealed: BDM 2024-01-30: CIF: 2024-02-24)
- c) As their role will involve being the person chiefly responsible for the management of the Federation, they must not have been convicted of an offence or indictable offence involving fraud or dishonesty even if they have obtained a pardon;
- d) They must not be or have been a member of the Federation's board of directors, an observer of the Federation or a member of the Board of Ethics and Professional Conduct in the past four (4) years.

(BDM 2021-04-26) (BDM 2024-01-30: CIF: 2024-02-24)

8.3 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.4 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.5 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.6 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.7 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.8 TERM OF OFFICE

The president and chief executive officer is appointed by the board of directors for one (1) or more terms of up to ten (10) years in total (ten [10] years under one or more employment contracts for a duration agreed upon by the parties and not exceeding the total maximum of ten [10] years).

In exceptional situations, the board of directors may extend the term of the president and chief executive officer past the maximum, for up to twelve (12) months or longer if required by the regulator.

The board of directors determines what constitutes an exceptional situation.

For the purposes of this section, an exceptional situation must be interpreted as an event that requires the board of directors and the president and chief executive officer to take strong and immediate action to quickly and properly manage the associated substantial risks to members and clients, as well as to Desjardins's reputation and assets.

(BDM 2024-01-30: CIF: 2024-02-24)

8.9 POWERS AND DUTIES

The president and chief executive officer is the top authority at Desjardins and is therefore responsible for coordinating and integrating the activities of all Desjardins components. Unless otherwise provided in the Act or the bylaws, this person is responsible for enforcing the Federation's standards and policies and executing the decisions of the board of directors and the Board of Ethics and Professional Conduct. The president and chief executive officer, under the authority of the board of directors and in addition to any other mandate that they may be assigned by the board from time to time:

- a) defines the vision, directions and strategic objectives for Desjardins, based on the principle of having a unified management structure for all of Desjardins, and has these approved by the board of directors;
- b) represents the Federation and acts as the official spokesperson for Desjardins in its dealings with governments, media, the general public and all stakeholders;
- c) is responsible for representing Desjardins's interests with respect to legislation affecting it;
- d) ensures the components adhere to the mission and principles set out in the bylaws and to Desjardins's shared objectives in order to ensure cohesion between the thoughts and actions of the caisses and auxiliary members and to ensure Desjardins carries out its mission;
- e) notifies the board of directors of any decisions, measures or actions that may violate the above mission, principles or objectives, and recommends corrective action;
- f) leads strategic development for the caisse network and subsidiaries;
- g) interprets, champions and promotes the cooperative model and its specific applications in the financial services industry;
- h) preserves and promotes Desjardins's cooperative nature and purpose and ensures its contribution to the cooperative movement, notably in the financial services industry;

- i) ensures that any Federation standards and policies and regulatory guidelines that apply across Desjardins are correctly interpreted and enforced;
- j) ensures messages are communicated consistently within the Federation and Desjardins-wide;
- k) plays a leadership role in cooperative life at the Federation and Desjardins Group by overseeing collaboration, information and other activities within the Federation and with caisse board members and caisse general managers, except for the Federation's governing bodies (that is, the board of directors and its commissions and committees, the Board of Ethics and Professional Conduct and the general meeting).
- l) submits for approval by the board of directors a structure for Federation and Desjardins senior management.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

8.10 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

8.11 END OF TERM

The board of directors can end the president and chief executive officer's term early, in accordance with the terms and conditions set out in the *Governance Policy*.

(BDM 2024-01-30: CIF: 2024-02-24)

8.12 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

CHAPTER 9 – NOMINATION AND ELECTION COMMITTEE

9.1 COMPOSITION

The board of directors creates a Nomination and Election Committee made up of at least five (5) co-opted members that reflect the enhanced group profile the board adopted.

Only one (1) independent director whose term is not up in the calendar year can sit on the committee. The other committee members cannot be members of the board of directors or the Board of Ethics and Professional Conduct.

The committee oversees the proper conduct of the election process for positions on the board of directors and on the Board of Ethics and Professional Conduct. The committee assesses the nominations received according to the board's respective enhanced group profile and shares its results with the board in question.

The committee also analyzes the candidacy of any directors co-opted by the board of directors or the Board of Ethics and Professional Conduct and makes individual recommendations.

The board of directors and the Board of Ethics and Professional Conduct report to the general meeting on their findings and the skills and representation criteria needed to achieve the board's enhanced group profile.

On the Federation board of directors' instruction, the committee also analyzes the candidacy of nominees for subsidiary board positions.

Any member who leaves the committee must remain objective and maintain the confidentiality of the process.

(BDM 2021-04-26) (BDM 2024-01-30: CIF: 2024-02-24)

9.2 VACANCY

If a position is left vacant or a Nomination and Election Committee member is permanently incapacitated, the board of directors fills the vacancy using the group profile adopted by the board of directors as a guide.

(BDM 2021-04-26)

9.3 VOTING RIGHTS

Nomination and election committee members cannot vote in elections under the committee's jurisdiction.

(BDM 2021-04-26)

9.4 CHAIR, VICE-CHAIR AND SECRETARY

The board of directors chooses a chair and vice-chair of the Nomination and Election Committee from among the committee members.

The secretary general, while not a member of the committee, serves as the secretary of the Nomination and Election Committee.

The committee chair presides over the election process at the general meeting. They are the spokesperson for the Nomination and Election Committee and, in this capacity, they answer questions from a variety of sources and refer any questions of general interest regarding the process to the Nomination and Election Committee.

(BDM 2021-04-26) (BDM 2024-01-30: CIF: 2024-02-24)

9.5 ROLE OF THE NOMINATION AND ELECTION COMMITTEE

The Nomination and Election Committee oversees all processes related to electing the members of the board of directors and the members of the Board of Ethics and Professional Conduct. The committee's duties include the following:

- a) Providing guidelines for the electoral process and ensuring compliance with them, including:
 - applying chapter 7 of the bylaws;
 - issuing communications to stakeholders;
 - setting the calendar for the electoral process, taking into account the date set by the board of directors for the general meeting ahead of the election;
 - receiving and handling reports of conduct issues;
 - issuing notices to the general meeting, staff members and candidates;

- b) Making recommendations to the board of directors, as needed:
 - to remove a candidate before the election, when justified by the candidate's actions;
 - to dismiss a candidate that does not represent the priority areas for improvement and any other criteria established by the board of directors;
- c) Setting up processes that enable the general meeting to properly fulfill its role;
- d) Reporting to the board of directors about which candidates meet the eligibility criteria;
- e) Assessing the nominations received according to the profile adopted by the board of directors and the Board of Ethics and Professional Conduct and reporting back to them;
- f) Drafting the nomination form, which must include the candidate's agreement to follow the electoral process rules;
- g) (Repealed: BDM 2024-01-30: CIF: 2024-02-24)
- h) Enlisting the necessary resources to help carry out the committee's mandate;
- i) Reporting back promptly to the board of directors on the committee's management;
- j) Establishing any other measures or rules necessary for the electoral process to run properly and making any other decisions regarding the process.

(AGM 2021-03-27) (BDM 2021-04-26) (BDM 2024-01-30: CIF: 2024-02-24)

CHAPTER 10 (Repealed: BDM 2024-01-30: CIF: 2024-02-24)

10.1 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

10.2 (REPEALED: BDM 2024-01-30: CIF: 2024-02-24)

CHAPTER 11 – MISCELLANEOUS PROVISIONS

11.1 MEDIATION AND ARBITRATION

Any disputes arising between caisses, including auxiliary members of the Federation, will be referred to mediation. The parties involved must notify the Federation of their dispute within ten (10) days and must participate in at least one mediation session. They may choose the mediator themselves or ask the Federation to choose one.

If a settlement agreement is not reached within sixty (60) days of the mediator's appointment, the dispute will be settled definitively through out-of-court arbitration.

The rules of Book VII of Quebec's *Code of Civil Procedure* apply to any mediation or arbitration referred to in this section.

The Federation and the Fédération des caisses populaires de l'Ontario Inc. are exempt from this provision.

11.2 CERTIFICATE

All certificates of holding for shares of Federation share capital must include the signature of the chair of the board of directors or, if this is not possible, the vice-chair of the board of directors, and the signature of the secretary of the board of directors.

These signatures can be handwritten or affixed mechanically. In the latter case, the certificate is as valid as if it had been signed by hand by an authorized person even if, on the effective date or date of issue of the certificate, one of the persons signing is no longer in office.

A corporate seal is not required on certificates referred to in this section. If a certificate is lost, damaged or destroyed, a duplicate may be issued in the manner and subject to the conditions set by the board of directors.

(AGM 2021-03-27) (BDM 2024-01-30: CIF: 2024-02-24)

11.3 FORM OF DIVIDENDS

The Federation may allocate dividends in the form of cash, share capital, products, services, or other assets.

11.4 THE FEDERATION'S BOOKS

The Federation may keep all or any of the books it is required to keep under the Act at a place outside its head office, subject to the conditions therein.

11.5 SECRETARY GENERAL

In addition to the powers and duties set out in the bylaws, the secretary general acts as the assistant secretary of the board of directors and provides secretarial services for the Board of Ethics and Professional Conduct.

11.6 MINUTES

Deliberations held and decisions made during a meeting must be recorded in the minutes. Once adopted, the minutes must be signed by the chair of the board of directors and the secretary and recorded in the Federation's register.

A decision-making body's chair, secretary and assistant secretary, where applicable, may provide excerpts or certified copies of the body's bylaws, regulations and minutes. They can also provide excerpts to committees reporting to the body in question.

(BDM 2024-01-30: CIF: 2024-02-24)

11.7 REVISION OF BYLAWS

At least every five (5) years, the board of directors must present a report on the advisability of maintaining the bylaws in force or amending them, notably with respect to the delegation of powers granted to the Federation in the bylaws.

11.8 REPORTING

Each year, the Federation must report:

- a) meeting attendance by members of the board of directors and members of the Board of Ethics and Professional Conduct for the bodies to which they belong;
- b) remuneration provided to members of the board of directors and members of the Board of Ethics and Professional Conduct according to the policy adopted by the Federation;
- c) Desjardins Group's performance in terms of sustainable development as set out in the policy adopted by the Federation.

11.9 CALCULATION OF CERTAIN MANDATES

A term of office of less than four (4) years by an individual referred to in sections 6.2.2 and 6.4.2, notably to fill a vacancy, is not included when calculating the permitted number of terms of office under these provisions.

If a term is extended, the extension will not disqualify a person defined in sections 6.2.2 and 6.4.2 from completing their last term, regardless of the term limits mentioned above.

(AGM 2021-03-27)

11.10 COMMUNICATION METHOD

Unless otherwise provided in the bylaws, notices and documents referred to in these bylaws may be sent or provided by fax, by electronic message, through an accessible digital format or through any other similar means of communication.

11.11 TIMEFRAME CALCULATIONS

When calculating the timeframe required under the bylaws to provide notices or documents, the day on which the document or notice is provided may be counted as part of the timeframe, unless otherwise provided in the Act.

11.12 TERMS AND CONDITIONS OF CLASS Z-CONTINGENT CAPITAL SHARES OF THE FEDERATION

11.12.1 Price

The par value of the Federation's Class Z-contingent capital shares (the "Class Z capital shares") is set at ten (10) dollars per share.

11.12.2 Subscription

Payment for Class Z capital shares must be made in full at the time of subscription. Class Z capital shares issued as a result of the conversion of or in exchange for Federation instruments pursuant to their terms and conditions are deemed to have been paid in full at the time of the conversion or exchange, as the case may be.

At no time shall the Federation and its member caisses offer, directly or indirectly, any financing for the purpose of purchasing Class Z capital shares. Any issue of capital shares subject to such financing may be cancelled by the Federation.

11.12.3 Issue

Class Z capital shares may be issued to subscribers in accordance with applicable laws.

No fraction of a Class Z capital share may be issued.

Class Z capital shares may only be issued (i) for the purpose of converting instruments of the Federation pursuant to the non-viability contingent capital (NVCC) requirements of the Autorité des marchés financiers' *Ligne directrice sur les normes relatives à la suffisance du capital de base* (French only) or (ii) as determined by the Federation after the issuance of Class Z capital shares following an NVCC event as described in subsection (i) above.

Subject to the conditions described above, the Federation may issue an unlimited number of Class Z capital shares.

11.12.4 Certificate

The Federation establishes a computerized register for making book entries certifying the issue of Class Z capital shares. When a certificate of holding is issued to a holder, it takes the place of a share certificate and purchase confirmation notice.

Alternatively, the Federation may delegate the management of book entries in respect of Class Z capital shares to a transfer agent or other agent and book entries in respect of Class Z capital shares may be administered through the depository service of CDS Clearing and Depository Services Inc. or any other similar depository service. No certificates will be issued to a holder and registration is made in CDS Inc.'s depository service through the book-entry system. The holder will only receive a confirmation of purchase notice from the registered dealer to or through whom the holder has subscribed Class Z capital shares and who is a participant of CDS Inc.

11.12.5 Interest

Interest payable on Class Z capital shares, as the case may be, is calculated on the daily balance, prorated to the number of days the capital shares have been held by each holder of capital shares.

Class Z capital shares are subordinate in all circumstances, with respect to the payment of interest, to the rights of the holders of investment shares and the holders of prior-ranking instruments, if any. Subject to the foregoing, Class Z capital shares shall rank, with respect to the payment of interest, equally with the capital shares of all other classes.

The Federation may not pay any interest on Class Z capital shares if there are reasonable grounds for believing that it is or might become unable, as a result of such payment, to continue its operations in accordance with the Act and the regulations, bylaws, guidelines and directions made or given thereunder.

At no time shall the failure to determine or pay any interest on Class Z capital shares constitute an event of default of the Federation.

11.12.6 Redemption

Class Z capital shares may be redeemed only in the event of the liquidation, insolvency, dissolution or winding-up of the Federation, in accordance with the applicable law. Insolvency of the Federation shall not constitute an event of default of the Federation that shall permit the holders of Class Z capital shares to require their redemption.

In the event that the shares are redeemed, the holders shall receive from the remaining assets of the Groupe coopératif Desjardins, as defined by the Act, if any, after reimbursement of the deposits and other debts of the Groupe coopératif Desjardins and after payment to the holders of classes of investment shares, if any, and equally with the other classes of capital shares and qualifying shares, an amount equal to the par value of such Class Z capital shares.

Notwithstanding the foregoing, in the event of the liquidation, insolvency, dissolution or winding-up of the Federation, in accordance with applicable law, Class Z capital shares may be redeemed only if each of the Federation's member caisses satisfies the capital adequacy requirements then applicable to it under the Act and the regulations, bylaws, guidelines and directions made or given thereunder. In the event that a balance remains after the use of amounts to meet the capital adequacy requirements of one or more of the caisses, as the case may be, Class Z capital shares shall be redeemed on a pro rata basis.

(SGM 2021-10-13: CIF 2022-01-01)

11.12.7 Repurchase

The Federation is entitled, by resolution of the board of directors and with the Autorité des marchés financiers' authorization, to repurchase all or any part of the outstanding Class Z capital shares unilaterally at any time, in accordance with the following terms and conditions:

- (i) The Federation shall give to each registered holder of Class Z capital shares a notice of repurchase in writing or by any other written electronic means of communication, which notice shall inform the holder of the repurchase and specify the date on which the repurchase is to take effect (the "**repurchase date**"), which date must be at least ten (10) days later than the date on which the Federation gave or transmitted the notices of repurchase; any holder may waive receipt of a notice of repurchase;
- (ii) On the repurchase date, the repurchased Class Z capital shares shall be cancelled automatically and their holders shall be entitled, on surrendering the certificates representing the said capital shares or following cancellation of the relevant book-entry, as the case may be, to payment of their par value; if only a portion of the capital shares represented by such certificates or book-entry is being repurchased, a new certificate shall be issued for the balance of the capital shares, or a new book-entry shall be made, as the case may be;
- (iii) With respect to holders of repurchased Class Z capital shares who fail to surrender the certificates representing such capital shares for cancellation, the Federation may deposit an amount corresponding to their par value with the Bureau général de dépôts pour le Québec at the Ministère des Finances, in accordance with the provisions of the *Act Respecting Deposits with the Bureau Général de Dépôts pour le Québec*, CQLR, c. D-5.1, or at such other location as may be designated in the notice of repurchase, for such holders. The rights of such holders shall be limited to having the amount so deposited

credited to them on surrendering the certificates representing the repurchased capital shares, and if applicable, having new certificates issued to them by the Federation for the balance of the Class Z capital shares; and

- (iv) In the case of a partial repurchase, such repurchase shall be made in proportion to the number of Class Z capital shares outstanding.

Notwithstanding any contrary provision, at no time may the holders of Class Z capital shares require any such capital shares to be repurchased.

11.12.8 Purchase and exchange by mutual agreement

Subject to applicable laws, the Federation may, at any time, without notice, with the Autorité des marchés financiers' authorization, when it sees fit, without taking the other classes of shares into account and without being bound by the rule which requires Class Z capital shares to be redeemed pro rata from the holders of Class Z capital shares, purchase all or any part of the outstanding Class Z capital shares by mutual agreement, at an agreed price, which price, if applicable, may be paid in full or in part in the form of shares of another class issued for such purpose by the Federation.

On the purchase date, the purchased capital shares shall be cancelled automatically and their holders shall be entitled, on surrendering the certificates representing such capital shares or following cancellation of the relevant book-entry, as the case may be, to payment of the agreed price; if only a portion of the capital shares represented by such certificates or book-entry is being purchased, a new certificate shall be issued for the balance of the capital shares or a new book-entry shall be made, as the case may be.

11.12.9 Transfer

Class Z capital shares are freely transferable, subject to applicable laws.

11.12.10 Voting

Class Z capital shares do not carry the right to be convened to, to attend or to vote at meetings of the members of the Federation.

11.12.11 Consideration

Class Z capital shares must be paid in cash, except in the case of shares issued:

- (i) in redemption, exchange or conversion of another share;
- (ii) pursuant to an amalgamation agreement;
- (iii) in conversion of debt obligations; or
- (iv) as permitted by the Act.

11.12.12 Amendment to the terms and conditions of the Class Z capital shares

The terms of the Class Z capital shares may be amended by special resolution.

Special resolution

The special resolution may be obtained by the holders of Class Z capital shares, either (i) by a resolution adopted by the holders of Class Z capital shares present in person or represented by proxy holding at least two-thirds of the total number of Class Z capital shares represented at a meeting held for this purpose and at which the holders of Class Z capital shares present in person or represented by proxy holding at least twenty-five per cent (25%) of the total number of outstanding Class Z capital shares are present, or (ii) in a document signed by the holders of Class Z capital shares holding at least two-thirds of the total number of outstanding Class Z capital shares.

Quorum

If, at the meeting, the holders of at least twenty-five per cent (25%) of the total number of outstanding Class Z capital shares are not present in person or represented by proxy within thirty (30) minutes after the time fixed for the commencement of the meeting, the meeting may be adjourned on the date not more than fifteen (15) days from the date of the initial meeting, at the time and the place determined by the chair of the meeting; at such adjourned meeting, the holders of Class Z capital shares present in person or represented by proxy, whether or not they represent twenty-five per cent (25%) of the total number of outstanding Class Z capital shares, may transact business set forth on the agenda of the initial meeting, and a resolution duly adopted by the holders of Class Z capital shares present in person or represented by proxy holding at least two-thirds of the total number of Class Z capital shares represented at such meeting, shall validly constitute authorization of the special resolution.

Meeting of holders

A meeting of the holders of Class Z capital shares may be convened at the request of the president and chief executive officer or the board of directors, when it is deemed appropriate for the proper administration of the Federation's business.

Notice of meeting

A notice of the date, time and place of a meeting of holders of Class Z capital shares shall be sent by the Federation to each holder entitled to vote, to the president and chief executive officer and to the external auditor of the Federation by at least one of the following methods: by mail, by courier, by personal delivery or by any means of telephone, electronic or other communication. The notice shall be sent to each holder entitled to vote at the meeting at the earliest sixty (60) days before the date of the meeting and no later than twenty-one (21) days before the date of the meeting.

Irregularities affecting the notice of meeting or its sending, the unintentional omission to give such notice or the fact that such notice does not reach a holder shall not affect the validity of a meeting of holders of Class Z capital shares.

Content of the notice

Any notice of meeting of holders of Class Z capital shares must mention the place, date and time of the meeting. The notice of meeting shall give sufficient information to enable the holders of Class Z capital shares to form an informed judgment on each of the transacted business. In addition, the notice of meeting

of holders of Class Z capital shares must contain a description of the procedures for voting at the meeting.

Persons entitled to attend meetings

The only persons entitled to attend meetings of holders of Class Z capital shares are those entitled to vote thereat, directors, managers within the meaning of the Act and the Federation's external auditor. Any other person may be admitted with the consent of the chair of the meeting or the persons present and entitled to vote at the meeting.

Power of attorney

A holder of Class Z capital shares may vote by proxy by appointing in writing a proxyholder, and one or more alternate proxyholders, who shall attend and act at the meeting in the manner and to the extent authorized by the proxy, and with the authority conferred thereby. The proxy is presented in the form approved from time to time by the directors or in any other form accepted by the chair of the meeting at which the proxy is to be used. A proxy is acted upon only if it is deposited with the Federation before the deadline specified in the notice of meeting at which it is to be used or with the secretary of the Federation, the scrutineer or the chair of the meeting before the vote or any adjournment of the vote, if applicable.

Chair of the meeting and secretary

The chair of the meeting of holders of Class Z capital shares is the chair of the board of directors, or any other person as designated by the board of directors. If none of these persons is present at the meeting, the persons present and entitled to vote shall choose the chair of the meeting from among themselves.

The chair of the meeting shall appoint a person to act as secretary of the meeting.

Scrutineer

The chair of any meeting of holders of Class Z capital shares may appoint one or more persons to act as scrutineers at any meeting of holders of Class Z capital shares.

Procedure

The chair of the meeting of holders of Class Z capital shares shall direct the meeting and establish the procedure to be followed. The chair's decisions on any matter, including the validity or invalidity of a proxy form or other instrument appointing a proxyholder, shall be conclusive and binding on the meeting of holders of Class Z capital shares.

Voting procedure

Subject to the Act and any other applicable regulations, the business to be transacted at a meeting of holders of Class Z capital shares shall be decided by show of hands, unless a secret ballot is ordered, requested or provided for in the voting procedures at the meeting. Subject to the Act and any other applicable regulations, the chair of the meeting may order, or any person

present and entitled to vote may request, a secret ballot before or after the vote by show of hands on the matter. The secret ballot is held as directed by the chair of the meeting. The request or order to hold a secret ballot may be withdrawn at any time before the ballot is held. The result of the secret ballot represents the decision of the holders of Class Z capital shares on the matter.

Casting vote

Unless otherwise provided in the Act or these bylaws, matters submitted to a meeting of the holders of Class Z capital shares shall be decided by a majority of the votes cast. In the event of a tie, whether voting is by show of hands or by secret ballot, the chair of the meeting shall not have a casting vote.

Adjournment

With the consent of the persons present and entitled to vote, the chair of a meeting of holders of Class Z capital shares may adjourn the meeting to a specific date, time and place on such conditions as such persons may determine. The adjourned meeting shall be duly constituted if it is held in accordance with the conditions of the adjournment and if a quorum is present. The adjourned meeting may transact any business that may have been brought at the initial meeting.

11.12.13 Amendment to the Bylaws of the Groupe coopératif Desjardins

A holder of Class Z capital shares has one vote per share for any amendment to the *Bylaws of the Groupe coopératif Desjardins* requiring the approval of the holders of Class Z capital shares under the Act.

11.13 (Repealed: SGM 2021-10-13: CIF 2022-01-01)

CHAPTER 12 – PROVISIONS APPLICABLE TO CAISSES

12.1 MANAGERIAL POSITIONS

The general manager of a caisse is the person chiefly responsible for the management of the caisse. The board of directors of the caisse cannot, without the Federation's approval, create any other managerial positions within the meaning of the Act.

This provision does not prevent a caisse from designating employees as management staff or putting other employees in positions of authority to ensure the caisse's sound management.

12.2 ENTITLEMENT TO MEMBER DIVIDENDS

A caisse may attribute dividends to members according to the nature of the member's transactions, the nature of the products or services provided, or the amount of the fees paid by the member, whether the member does business with the caisse or its intermediary or deals directly with a Desjardins component.

12.3 MANAGEMENT OF CERTAIN LITIGATIONS INVOLVING A CAISSE

Upon receipt of a formal notice or judicial proceedings, caisses must notify the Federation's Legal Affairs Division if the litigation could represent a risk to Desjardins Group's

reputation, if the litigation involves a process initiated by the Federation, if the litigation involves class action, or if the matter could affect other caisses or the Groupe coopératif Desjardins.

The Federation, whose mission is to look after the risk management of Desjardins and see to the financial health of the Group and its sustainability, takes the necessary steps to ensure the caisse is appropriately represented or defended, as part of existing programs, where applicable.

Given the potential reputation risk, this provision also applies when a caisse is involved in litigation brought before the Commission d'accès à l'information du Québec, Commission des droits de la personne et des droits de la jeunesse or the Human Rights Tribunal.

12.4 CAISSE BOARDS OF SUPERVISION

Notwithstanding section 226 of the Act, the Federation is authorized to order the dissolution of caisse boards of supervision when it deems it appropriate.

Caisses cannot establish such boards after this order has taken effect. When a caisse board of supervision has been dissolved, its functions and powers are assumed by the board of directors of the caisse, subject to the following conditions:

- The opinion required under section 125 of the Act is obtained from a committee formed by the caisse's board of directors, under its bylaws, to exercise this function, among others.
- Complaints that have to do with the rules of ethics or professional conduct are submitted, under section 243.1 of the Act, to a committee formed by the caisse's board of directors, under its bylaws, to exercise this function, among others.
- The board of directors must, before suspending a caisse board member, as provided in section 265 of the Act, obtain the opinion of the Board of Ethics and Professional Conduct. The Federation's board of directors may, on its own initiative and in accordance with the procedure in section 265, suspend a caisse board member, when it believes the caisse's board of directors has failed to act or when it disagrees with the decision.
- The board of directors must submit the reports required under sections 266 and 270 of the Act, according to the conditions therein.
- The Federation may act, on its own initiative, under section 267 of the Act, to resolve a conflict of interest or to apply a rule of ethics or professional conduct if the caisse's board of directors does not.

12.5 NUMBER OF MEMBERS ON THE BOARD OF DIRECTORS OF A CAISSE

In a departure from section 244 of the Act, the number of caisse directors cannot be fewer than nine (9).

A caisse must meet this minimum number of directors by no later than 2021, using the enhanced group profile developed for its board of directors as a guide.

The Federation may, on an exceptional basis, authorize a caisse to set its number of directors to under nine (9) if the caisse submits a request and provides the reasons for it.

12.6 ELECTING MEMBERS OF A BOARD OF DIRECTORS FOR TERRITORY CAISSES

The following provisions apply to territory caisses:

- a) Full members of a caisse are eligible for any position on the caisse's board of directors.
- b) A caisse that, prior to January 1, 2019, created groups in its bylaws for the purpose of electing directors must, beginning in 2019, include in its bylaws at least one (1) director position to which all full members of the caisse are eligible.
- c) A caisse that, prior to January 1, 2019, had not created any groups in its bylaws for the purpose of electing members from its board of directors may no longer do so and must apply the rule in paragraph a) above.

CHAPTER 13 – TRANSITIONAL PROVISIONS

13.1 END OF TERM FOR MEMBERS ON THE BOARD OF DIRECTORS AND OBSERVERS

Following the 2021 special general meeting, general managers who sit as observers on the board of directors will continue to do so until the board of directors appoints new general managers as observers.

(AGM 2021-03-27) (SGM 2021-10-13) (BDM 2024-01-30: CIF: 2024-02-24)

13.2 AUXILIARY MEMBERS

Desjardins Capital Management Inc. may withdraw as a partner auxiliary member without having to meet the requirements of paragraph c) of section 3.5.2.

(BDM 2024-01-30: CIF: 2024-02-24)

13.3 REPRESENTATION AFTER THE MERGER OF THE ONTARIO CAISSE PARTICIPATING AUXILIARY MEMBER AND OTHER SPECIFIC CONDITIONS

As of January 1, 2020, notwithstanding any contrary provision in the bylaws, the following conditions apply to the credit union resulting from the merger of participating auxiliary members constituted in Ontario:

- a) (Repealed: BDM 2024-01-30: CIF: 2024-02-24)
- b) The credit union is no longer required to be affiliated with a federation participating auxiliary member and maintains its status of caisse participating auxiliary member of the Federation. The credit union must subscribe and pay for ten thousand (10,000) Federation qualifying shares at the price of five dollars each. The shares held by the Fédération des caisses populaires de l'Ontario Inc. prior to the merger are transferred to the credit union to satisfy this requirement;
- c) The credit union may withdraw from the Federation. In this case, the conditions in paragraphs b) and c) of section 3.5.2 and the second paragraph of section 3.5.3 of the bylaws apply.
- d) (Repealed: BDM 2024-01-30: CIF: 2024-02-24)

CHAPTER 14 – FINAL PROVISIONS

14.1 REPLACEMENT OF INTERNAL BYLAWS

As soon as they come into effect, these bylaws replace the Federation's *Règlement de Régie interne* (French only).

14.2 FEDERATION BYLAWS

The Federation may make its own bylaws with regard to the matters permitted under the Act and to the extent that these bylaws do not contradict the provisions herein. All existing Federation bylaws at the time the Act comes into effect, with the exception of these bylaws, continue to apply as bylaws.

14.3 REPLACEMENT OF CAISSE INTERNAL BYLAWS

As soon as it comes into effect, Appendix A of these bylaws replaces the *Caisse Internal Bylaws*, as bylaws.

14.4 MEMBER CAISSE BYLAWS

Notwithstanding section 14.3 of the bylaws, the provisions in the bylaws for the internal management of a caisse, or any other bylaw, that is necessary to apply the new bylaws remain in effect and are deemed to be an integral part thereof, provided they concern one of the following matters: the name of the caisse, the number of members on the board of directors and executive committee, the number of terms of office served by the caisse's board chair, the administration and management of the community development fund, groups formed for the election of the members of the board of directors, the rotation of directors on the board of directors, permanent shares, as well as any amendment adopted by the general meeting or the board of directors after Appendix of these bylaws comes into effect, as provided in section 14.3.

The Federation can determine to what extent and on what matters, namely internal affairs and activities, a caisse can maintain or must later amend the provisions in its bylaws on internal management. The caisse must submit the proposed provisions to the Federation, which must approve them before they can be maintained or adopted by the caisse, in compliance with section 3.3 d) of these bylaws.

In addition to what is provided in the Act, a caisse agrees to send or make available to the Federation any bylaw that it adopts, amends or repeals.

(SGM 2021-10-13)

14.5 PRECEDENCE OF THE BYLAWS OF THE GROUPE COOPÉRATIF DESJARDINS

The provisions of these bylaws prevail over any conflicting provisions in the Federation or member caisse bylaws.

Appendix A: *Member Caisse Bylaws*