# Table of contents

1. OUR RELATIONSHIP
   - Description of products and services 2
   - Responsibilities of the client to the brokerage firm 4
   - Responsibilities of the brokerage firm 4
   - Commissions schedule 6
   - Information regarding activities in your accounts 11

2. YOUR PROTECTION
   - Protection of your personal information 14
   - Handling of complaints 19

3. GENERAL ACCOUNT AGREEMENT AND SPECIFIC AGREEMENTS
   - Communication with the beneficial owners of securities of a reporting issuer 24
   - General Account Agreement 27
   - Margin Account Agreement 32
   - Options Account Agreement 35
   - Definitions 37

4. STATEMENT OF PRINCIPLES ON CONFLICTS OF INTEREST
   - Issuers related or connected to Desjardins Securities 42
   - Issuers unrelated to Desjardins Securities 44
   - Other companies related to Desjardins Securities 44
   - Activities of Desjardins Securities 46
   - Referral arrangements 47
   - Other referral arrangements 50

5. NOTICES
   - Information on multiple marketplaces 51
   - U.S. Tax rules regarding certain types of revenues 54
   - Strip bonds and strip bond packages 55
   - Futures and options trading 60
   - Off-book borrowing for investment purposes 63

CONTACT US 65
Desjardins Securities Inc. (Desjardins Securities) uses the trade name “Desjardins Online Brokerage” for its discount brokerage activities. Discount brokerage products and services are consolidated under the trademark “Disnat”.

Desjardins Securities offers a wide range of products and services to individuals, businesses and institutional investors through its full-service brokerage, online brokerage, corporate financing, research, institutional sales and fixed income.

Desjardins Securities is the brokerage firm of Desjardins Group. Desjardins Securities is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF).

IIROC operates under recognition orders from the Canadian Securities Administrators (Canada's provincial and territorial securities regulators, e.g. the Autorité des marchés financiers (AMF) in Quebec and the Ontario Securities Commission).

For more information on the regulation of investment dealers, visit the “Investors” section of the IIROC website at www.iiroc.ca. You can also ask a Desjardins Online Brokerage representative for the brochure “Why IIROC Matters to You, the Investor”.

CIPF provides limited protection for investors' assets if an investment dealer that is a CIPF Member becomes insolvent. For more information on the CIPF and the protections it offers, please refer yourself to the CIPF brochure included in the welcoming kit sent to you at the moment of your account opening. You can also visit the CIPF website at www.cipf.ca.

Desjardins Securities scrupulously complies with the regulations governing its activities. The primary objectives of these regulations are to protect clients and preserve financial market integrity.

Employees of the Desjardins caisses and of Desjardins Financial Service Firm are authorized to provide the Desjardins Online Brokerage Account Opening Form (D201) to a client and to proceed with an account opening request within the computer systems. These employees do not hold an IIROC license and therefore cannot, under any circumstance, offer advice to a client, recommend investments, accept transaction orders or even access a client's Desjardins Online Brokerage online account.

The Desjardins Online Brokerage client is dealing with an entity distinct from the caisse or Desjardins Financial Services Firm and must clearly understand the mechanisms of discount brokerage. Desjardins Online Brokerage does not give any advice or recommendations regarding investment. The client is solely responsible of the financial consequences of his/her investment decisions.

Employees of the Desjardins caisses or Desjardins Financial Services Firm must refer the client to Desjardins Online Brokerage's customer service for any questions that go beyond their right to practice.
1. Our relationship

Description of products and services

1. ORDER EXECUTION ACCOUNT

An order execution account is an account for which you are entirely responsible of your investment decisions. You do not receive any advice or recommendation from the brokerage firm’s representatives. The suitability of your investments will not be evaluated, neither when the account is opened, nor when orders are accepted. Please consult the “General Account Agreement” for the terms and conditions governing Desjardins Online Brokerage accounts.
2. DESCRIPTION OF ACCOUNT TYPES

Cash account
Brokerage account that enables you to buy or sell securities and in which you must have a certain amount of money to cover your purchases or in which you must deposit the necessary amount before the settlement date. Each transaction must be paid in full.
A registered account is a brokerage account opened as part of one of the programs provided in the Income Tax Act. It allows you to defer the payment of certain income taxes. To open a registered account, you must complete the appropriate application form and meet the requirements according to the type of registered account.

Margin account
Type of account in which you can buy or sell securities on credit. You pay only the difference between the market value of the security and the amount lent to you by the broker, who will then charge you interest on the loan. Please consult the “Margin Account Agreement” for more details.

Margin options account
Margin account that allows you to buy or sell options. An option is a contract that gives you the right or the obligation to buy or sell a given quantity of an underlying asset at a specific price on or before a certain date. There are four different types of option transactions to choose from:
1. Purchase of put options or call options
2. Covered call writing
3. Option spreads
4. Naked option writing
Please consult the “Options Account Agreement” for more details.

DISCLOSURE - OPTIONS TRADING
Option transactions carry a high degree of risk. Buyers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. For more information, please consult the “Options and futures trading” section of this document.

DISCLOSURE - LEVERAGE
Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Margin short account
Margin account that enables you to sell short. A short sale consists in selling securities that you do not own. In such case, Desjardins Securities borrows the securities. Please consult the “Margin Account Agreement” for more details.
Responsibilities of the brokerage firm

- The Desjardins Online Brokerage representatives must act with loyalty and integrity, and must be honest and fair in all dealings with you.
- Desjardins Online Brokerage is complying with the provinces’ securities acts in which it is registered, and meets all the requirements of the regulatory authorities.

- Desjardins Online Brokerage keeps all your information confidential and provides you with exhaustive and accurate information on your account.

Responsibilities of the client to the brokerage firm

As a client of an online brokerage firm, it is your responsibility to:

- Make your own investment decisions and choose your portfolio allocation;
- Examine carefully and without delay the content of this brochure, including IIROC’s Client Complaint Handling Requirements as well as the risks specific to certain markets, products or investment strategies. These risks are described in more details in the section “Notices” of this brochure;
- Examine carefully and without delay all documents provided to you by the brokerage firm regarding the functioning of your account, the investment transactions and the assets in your account. This document includes all the information that the brokerage firm keeps for your account, the information on conflicts of interest, the description of all the transaction costs, services charges and expenses related to your account, the transaction notice or portfolio statement;
- Make sure the information on your account opening form is accurate and update it if necessary by contacting Desjardins Online Brokerage;
- Inform without delay the brokerage firm of any erroneous transaction notice or portfolio statement;
- Contact Desjardins Online Brokerage customer service for any question or dissatisfaction regarding the services and products offered;
- Take notice of the security and fraud prevention measures recommended by Desjardins Online Brokerage.
SECURITY AND FRAUD PREVENTION

Protecting your account and your personal information is our top priority. Please follow these recommendations to reinforce our existing security measures and protect your account from potential fraud.

Passwords:

• Never share your password. If you suspect that someone has discovered your password, change it immediately.
• Create a password that is safe and easy to remember. Avoid choosing obvious strings of characters such as your name or your birth date.
• Choose a password that is used exclusively for Disnat platforms. Do not use a password for your brokerage account which you also use for other online services. Using identical passwords increases the risk of piracy.
• For better security, use different passwords for trading and for logging in to www.disnat.com.
• Do not send confidential information by email. Messages that you send us by email are not secure. It is therefore important not to include any personal or confidential information.

Follow these recommendations:

• Never use a public computer (internet café, library, hotel lobby, etc.) to access your brokerage account, not even the computer of a friend or acquaintance.
• Install an updated firewall on your computer.
• Use an anti-virus that is updated regularly.
• Always download the available updates to your operating system.
• Never open an attachment from an unknown source.
• Download programs only from trusted sites.
• Always click Exit to end your www.disnat.com session.
• Clear your cache at the end of each session.
• Close your browser at the end of each session.

Fraudulent emails (phishing)

Phishing is a technique used in order to access personal information (password, credit card number, date of birth, etc.) from a victim by making them believe they are communicating with a trusted third party (bank, government, etc.).

Please do not reply to any email claiming to be from Desjardins Online Brokerage asking you, for example, to update your personal data on a website resembling www.disnat.com. This type of email is fraudulent.

Please forward any such email to the following address, to inform Desjardins of any fraudulent attempts: phishing@desjardins.com.
# Commissions schedule

## 1. ONLINE COMMISSIONS FOR STOCKS AND OPTIONS ($CA OR $US)

<table>
<thead>
<tr>
<th>DISNAT CLASSIQUE</th>
<th>DISNAT DIRECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STOCK</td>
<td>STOCK</td>
</tr>
<tr>
<td>$9.95</td>
<td>$9 to $9.95$</td>
</tr>
</tbody>
</table>

**OPTIONS**

$1.25 per contract min. $8.75

1 Minimum commission is $5.00 with a maximum of $9.95, as per the following conditions:

- Shares trading at $2.00 and less, depending on quantity:
  - up to 10,000 shares: $5.00; 10,001 shares and over: $9.95.

- Shares trading at $2.01 and over, depending on currency:
  - Canadian shares: $0.01 per share; U.S. shares: $0.005 per share.

Commissions are calculated on a daily basis and charged in the currency of the trade. A minimum commission is applicable to each trade. Commission rates applicable for the current calendar month are based on the combined activity of all accounts linked to the same login ID during the preceding calendar month. Desjardins Online Brokerage reserves the right to limit the number of intra-session trades on the same issue. The Securities and Exchange Commission (SEC) charges a fee for every executed sell order on any American exchange.

**IMPORTANT:** Please contact a representative for any trade over two hundred thousand (200,000) shares. Desjardins Online Brokerage reserves the right to refuse any trade placed on U.S. over-the-counter markets (i.e. OTCBB). For more details regarding this policy, please contact our client service department.

## 2. COMMISSIONS ON STOCK AND OPTION TRADES PLACED BY TELEPHONE

<table>
<thead>
<tr>
<th>PRICE</th>
<th>STOCK COMMISSIONS</th>
<th>OPTION COMMISSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $0.50</td>
<td>2% of trade value</td>
<td>$2.50 per contract (minimum $35)</td>
</tr>
<tr>
<td>$0.51 - $1.00</td>
<td>$35 + 0.5¢/share</td>
<td></td>
</tr>
<tr>
<td>$1.01 - $2.00</td>
<td>$35 + 2¢/share</td>
<td></td>
</tr>
<tr>
<td>$2.01 - $5.00</td>
<td>$35 + 2.5¢/share</td>
<td></td>
</tr>
<tr>
<td>$5.01 - $10.00</td>
<td>$35 + 3.5¢/share</td>
<td></td>
</tr>
<tr>
<td>$10.01 - $20.00</td>
<td>$35 + 4.5¢/share</td>
<td></td>
</tr>
<tr>
<td>$20.01 - $30.00</td>
<td>$35 + 5.5¢/share</td>
<td></td>
</tr>
<tr>
<td>$30.01 &amp; over</td>
<td>$35 + 6.5¢/share</td>
<td></td>
</tr>
</tbody>
</table>

- Commissions are calculated on a daily basis
- Minimum commission of $CA or $US$45 is applicable to each transaction
- Orders valued at $2,000 or less are charged a flat commission of $CA or $US$45

1 The Securities and Exchange Commission (SEC) charges a fee for every executed sale order on any American exchange.
3. NORTH AMERICAN EXCHANGE-TRADED BOND TRANSACTIONS

Through a Representative

<table>
<thead>
<tr>
<th>FACE VALUE</th>
<th>COMMISSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $24,999</td>
<td>$3/$1,000</td>
</tr>
<tr>
<td>$25,000 &amp; over</td>
<td>$2/$1,000</td>
</tr>
</tbody>
</table>

- Minimum commission of $CA or $US1 45 is applicable to each transaction
- Commissions are calculated on a daily basis
- Online transactions: the online stock trade schedule is applicable

1 The Securities and Exchange Commission (SEC) charges fees for sell orders on American markets.

4. MUTUAL FUND TRANSACTIONS

NO COMMISSIONS FOR MOST mutual funds, WITH THE FOLLOWING EXCEPTIONS:

- Deferred sales charge (back-load) funds are charged a redemption fee by the fund company.
- Funds held in a Desjardins Online Brokerage account for less than 90 days are subject to commissions of $32 online or $45 through a representative.
- Some funds have commissions on purchases, sales and switches within the same family. See the list of exemptions at www.disnat.com.

Minimum initial and subsequent purchases

- Most funds require a minimum initial and subsequent purchase of $1,000.
- Desjardins Funds require a minimum initial purchase of $1,000 and minimum subsequent purchases of $100.
- Some funds may be subject to other minimum initial and subsequent purchases.

Switches within the same fund families

- 12 free annual switches per account for most funds.
- Subsequent switches are subject to commissions of $32 online or $45 through a representative.
- The fund company may charge short-term trading fees if you switch funds within 90 days of purchase.
- Short-term trading fees will not be charged by Desjardins Online Brokerage if you switch units within 90 days of purchase.

For your protection, all telephone conversations are recorded. We suggest you note the date and time of your call as well as the name of the representative to whom you speak.

5. DISNAT DIRECT MARKET DATA AND PLATFORM FEES

<table>
<thead>
<tr>
<th>MARKET DATA</th>
<th>TRADES PER MONTH</th>
<th>WITHOUT TSX VENTURE DATA</th>
<th>INCLUDING TSX VENTURE DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disnat Classic with Level 1 Dynamic Quotes</td>
<td>0 - 9</td>
<td>$30</td>
<td>$55</td>
</tr>
<tr>
<td></td>
<td>10 &amp; over</td>
<td>FREE</td>
<td>FREE</td>
</tr>
<tr>
<td>Disnat Direct – Level 1</td>
<td>0 - 9</td>
<td>$35</td>
<td>$60</td>
</tr>
<tr>
<td></td>
<td>10 &amp; over</td>
<td>FREE</td>
<td>FREE</td>
</tr>
<tr>
<td>Disnat Direct – Level 1 ¼</td>
<td>0 - 20</td>
<td>$60</td>
<td>$95</td>
</tr>
<tr>
<td></td>
<td>21 - 30</td>
<td>FREE</td>
<td>$95</td>
</tr>
<tr>
<td></td>
<td>31 &amp; over</td>
<td>FREE</td>
<td>FREE</td>
</tr>
<tr>
<td>Disnat Direct – Level 2</td>
<td>0 - 40</td>
<td>$105</td>
<td>$155</td>
</tr>
<tr>
<td></td>
<td>41 &amp; over</td>
<td>FREE</td>
<td>FREE</td>
</tr>
</tbody>
</table>

2 These fees are taxable and subject to change without notice. Visit www.disnat.com to see our fees in effect.

3 Monthly fees include platform access fees. The fee applicable for the current calendar month is based on the combined activity of all accounts linked to the same login ID during the preceding calendar month. Fees are usually withdrawn at the beginning of each month.

IMPORTANT: If you wish to temporarily suspend or permanently end your usage of a platform, please notify us by email before the last working day of the current month in order to avoid being charged a user fee the following month.
# 6. General Fees

<table>
<thead>
<tr>
<th>Details</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options exercise and assignment</td>
<td>$30/trade</td>
</tr>
<tr>
<td>Delivery against payment</td>
<td>$30/trade</td>
</tr>
<tr>
<td>Euroclear securities, buy or sell</td>
<td>$150 + commission</td>
</tr>
<tr>
<td>Euroclear securities, receipt or delivery</td>
<td>$150</td>
</tr>
<tr>
<td>Exchange of restricted shares (securities act 1933) to negotiable shares</td>
<td>$100</td>
</tr>
<tr>
<td>Additional fees for trades placed by telephone (stocks or options)</td>
<td>See the commissions schedule</td>
</tr>
<tr>
<td><strong>Inactivity fees</strong></td>
<td><strong>Inactivity fees are waived if:</strong></td>
</tr>
<tr>
<td></td>
<td>• Six trades or more have been executed in the preceding 12 months <strong>or</strong></td>
</tr>
<tr>
<td></td>
<td>• The value of the portfolio is $15,000 or more <strong>or</strong></td>
</tr>
<tr>
<td></td>
<td>• A registered account (RRSP, RRIF, RESP) is also held</td>
</tr>
<tr>
<td></td>
<td>A fee of <strong>$30</strong> per quarter will apply if none of the above criteria are met.</td>
</tr>
<tr>
<td>QSSP / SME Growth Stock Plan, annual fee</td>
<td>$75*</td>
</tr>
<tr>
<td>Account opening for trusts, guardianship, public curatorship</td>
<td>$50</td>
</tr>
<tr>
<td>Account opening for a single trade</td>
<td>$50 + telephone commission</td>
</tr>
<tr>
<td>Certificate deposit</td>
<td>$10*/certificate</td>
</tr>
<tr>
<td>Certificate registration</td>
<td>$50/certificate</td>
</tr>
<tr>
<td>Certificate registration (rush)</td>
<td>$150/certificate</td>
</tr>
<tr>
<td>Safekeeping of negotiable securities held in client’s name</td>
<td>$10* per security, per month</td>
</tr>
<tr>
<td>GIC other than Desjardins received from another institution</td>
<td>$50*</td>
</tr>
<tr>
<td>Cheque withdrawal</td>
<td>$10</td>
</tr>
<tr>
<td>Returned cheque (NSF)</td>
<td>$25</td>
</tr>
<tr>
<td>Estate account processing fee</td>
<td>$150</td>
</tr>
<tr>
<td>DETAILS</td>
<td>FEES</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Bank transfer to Canada or the United States</td>
<td>Bank: $25</td>
</tr>
<tr>
<td></td>
<td>Caisse: $15</td>
</tr>
<tr>
<td>Account transfer to another institution</td>
<td>$125*</td>
</tr>
<tr>
<td>Partial account transfer to another institution</td>
<td>$25*</td>
</tr>
<tr>
<td>Transfer of securities or cash to third party (approval required)</td>
<td>$25*</td>
</tr>
<tr>
<td>TFSA</td>
<td>No administration fees, subject to inactivity fees</td>
</tr>
<tr>
<td>Annual administration fees RRSP/ LIRA</td>
<td>125 transactions per year¹ or market value of $15,000 or over: FREE. Otherwise: $100*</td>
</tr>
<tr>
<td>Annual administration fees RIF / LIF</td>
<td>125 transactions per year¹ or market value of $25,000 or over: FREE. Otherwise: $100*</td>
</tr>
<tr>
<td>Annual administration fees RESP</td>
<td>If the combined market value in all of the subscriber's accounts is $15,000 or more: FREE. Otherwise: $50*</td>
</tr>
<tr>
<td>Partial withdrawal</td>
<td>$25*</td>
</tr>
<tr>
<td>Complete withdrawal</td>
<td>$125*</td>
</tr>
<tr>
<td>HBP: withdrawal and subsequent closing of RRSP</td>
<td>FREE</td>
</tr>
<tr>
<td>Swap</td>
<td>$40</td>
</tr>
<tr>
<td>LIF transfer to LIRA</td>
<td>$100*</td>
</tr>
<tr>
<td>TFSA contribution in kind</td>
<td>$25*</td>
</tr>
<tr>
<td>Copy of account statement / tax slip</td>
<td>$5*/item</td>
</tr>
<tr>
<td>Research request</td>
<td>$25*/hour (minimum 1 hour)</td>
</tr>
<tr>
<td>Contract duplicate or correction</td>
<td>$25*</td>
</tr>
<tr>
<td>Fee for non-consent to disclosure of contact information to reporting issuers</td>
<td>$15* per quarter</td>
</tr>
</tbody>
</table>

* GST and PST additional.
¹ 125 cumulative transactions per year, per client. Reference period: from July 1 to June 30.

This schedule is subject to change without notice. Any special requests (related to securities or other) not specified in this schedule may entail additional fees.
7. OTHER CHARGES AND COMPENSATION

Desjardins Online Brokerage may collect two types of compensation, a direct one and an indirect one. The direct compensation is paid by you and consists of brokerage commissions and account-related fees. Please note that the account-related fees are presented in the commissions schedule that is sent to you by Desjardins Online Brokerage when you open your account.

The indirect compensation consists of trailing fees or other forms of compensation from third parties in connection with certain transactions involving the purchase, holding or sale of securities in your account, including units in mutual funds, exchange-traded funds, bonds, principal-protected notes or newly issued and sold securities.

You will receive, for the period ending December 31 of each year, a report on the fees and other forms of compensation paid to Desjardins Online Brokerage for the services you received during the year. In accordance with IIROC’s regulatory guidelines, Desjardins Securities does not allow to aggregate account fees and charges of related or linked accounts through one designated account. This measure increases the transparency of the fees and charges the clients pay as well as the performance of their investments.

**Mutual fund**

Some mutual funds include deferred sales charges which are paid upon the purchase (front-end load) or sale (deferred sales charges and reduced deferred sales charges) of fund units. In some cases, the amount of your initial purchase is remitted in full to the fund manager who, upon receipt, pays a commission to the broker, Desjardins Online Brokerage. If you then choose to redeem or sell your fund units, deferred sales charges are paid to the fund manager, since they already paid the commission to Desjardins Online Brokerage. These charges are generally calculated on a sliding, decreasing gradually the longer the units are held.

Moreover, all mutual funds charge management fees (or administration fees) represented by the management expense ratio (“MER”). The MER is expressed as an annualized percentage of the fund’s average net assets.

Desjardins Online Brokerage may receive trailing fees from third parties in connection with certain transaction involving the purchase, the holding or sale of mutual fund units in your account. Trailing fees that Desjardins Online Brokerage may receive regarding the ownership of units in mutual funds and of certain exchange-traded funds generally vary between 0.10% and 1.00% of the assets held.

We invite you to review the Fund Facts document or Simplified Prospectus for more information regarding the costs associated with buying, selling and holding mutual fund units.

**Debt securities**

When the firm, Desjardins Securities, acts as principal in a trade involving debt securities, it may receive an income resulting from the bid and ask spread.

In addition to this income, Desjardins Online Brokerage’s commission is added to the price of the security in the case of a purchase or deducted from the price of the security in the case of a sale. This commission is noted on the transaction confirmation provided to you after each transaction. The spreads vary from 0.10% to 1.50% depending on the issuer, the transaction amount and maturity date of the security. Yields displayed on our website reflect this amount.

**Securities offering**

When the firm, Desjardins Securities, acts as an underwriter or agent in a securities offering, compensation is paid by the issuer to Desjardins Online Brokerage.

**Currency conversion**

In any transaction requiring currency conversion, the broker, Desjardins Online Brokerage, may earn, in addition to brokerage fees, income from the conversion. In such transaction, the firm, Desjardins Securities, acts as principal and uses a competitive conversion rate based on bid and ask rates for the currency. The rate includes a currency conversion portion as well as an income portion. Any currency conversion is performed at the rate in effect on the day of the transaction.
Information regarding activities in your accounts

We commit ourselves to provide you regularly with complete and transparent information.

1. YOUR PORTFOLIO STATEMENT

Designed to simplify the management of your finances, your portfolio statement is issued at least once every quarter, as well as at the end of each month in which you made a transaction. At your request, your statement can also be issued on a monthly basis.

Easy to consult
- Methodical classification of information
- Neat typography for easy reading

AT A GLANCE

1. The Overview gives you a summary of your portfolio. It compares the values of your account against the previous statement so you can track the changes. All amounts are in Canadian dollars. It also shows the respective allocations for each category of security in which you invest, as illustrated in a histogram. Accrued interest is included in the market value.

2. In this section you will find messages of interest, important notices, and product and service promotions.

3. This section shows all the activity for the period for each account.
   - If you have a registered account (RRSP or other), this section shows your contribution amounts.
   - It also contains the details of interest charged or received, dividends paid, as well as the change in your cash position.
   - The Monthly activity section lists the transactions in your accounts: securities bought and sold, interest and dividend payments, switches and transfers, etc.

The Asset details section shows all the positions you hold: quantity, average unit cost, current unit price and market value (including accrued interest).
Choose GREEN statements!

Desjardins Online Brokerage is firmly committed to sustainable development and environmental protection. We are offering you to do your part by choosing electronic statements. Register online at www.disnat.com once your account is open and you’ve received your online access information.

We will stop printing and mailing your statements, trade confirmations and tax slips. You can now save them in PDF format. No more paperwork!

Our system meets the most stringent security requirements in the industry and will keep your records on file for seven years.

2. YOUR TRANSACTION CONFIRMATION

Shortly after the purchase or sale of securities, or any option transaction made in your account, a transaction confirmation will be sent to you.

The transaction confirmation will provide the name of the security, the quantity, the unit price, the transaction date, the name of the market, the settlement date, the commission, the service charges, the representative’s name, the dealer’s role in the transaction and, if applicable, a disclosure about whether the security is of a related issuer.

For any transaction in your account, your transaction confirmation will show:

1. Transaction details: the account number, the transaction date, the code of the representative, as well as the security code, the transaction code, and the code of the exchange where the transaction took place.

2. The market code and the transaction code, indicating whether the dealer acted as principal or agent.

3. The transaction: the quantity purchased or sold, a description of the security, special notations, the unit price, the amount of the transaction and, if applicable, the amount of commission, interest, and service charges.

4. In the case of fixed-income securities, in addition to the above-mentioned information:
   - The yield to maturity.
   - In the case of callable debt securities, a notation of “callable.”
   - In the case of debt securities with a variable coupon rate, a notation as follows: “The coupon rate may vary.”

4. The net amount of the transaction and the settlement date, i.e. the date on which payment for the transaction is due.
3. Investment Performance Report

Desjardins Online Brokerage produces, for the period ending December 31 of each year, an investment performance report. This report displays information pertaining to, in particular, the change in value in dollars, for the past year and since the account’s inception, and annualized total percentage returns of your investments.

Your personal rate of return is equal to the return of your investments over different periods. It is calculated using a method called the “money-weighted rate of return”, which takes into account the effect of deposits and withdrawals in the account and the dates they were made.

4. Benchmark Reference Index

To evaluate your portfolio’s performance and track its progress, its level of return can be compared to that of a benchmark measure representing the return generated by a specific asset class over a given period. A benchmark reference index, such as a stock or bond index, may constitute such a measure. To be meaningful to your analysis, the index you are using must replicate as closely as possible the portfolio you are evaluating. Comparison with such an index may help you assess whether your investment strategy is well suited to your goals.

The most commonly used benchmarks are the S&P/TSX for Canadian stocks, the FTSE Canada Universe Bond for Canadian bonds and the S&P 500 for U.S. stocks. If your portfolio contains various asset classes, make sure to compare it with a blend of indexes weighted according to your portfolio’s composition.

It is important to note, however, that these benchmarks do not take into account your deposits and withdrawals and, in most cases, do not reflect management and operating fees. In fact, the rate of return of a benchmark index is calculated using a method called the “time-weighted rate of return”, which only takes into account the changes in market value; it does not consider the effect of deposits and withdrawals.

It is therefore difficult to make a direct comparison between a benchmark index and your total personal rate of return.
2. Your protection

Protection of your personal information

1. DESCRIPTION

Desjardins Securities has adopted personal information protection policy (“Privacy Policy”) which is part of the guidelines and rules established by Desjardins Group on protection of personal information to ensure the confidentiality and protection of all personal information collected, held, used or conveyed by Desjardins Group and its components regarding their clients. With this Privacy Policy, Desjardins Securities, including Desjardins Online Brokerage, wishes to establish specific rules for its particular areas of activities.

The Privacy Policy, whose main lines are set out herein, explains how Desjardins Securities protects its clients’ personal information in the context of providing investment services. It also describes the principles applied and measures taken to protect its clients’ personal information in the conduct of its activities in Canada.
2. **PURPOSE**
In addition to the fact that Desjardins Securities is concerned with respecting the law, it takes all matters related to protection of personal information very seriously, and is committed to taking the necessary measures to ensure and preserve the accuracy, confidentiality, security and privacy of its clients’ personal information. Adoption of and compliance with a policy on the protection of personal information demonstrates this interest and should result in a greater sense of client confidence in Desjardins Securities.

3. **TERMINOLOGY**
For purposes of applying the Privacy Policy, the following words and expressions shall mean:

**Collection**
The act of gathering, acquiring or obtaining personal information from any source, including third parties, by any means whatsoever.

**Authorized Desjardins Online Brokerage representative**
Designates such a representative.

**Consent**
Willing agreement to what is done or suggested. Consent may be express or implied.
Express consent is given explicitly, either orally or in writing. Express consent is unequivocal and does not require the organization seeking a person’s consent to make any inferences. Implied consent occurs when the actions or the inaction of a person make it reasonable to deduce that there is consent.

**Components of Desjardins Group**
The Fédération des caisses Desjardins du Québec, its member caisses, any auxiliary member participating in the Fédération such as the Fédération des caisses populaires de l’Ontario Inc. and its affiliated caisses, and any subsidiaries owned directly or indirectly by the Fédération des caisses Desjardins du Québec and its member caisses.

**Name list**
A list of names, addresses or telephone numbers of physical persons, who may or may not have a common denominator.

**Marketing activities**
Promotions targeting clients whose personal information reveals that an investment product or service is likely to interest them. Marketing activities include telemarketing initiatives and mailings by post or e-mail but exclude regularly issued statements, inserts enclosed with statements, messages at Desjardins automatic teller machines, or advertising on electronic bulletin boards or websites.

**Client**
A person who uses or intends to use a Desjardins Securities investment product or service.

**Desjardins Group**
All components of Desjardins Group taken collectively.

**Investment products and services**
Encompass but are not limited to securities brokerage services, including online brokerage services, as well as investment management and financial planning services.

**Personal information**
Any information that allows the identification of an individual, in any form whatsoever, which has been provided to Desjardins Securities by this individual or which has been generated by a component of Desjardins Group or which has been collected from a third party in compliance with the Privacy Policy and applicable laws.

**Third party**
An individual or organization other than a component of Desjardins Group.

**Desjardins Securities**
Refers to Desjardins Securities and Desjardins Online Brokerage.
4. COLLECTION, USE AND COMMUNICATION

Subject to requirements set out in applicable laws, Desjardins Securities, as part of its discount brokerage activities under the trade name Desjardins Online Brokerage, collects, uses and conveys personal information on clients for the following purposes:

a) to provide a client with the products and services purchased;
b) to understand a client’s needs;
c) to determine whether the products and services purchased by a client meet his or her needs;
d) to recommend, establish and manage products and services meeting a client’s needs;
e) to conduct marketing activities;
f) to evaluate a client’s credit;
g) to take security measures, as required;
h) to comply with laws and regulations in general and tax laws in particular, with the latter requiring a client’s social insurance number to be indicated on the tax slips prepared for the purpose of administering these laws, as well as with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act;
i) to comply with foreign laws, as required;
j) to detect and prevent fraud.

Desjardins Securities may use information related to a client’s deposits, investments, credit, insurance products and other personal information it holds with respect to the client, including how the client uses Desjardins Securities investment products and services, for the purpose of informing the client further on these Desjardins Securities investment products and services.

A client’s personal information may be passed on to Desjardins Securities agents or subcontractors, or to service providers, for services such as data entry, preparation or sending of statements, or processing of claims. In such circumstances, Desjardins Securities prohibits use of this information for purposes other than providing the service in question. These subcontractors and service providers must also agree to take all necessary measures to protect this personal information when services are being provided. In the case where some agents, subcontractors and service providers of Desjardins Securities are located abroad, and even though Desjardins Securities requires contractual clauses related to protection of its clients’ personal information, Desjardins Securities remains subject to the requirements of foreign laws that could legally force the disclosure of this information.

A client’s personal information may be passed on to self-regulatory organizations that regulate the firm’s activities, particularly in connection with market surveillance and monitoring of the activities of securities brokers/dealers.

In compliance with applicable laws and regulations, and for the purposes permitted thereunder, Desjardins Securities may disclose certain personal information on its clients to another Desjardins Group component for purposes that include risk management with respect to the prevention, detection and investigation of fraud, money laundering, terrorist financing and similar risks.

5. RETENTION

Desjardins Securities may, subject to applicable laws, retain in its files a client’s personal information as long as required for the above-mentioned purposes, even if an individual ceases to be a client.

6. CONSENT

Subject to exceptions found in or permitted by applicable laws, Desjardins Securities does not collect, use or pass on personal information on its clients for the purposes set out in article 4 except with each client’s prior consent. This consent is given by clients at various times when an investment service is provided, in particular in account opening applications and agreements with Desjardins Securities.

If Desjardins Securities collects personal information from a third party or contacts it to verify or complete personal information, it does so, subject to applicable laws, only with the client’s prior consent.

Except in the above-mentioned cases, each time Desjardins Securities passes on any information in compliance with the Privacy Policy, it keeps in its records, where it is reasonable to do so, the nature of this information, the date on which it was sent and the identity of the third party or Desjardins Group component to which it was provided. Exceptions to this rule are personal information passed on for current operations, such as sending information to companies...
acting as proxies for Desjardins Securities, as well as the production of statements and other documents intended for Revenu Québec, the Canada Revenue Agency or their United States counterparts, and the updating of data with the authority concerned, or communications with third parties for non-sufficient fund cheques.

Subject to legal and contractual obligations, clients may refuse their consent for the collection, use or conveyance of their personal information or may withdraw consent at any time. If clients do not want Desjardins Securities to collect, use or convey their personal information for any purpose whatsoever, they need only to contact an authorized Desjardins Online Brokerage representative. If clients refuse or withdraw such consent, however, Desjardins Securities may not be able to provide or continue to provide them with certain products, services or information that is likely to interest them or that they have requested.

7. NAME LISTS

Desjardins Securities may establish and pass on to third parties or to other components of Desjardins Group name lists of its respective clients for purposes of commercial or philanthropic prospecting. Clients may at any time ask Desjardins Securities or other Desjardins Group components to strike their name from such lists.

8. NON-IDENTIFYING INFORMATION

Desjardins Securities may use and convey information on a client for purposes of statistical study, market analysis or segmentation, provided the client can in no way be identified and no link can be established between the client and the information used or conveyed.

9. ACCURACY OF INFORMATION

Desjardins Securities makes every reasonable effort to ensure the updating, accuracy and integrity of personal information it holds on its clients. It is, however, the responsibility of each client to inform Desjardins Securities promptly of any change of name or address or any other material change to be made to the personal information on the client.

If a client believes that any personal information on him/her is inaccurate or erroneous, Desjardins Securities encourages the client to seek access to his/her file to check the accuracy of this information. This provides the opportunity to make any corrections or updates that may be required.

10. RIGHTS OF ACCESS AND CORRECTION

Subject to applicable legal restrictions, clients may at any time ask to be informed of the existence, use or conveyance of their personal information. For clients to gain access to their own personal information, they need only to contact an authorized Desjardins Online Brokerage representative. For security purposes, clients must provide proof of identity before gaining access to their personal information by demonstrating to the Investment Advisor a knowledge of specific personal information (date of birth, social insurance number, account number, personal identification number if necessary, etc.).

Upon receiving a request for access, Desjardins Securities will convey to the client the information it holds on him/her within 30 days of receiving the request, unless an extension of this time period is provided under applicable legislation. If fees are required for accessing information, the client is advised beforehand and may, if he/she wishes, withdraw the request or challenge whether the fees are reasonable.

Any client with a sensory disability may have access, upon request to the Desjardins component with which he/she is dealing, to his/her personal information in a format enabling this information to be read or heard, if such a format is available. If such a format is not available, Desjardins Securities will convert the pertinent personal information into the required format if it is reasonable to do so.

If a client’s request for access is denied, Desjardins Securities must, subject to applicable legislative restrictions, inform the client, by means of written notice within 30 days of receiving the request, of the reasons for denying the request.
11. PROTECTIVE MEASURES

Again with the aim of maintaining client confidence, Desjardins Securities has established measures to ensure and maintain the confidentiality, security and privacy of its clients’ personal information. Desjardins Securities employees must read the Privacy Policy and agree to comply with it and to respect the privacy of personal information on clients. As mentioned above, subcontractors and service providers dealing with Desjardins Securities must agree to protect the confidentiality and privacy of personal information conveyed to them for purposes of the services they provide.

Desjardins Securities has also established substantial security measures to protect its data systems. Only staff members authorized by Desjardins Securities have access to the internal facilities where personal information is received, processed or stored. Moreover, data systems and data handling procedures are subject to appropriate security measures such as passwords, data encryption, control of access to applications and databanks, firewalls, anti-virus systems and intrusion detection systems, which are continuously reviewed to guarantee the security of operations and the confidentiality of processed data.

When Desjardins Securities deems that it no longer needs personal information for the purposes for which it was collected, it destroys or erases the information, subject to applicable laws and in compliance with Desjardins Securities’ policies on internal storage and destruction.

12. COMPLAINTS AND RECOURSE

Desjardins Securities has designated a person in charge of answering complaints and recourse from clients regarding any of their personal information that Desjardins Securities may hold. Please refer to the “Handling of Complaints” section for more information.

13. QUESTIONS

Clients may share to Desjardins Online Brokerage, at any time, all questions or concerns pertaining to its personal information protection practices. They need only to contact an authorized Desjardins Online Brokerage representative.

14. MODIFICATIONS TO THE PRIVACY POLICY

Desjardins Securities reserves the right to modify the Privacy Policy at any time. New versions of the policy will be posted on the Desjardins Group website, under “Desjardins Securities”.

18
Handling of complaints

1. WHAT YOU SHOULD KNOW ABOUT DESJARDINS SECURITIES AND ITS HANDLING OF COMPLAINTS

Desjardins Securities, in cooperation with the Desjardins Group Ombudsman, has established efficient measures for handling client complaints, in order to comply with the quality standards set out by the applicable regulations.

Desjardins Securities’ complaints handling procedures allow clients who allege they were victims of misconduct relating to the handling of their account(s) to appeal to an impartial review and investigation service for dispute settlements and to obtain a response within a clearly defined time limit.

Alleged misconduct includes: breach of confidentiality, theft, fraud, misappropriation or misuse of funds or securities, forgery, false or misleading information or unauthorized trading, other unauthorized financial dealings as well as unapproved activities engaged outside the Dealer Member.

For any dissatisfaction concerning customer service, please contact an authorized Desjardins Online Brokerage representative.

Filing a complaint with Desjardins Securities

Complaints may be filed in writing to the following address:

Compliance, Securities Complaints and Litigation department
Desjardins Securities
1170 Peel Street, Suite 300
Montreal, Quebec H3B 0A9
Fax: 514-281-7239

We recommend that your written complaint includes details of the grievance, a description of the alleged prejudice and the requested corrective measure.

If you are having difficulty formulating your complaint, you can consult the Autorité des marchés financiers (AMF) website for tools to help you in this regard: www.lautorite.qc.ca/en/file-complaint-conso.html.

If you are unable to write your complaint, you can contact Desjardins Securities “Info-Complaint” line. An advisor from our Compliance, Complaints and Litigation department will contact you within 24 hours following your phone call. The phone numbers are:

Montreal: 514-985-1883
Toll Free: 1 877 985-1883

Steps following receipt of a complaint

- Appointment of a member of the Compliance, Complaints and Litigation department to your file.
- Acknowledgement of receipt sent to the complainant within 5 business days.
- The person responsible for your file proceeds with his/her review and conducts an investigation. His/her contact information is available on the acknowledgement of receipt.
- A detailed response to the complaint is sent by mail as soon as possible and no later than 90 calendar days following the receipt of the complaint. The answer includes a summary of the complaint, the results of the investigation, the final decision with an explanation and the other options open for you in case you are not satisfied with the decision.
- The letter also provides you with other options for seeking compensation, if you are not satisfied with the response. These options are detailed in the “What You Should Know About Desjardins Securities and its Handling of Complaints” document and in the IIROC brochures entitled “Making a Complaint” and “How Can I Get My Money Back?”, included along with the letter.
• In the event that the Compliance, Complaints and Litigation department is not able to provide you with a detailed response within the 90 days period, it will contact you within that timeframe to inform you of the reasons for the delay and the new expected response time. In such cases, you can fill a complaint to the Ombudsman for Banking Services and Investments (OBSI), once the 90 days period is over at:
1 888 451-4519
ombudsman@obsi.ca
www.obsi.ca

Other recourse available within Desjardins Group
If you are not satisfied with the conclusion reached by Desjardins Securities' Compliance, Complaints and Litigation department, you can contact the Desjardins Group Ombudsman.
Upon written request, Desjardins Securities’ Compliance, Complaints and Litigation department can forward a copy of your file to the Desjardins Group Ombudsman, which will serve as your final recourse within Desjardins Group. Once it has received all the necessary information, the Desjardins Group Ombudsman will review your file within 90 days.

You can also send them your file directly, at the following address:

Desjardins Group Ombudsman
Fédération des caisses Desjardins du Québec
P.O. Box 7, Desjardins Station
Montreal, Quebec  H5B 1B2

2. IIROC'S GUIDES FOR INVESTORS
The Investment Industry Regulatory Organization of Canada (IIROC) puts at your disposal the brochures entitled, “Making a Complaint” and “How Can I Get My Money Back?”. These documents will be sent to you along with the acknowledgement of receipt of any complaint filed against Desjardins Securities and with the decisions made by the Desjardins Securities' Compliance, Complaints and Litigation department pertaining to said complaints. These brochures will inform you of the options at your disposal:
• With IIROC
• With the OBSI
• With the AMF Mediation Service for Quebec residents
• Via arbitration proceedings
• Via legal actions

3. MAKING A COMPLAINT TO IIROC
IIROC protects investors and supports healthy capital markets. All Canadian investment firms and individual investment advisors dealing in Canada's stock and bond markets must be registered with IIROC.
IIROC-regulated companies and their investment advisors must meet high ethical and professional standards.
IIROC conducts regular reviews of registered investment firms to make sure they comply with its rules. IIROC takes action if its rules are broken or its standards are not met.
You can file a complaint to any and/or all of the following:
• Desjardins Securities, via one of its representatives
• IIROC

Account losses are not necessarily an indication that your advisor has engaged in misconduct, as most investments carry a degree of risk, with no guarantee of profitability. When you complain to IIROC, it will review your complaint to determine whether its rules have been broken or not.
Desjardins Securities is regulated by IIROC and all investment advisors working for it are duly registered.
The website www.iiroc.ca provides a list of all the firms regulated by IIROC and a database of the advisors they employ.
IIROC's online database can help you find out more about:
• The background, qualifications and employment history of your advisor
• Any record of IIROC disciplinary action
Do you believe your investment firm or advisor may have acted improperly or unethically?

For example by:

- Buying or selling investments without your approval
- Making excessive trades in your investment account
- Recommending investments that are not suitable for you (such as too risky)

If you believe your investment firm or advisor may have broken IIROC’s rules or failed to meet its professional standards, IIROC wants to hear from you.

If IIROC’s investigation concludes that an investment firm and/or individual working for the firm broke its rules, it may take disciplinary action to hold them accountable. This could result in warnings, reprimands, fines, suspensions and/or permanent bans for advisors and firms.

Please note that IIROC discipline cannot provide compensation to investors or force firms or individual advisors to do so.

Don’t delay!

Please make your complaint as quickly as possible. If too much time passes between the issue arising and your complaint, it might not be possible for IIROC to investigate properly. As well, if you are seeking compensation through other channels, there are time limits for taking action.

IIROC has a dedicated Complaints and Inquiries department, which you can contact in four ways:

- Fill its secure downloadable form: [www.iiroc.ca/investors/makingacomplaint/Documents/ComplaintForm_en.pdf](http://www.iiroc.ca/investors/makingacomplaint/Documents/ComplaintForm_en.pdf)
- Send an email at investorinquiries@iiroc.ca
- Call toll free 1 877 442-4322
- Fax toll free at 1 888 497-6172

What IIROC needs to follow up on your complaint

- Please provide IIROC with as much information as possible, including your name and contact information, as well as the name and contact information for any individual or firm mentioned in your complaint.

- Keep a file of all documents that relate to your account and your specific issue. Include copies of letters and emails. Keep records of conversations–dates, times and details of what was said, as well as any other information you feel is important.

- You don’t need to “prove” your case. Just provide IIROC with the facts and your supporting documents. You can talk to IIROC staff to help you determine what information is important for their review.

- Please be prepared to cooperate. If IIROC decides to take disciplinary action, you may be asked to participate as a witness.

What happens when you file a complaint

When you file a complaint with IIROC:

1. You will be sent an acknowledgment of receipt.
2. IIROC will update you after it reviewed your complaint and decided whether it will proceed with an investigation or not.

IIROC carefully reviews all the information it receives to see if its rules have been broken and if it needs to take further action.

IIROC helps protect you by ensuring your complaints are investigated appropriately

If you complain to the investment firm directly, IIROC requires that the firm abide by its rules for handling client complaints. IIROC-regulated firms must report all written client complaints about possible violations of its rules, so it can determine whether to conduct its own investigation.

While IIROC does not review customer service issues, it ensures that the firms it regulates respond to such complaints. When you file a customer service complaint in writing, the firm must provide you with a written response if, for example:

- You have difficulty getting in touch with your advisor
- You are asked to transfer your account to another firm
What if you're not satisfied with Desjardins securities’ response to your complaint?

If your complaint is not resolved with the firm, you have several options:

• The Ombudsman for Banking Services and Investments resolves disputes between participating investment firms and investors. Visit www.obsi.ca or call 1 888 451-4519.

• Quebec residents can contact the Autorité des marchés financiers. Visit lautorite.qc.ca/en/general-public/ or call 1 877 525-0337.

• Arbitration is available through ADR Chambers (adrchambers.com/ca or 1 800 856-5154) and in Quebec, through the Canadian Commercial Arbitration Centre www.ccac-adr.org/en/ or 1 800 207-0685.

• You also have the option of going to court, but you should first get advice from a lawyer.

Questions?
Investment Industry Regulatory Organization of Canada
www.iiroc.ca
Tel.: 1 877 442-4322
Fax: 1 888 497-6172
Email: investorinquiries@iiroc.ca
Montreal
525 Viger Avenue West, Suite 601
Montreal, Quebec H2Z 0B2

Toronto
121 King Street West, Suite 2000
Toronto, Ontario M5H 3T9

Calgary
255 5th Avenue S.W.
Bow Valley Square 3, Suite 800
Calgary, Alberta T2P 3G6

Vancouver
1055 West Georgia Street
Suite 2800 - Royal Centre
P.O. Box 11164
Vancouver, British Columbia V6E 3R5

4. HOW CAN YOU GET YOUR MONEY BACK?

If you've suffered a financial loss because your investment advisor or firm acted improperly, you will likely ask, “How can I get my money back?”

First of all, it's important you act promptly. There are time limits attached to all of the options available to you.

The first step in seeking compensation is to make a written complaint directly to your investment advisor and his/her firm. They must provide you with a substantive response to your claim within 90 days.

Ombudsman for Banking Services and Investments (OBSI)

OBSI is Canada’s free, independent service for resolving investment and banking disputes with participating firms.

IIROC requires all the investment firms it regulates to take part in the OBSI process.

Some firms may suggest you use their own internal ombudsman first, but it is your choice whether or not to participate in that process. It is voluntary.

If you've already filed a formal complaint to your investment firm and feel your complaint wasn't resolved to your satisfaction, you have up to 180 days from the time you receive the firm's written response to submit a complaint to the OBSI.

It is important to know that if you choose to use a firm's internal ombudsman, you will have less than 180 days to complain to OBSI as the 180-day time limit starts after the firm's written response is sent to you. You do not need to appeal the firm's decision to the internal ombudsman before going to the OBSI.

OBSI can recommend compensation up to $350,000 but its decisions are not legally binding. Many firms will compensate the complainant but some choose not to.

You can contact OBSI at:
1 888 451-4519
ombudsman@obsi.ca
www.obsi.ca
Arbitration

Arbitration is a process where a qualified arbitrator—chosen in consultation with both you and the investment firm—hears both sides and makes a final, legally binding decision about your complaint. IIROC requires all the investment firms it regulates to take part in this option if the complainant chooses to go to arbitration.

The arbitrator acts as the judge in the proceedings and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators can award up to $500,000.

There are costs to using arbitration, often less than the cost of going to court. The arbitration fees themselves are usually divided between the two parties. When you file your case, you can decide whether to give the arbitrator the added power to award legal costs on top of any other award, in which case the unsuccessful party would pay the other party’s legal costs.

IIROC has designated two independent arbitration organizations

- **ADR Chambers**  
  1 800 856-5154  
  adrchambers.com
- **Arbitration for clients residing in Quebec**  
  Canadian Commercial Arbitration Centre  
  1 800 207-0685  
  ccac-adr.org

AMF Mediation Service

If you live in Quebec you can use the free services of the Autorité des marchés financiers (AMF).

You must first make a formal complaint to your investment firm. If you are not satisfied with its response, you can ask the firm to transfer your complaint to the AMF.

The AMF will assess the complaint and may offer mediation services, though firms are not required to participate.

For more information on the AMF’s mediation services  
1 877 525-0337  
www.lautorite.qc.ca  
renseignementsconsommatore@lautorite.qc.ca

Other options if you live in Manitoba, New Brunswick or Saskatchewan

Securities regulators in these provinces can order a person or company that has broken provincial securities law to pay compensation. These orders are enforceable like court judgements.

For more information, contact the following Organization

- **Manitoba Securities Commission:**  
  mbsecurs.ca
- **New-Brunswick Securities Commission:**  
  nbsec-cvmnb.ca
- **Saskatchewan Financial Services Commission:**  
  fcaa.gov.sk.ca

Going to Court

There is no limit to the amount in compensation you can claim. It is a good idea to get advice from a lawyer before pursuing legal action, as this can be an expensive option.

A statute of limitations (or prescription in Quebec) restricts the period within which you can bring a legal action. This means there are legal time limits and you could run out of time to pursue some of your claims in court.

If you choose to bring a legal action, your provincial law society can help you find a lawyer. For a list of provincial law societies, go to flsc.ca.

Keep a File

As with all financial matters, it’s important to keep a file. Preserve documents such as account application forms, agreements and statements. Document the steps you take to resolve your complaint. Keep copies of letters, faxes, emails and notes of conversations.
3. General Account Agreement and specific agreements

Communication with the beneficial owners of securities of a reporting issuer
1. COMMUNICATION OF INFORMATION REGARDING BENEFICIAL OWNERSHIP

Securities laws allow a reporting issuer, as well as other persons and corporations, to send documents related to the reporting issuer’s internal affairs directly to beneficial owners of its securities if these owners do not oppose having personal details, meaning their name, postal address, email address, securities held and preferred language (hereinafter designated as "Personal Details") communicated to the reporting issuer or to other persons or corporations.

You are not required to CONSENT to the disclosure of your Personal Details to the reporting issuer. Securities legislation limits the use of your Personal Details by a reporting issuer to matters affecting its internal affairs.

If you CONSENT to the communication of your Personal Details, please tick the first box in Part 1 of Section 7 of the Account Application Form. There are no costs for receiving documents sent to holders of securities.

If you DO NOT CONSENT to the communication of your Personal Details, please tick the second box in Part 1 of Section 7 of the Account Application Form. In this case, all documents you receive as the beneficial owner of securities will be sent to you by Desjardins Securities. Reasonable charges may apply, and will be debited directly from your account.

2. RECEIVING DOCUMENTS FOR HOLDERS OF SECURITIES

For any security you hold in any of your accounts, you have the right to receive proxy-related materials sent by a reporting issuer to registered holders of its securities in preparation for meetings, enabling you to receive, in particular, all information required to exercise voting rights related to your securities or to have these rights exercised in accordance with your instructions at these meetings.

Beneficial owners who are opposed to the communication of their Personal Details will not receive these documents unless they, or the reporting issuer, assume the cost thereof.

In addition, reporting issuers may send the beneficial owners other documents intended for holders of securities, although they are not obligated to do so.

Under securities laws, you have the right to refuse to receive the three following types of documents intended for holders of securities:

a) Proxy-related materials, including annual reports and financial statements, sent in preparation for meetings of holders of securities;

b) Annual reports and financial statements that are not part of proxy-related materials;

c) Documents that the reporting issuer or another person or corporation sends to holders of securities and that corporate laws or securities laws do not require to be sent to registered holders of securities.

If you WISH to receive ALL documents sent to beneficial owners of securities, please tick the first box in Part 2 of Section 7 of the Account Application Form.

If you DO NOT WISH to receive the three above-mentioned types of documents, please tick the second box in Part 2 of Section 7 of the Account Application Form.

If you WISH to receive ONLY proxy-related materials concerning special meetings, please tick the third box in Part 2 of Section 7 of the Account Application Form.

Note 1: Even if you do not wish to receive the three above-mentioned types of documents, the reporting issuers or other persons or corporations have the right to send them to you at their expense. These documents will be sent to you through the intervention of Desjardins Securities if you do not wish your Personal Details to be communicated to the reporting issuers.

Note 2: Even if you do not wish to receive the three above-mentioned types of documents, there are other documents that securities laws prohibit you from refusing to receive.
3. CONSENT TO DELIVER DOCUMENTS ELECTRONICALLY

If you consent to receiving documents by email, you confirm to Desjardins Securities that:

a) You have read and understood the terms of this consent;

b) You have a computer and an Internet connection meeting the minimum requirements;

c) Desjardins Securities is not responsible for any miscommunication that may be due, in whole or in part, to limitations or restrictions on your electronic equipment or by your service provider or to damage or malfunctions of your equipment or those of your service provider;

d) You acknowledge that Desjardins Securities will send you notices or documents within the stipulated timeframe at the email address you have provided and that you are responsible for checking your email on a regular basis in order to consult such documents in a timely manner;

e) You are responsible for advising Desjardins Securities in a timely manner of any change of your email address;

f) Desjardins Securities will be under no obligation to send you a hard copy of the documents, unless you revoke your consent to email transmission in accordance with paragraph g) below or you request to obtain, free of charge, the hard copy of any document sent by email. However, hard copies may not be available in all circumstances;

g) You acknowledge that you are not required to consent to the electronic transmission of documents and that, if you do so consent, you may, at any time, revoke such consent by contacting Desjardins Securities;

h) You acknowledge that, notwithstanding your consent to the email transmission of documents, in certain circumstances, Desjardins Securities may be required to send you hard copies of documents.

If you WISH to receive ALL security holder-related documents that are sent to beneficial owners by email, please tick the first box in Part 3 of Section 7 of the Account Application Form.

If you DO NOT WISH to receive security holder-related documents sent to beneficial owners by email, please tick the second box in Part 3 of Section 7 of the Account Application Form.

Questions

If you have any questions, or wish to change your instructions, please contact one of our Desjardins Online Brokerage customer service representatives at the phone number or the address shown on your account statement. You can also contact us by email at infodisnat@desjardins.com.
NOTICE: When used in this Agreement, “Client” means the client who signed the “Account Application Form and Agreements”.

In consideration of the fact that Desjardins Securities agrees to act, subject to the terms and conditions of this Agreement, as agent for the Client, the latter agrees to the following:

1. LEGAL CAPACITY AND IDENTIFICATION
The Client is of legal age and legally able to be bound by this Agreement. Desjardins Securities shall provide to the Client an account number that must be used each time a transaction order is given by him (her).

2. ROLE OF DESJARDINS SECURITIES
The role of Desjardins Securities shall consist exclusively in acting as agent of the Client with respect to the execution of purchase and sale transaction orders of securities (the “securities”) or of other orders with respect to such securities. The Client acknowledges that Desjardins Securities does not provide advice to its clients and represents and warrants to Desjardins Securities that he (she) has all the required knowledge, relevant experience and financial capacity to make his (her) own choices of investments and that he (she) will consult, every time it will be necessary or appropriate to consult, his (her) own fiscal, accounting, legal and investment advisors. The Client finally acknowledges that Desjardins Securities does not provide any warranty with respect to the quality or value of any securities.

3. INSIDER AND/OR SIGNIFICANT SHAREHOLDER
When Desjardins Securities undertakes a transaction on behalf of the Client, Desjardins Securities assumes, in the absence of express mention to the contrary by the Client, that the Client is not, directly or indirectly, an Insider and/or a Significant Shareholder of a reporting issuer as defined in the section “Definitions” of this document. If the Client, directly or indirectly, becomes an Insider and/or a significant shareholder the Client must expressly inform Desjardins Securities before completing any transaction in the Account.

4. RULES GOVERNING SECURITIES TRANSACTIONS
All securities transactions shall be subject to the constitution, by-laws, regulations, customs and usages of the exchange or market (and, if applicable, of the clearing house), where they are executed, and the regulations of the Investment Industry Regulatory Organization of Canada (IIROC). Transactions that are not executed on an exchange or market are subject to the broker’s usages for such type of transactions, including settlement procedures. These transactions shall also be subject to all applicable provincial laws and regulations, and to all policies and decisions of all applicable regulatory authorities. The Client further recognizes that the provisions referred to in Section 3 constitute a minimum standard in the brokerage industry and that Desjardins Securities may, at its sole discretion, subject such transactions to more restrictive standards. Desjardins Securities may refuse to process clients’ trading instructions whenever deemed necessary for its protection or for any other valid reason, according to Desjardins Securities discretion.

5. INSTRUCTIONS
Desjardins Securities is authorized to act in accordance with any order or instruction that it believes, in good faith, has originated from the Client or their authorized representative. When an instruction or order is accepted and executed, the Client cannot modify or cancel it and becomes solely responsible for the consequences and expenses related to the execution of the order or instruction. Desjardins Securities has the right, at its sole discretion, to refuse to accept and execute any order or instruction if it doubts its authenticity. The Client consents for all telephone conversations with Desjardins Securities to be recorded and he (she) agrees that the contents of such recording may be used in order to prove any instructions or orders. The Client is responsible for noting the date and time and the name of the representative to whom he (she) speaks.
6. **REGISTRATION, SECURITIES KEEPING AND FREE CREDIT BALANCE**

The Client’s securities may, at the discretion of Desjardins Securities, be registered in the name of Desjardins Securities Inc. or in the name of an agent designated by Desjardins Securities. The Client authorizes Desjardins Securities to entrust the keeping of his (her) securities, of any distribution, with respect to such securities and of any proceeds of the sale of such securities with the Canadian Depository for Securities Ltd. or with any other depository having similar functions. The Client acknowledges that the securities may be represented by certificates or some other documents than those representing them when acquired. The Client shall give prior notice to Desjardins Securities if he (she) wishes that any securities held for him (her) be withdrawn, and Desjardins Securities shall deliver to the Client such securities within a reasonable delay if they may be registered in the Client’s name. The Client may not withdraw securities if he (she) is in default of his (her) obligations pursuant to this Agreement or if insolvent or bankrupt. The Client agrees to pay to Desjardins Securities administrative fees in accordance with the rates and terms in force from time to time and acknowledges having been informed of the current rates and terms. Any free credit balances held by Desjardins Securities in an account of the Client represent funds payable on request that, even if they are accounted for in regular manner in the books of Desjardins Securities, are not segregated and may be used by Desjardins Securities in the normal course of its business. By default, securities are kept in the account and funds generated through transactions or through interest or dividend payments will be kept as credits in the account.

7. **CONFIRMATION SLIPS AND STATEMENTS OF ACCOUNTS**

The Client undertakes to examine carefully, upon receipt, all confirmation slips and statements of accounts sent by Desjardins Securities, and to notify Desjardins Securities, in writing, of any mistake, omission or objection to any such information, at the earliest possible occasion, but no later than ten (10) days following the date of such confirmation slips or within forty-five (45) days following the date of any statement of account, as the case may be, to the following address: Compliance Department, Desjardins Securities Inc., 1170 Peel Street, Suite 300, Montreal, Quebec H3B 0A9, or to any other address that Desjardins Securities may make known to him (her). At the expiry of the above-mentioned delays, the Client shall be deemed to have confirmed and ratified all trades mentioned in the confirmation slips and statements as well as the full and accurate character of the information thereby confirmed, and he (she) recognizes that no recourse can be taken against Desjardins Securities regarding trades or information thereby confirmed. The Client acknowledges that the market value of the securities indicated in these statements of account is provided to Desjardins Securities by sources that appeared to be reliable. However, Desjardins Securities makes no representation or warranty with respect to the accuracy of such information. The Client acknowledges that such market value will fluctuate according to market conditions and other economic factors. Thus, the Client acknowledges that Desjardins Securities makes no representation or warranty that such market value will be maintained or that it will increase. The Client recognizes that a single daily confirmation slip set at the average cost of the total of the Client’s purchases of the same security will be produced and that an equivalent for sales will also be produced.

8. **TRANSACTIONS SETTLEMENTS**

Notwithstanding the conditions respecting the operation of a margin account, the Client must pay to Desjardins Securities all securities purchased for him (her) and deliver all securities sold for him (her) that are not already held on behalf of the Client by Desjardins Securities or a mandatory at the latest on the date fixed for the settlement of the transaction. If the Client does not pay for the securities or if he (she) does not deliver the securities involved, Desjardins Securities may, at its sole discretion, execute the transaction in the manner that it deems appropriate. The Client must then pay to Desjardins Securities all damages, costs and fees incurred by Desjardins Securities to execute the transaction or any debit that may result from it.

9. **COMMISSIONS**

The Client must pay transaction fees pursuant to the current rates and conditions from time to time to Desjardins Securities. The Client acknowledges having been informed of the current rates and conditions. The Client recognizes that Desjardins Securities may receive commissions, maintenance fees
or other forms of remuneration from third parties in connection with certain transactions involving the purchase, holding or sale for the Client's account of securities such as units or shares in mutual funds, bonds, or newly issued securities sold by Desjardins Securities as underwriter or trader for account. In addition, when Desjardins Securities has acted as principal in a trade, particularly with regard to fixed-income securities, it may also receive further compensation, including a profit from the spread between buying and selling rates.

10. CURRENCY CONVERSION

In any transaction requiring currency conversion, Desjardins Securities may earn, in addition to brokerage fees, income from the conversion. In any such transaction, Desjardins Securities acts as principal and uses a competitive conversion rate based on market buying and selling rates for the currency, with “currency conversion” and “income” included as separate parts. Any currency conversion is conducted at the rate in effect on the day of the transaction.

11. PRINCIPAL TRANSACTIONS

Desjardins Securities or Desjardins Securities Inc. may execute, on behalf of the Client, transaction orders as principal. The Client agrees to ratify any operation concerning his (her) accounts for which Desjardins Securities acts as principal for the execution of any purchase or sale orders or any other orders, and agrees to pay the applicable transaction fees.

12. RELATED OR ASSOCIATED ISSUERS

The Client authorizes Desjardins Securities to acquire and trade for the Client's account securities issued by issuers related to, or associated with, Desjardins Securities or belonging to the same group as Desjardins Securities, provided that such acquisitions or transactions are made according to market conditions and are in accordance with the investment objectives of the Client. The Client acknowledges and agrees that the list of issuers related to, or associated with, Desjardins Securities is included in the Information Statement. This list will be updated regularly on the Desjardins Securities website and a copy of the list will be communicated to the Client annually. The Client undertakes to check the Desjardins Securities website on a regular basis and to be aware of any update to the list of issuers related to, or associated with, Desjardins Securities. In the absence of any objection by the Client within ten (10) days of receiving the updated list of related or associated issuers, the Client will be deemed to have consented to the modification of the list of issuers related to, or associated with Desjardins Securities.

13. CLIENT’S INDEBTEDNESS

Notwithstanding the modalities respecting the operations of a margin account, any indebtedness of the Client to Desjardins Securities pursuant to this Agreement for transactions made on his (her) behalf by Desjardins Securities or otherwise and any payment made by Desjardins Securities on behalf of the Client must be paid to Desjardins Securities on demand, unless another payment date is set out under this Agreement. These amounts shall bear interest from the date when they are payable or, in the case of a payment made by Desjardins Securities, from the date of such payment. Any amount due by the Client pursuant to this Agreement, and the interests thereof, may be charged to the Client's accounts.

If the Client has other discount brokerage accounts with Desjardins Securities, the Client authorizes Desjardins Securities to transfer, if Desjardins Securities deems it necessary, any credit in such other discount brokerage account to any accounts governed by this Agreement, when the balance in any such accounts is on the debit side. Desjardins Securities is also authorized to credit the proceeds of any sale and any other sum held by Desjardins Securities on behalf of the Client upon any indebtedness of the Client; Desjardins Securities may make any choice with respect to such credits. Any conversion from a currency to another currency must be made with the exchange rate in force at the date of conversion. In case of any transfer from an account of the Client to any other accounts governed by this Agreement, Desjardins Securities may convert the amount to be transferred in Canadian dollars.

14. CONTROL, PLEDGE AND MOVEABLE HYPOTHEC WITH DELIVERY AND SECURITY INTEREST

a) Control Agreement (an Act respecting the transfer of securities and the establishment of security entitlements)

The Client hereby consents that Desjardins Securities be the registered holder of all securities and security entitlements deposited by the Client with Desjardins Securities.
Securities or credited to it in one or more securities accounts maintained by Desjardins Securities on behalf of the client pursuant to this Agreement and acknowledges that Desjardins Securities will be the appropriate person thereof. It further consents and acknowledges that this Agreement shall constitute for all purposes a control agreement in respect of all such securities and security entitlements within the meaning of the foregoing statute.

b) Pledge and Moveable Hypothec with delivery (applicable in Quebec)
All securities, security entitlements and all other securities and instruments, credit balances, monies held or other prosperity in which the Client has an interest at any time and of which Desjardins Securities, or any other person authorized by this Agreement to hold and receive the same on deposit in a securities account or otherwise, is the holder, depository, securities intermediary or registered holder at any time, as well as all distributions with respect to such property and all proceeds of sale of such property (collectively, the Secured Property) are pledged and hypothecated with delivery in favor of Desjardins Securities as security for the performance of all present and future obligations of the Client pursuant to this Agreement. Desjardins Securities may give written proof to those who hold the control agreements or to third parties; Desjardins Securities also may make the necessary transfer with any appropriate clearing house in order to acquire possession of the Secured Property against third parties.

c) Pledge and Security Interest (applicable in any provinces where Desjardins Securities transacts business, except Quebec)
All securities, security entitlements and all other securities, instruments, credit balances, monies or other property in which the Client has an interest at any time and of which Desjardins Securities or any other person authorized by this Agreement to hold and receive the same on deposit in a securities account or otherwise, is the holder, depository, or registered holder at any time, as well as all distributions with respect to such property and all proceeds of sale of such property (collectively, the Secured Property) shall be held by Desjardins Securities as security, pledge and collateral, and the Client hereby encumbers such Secured Property in favor of Desjardins Securities as security, pledge and collateral for the discharge of all present or future obligations of the Client pursuant to this Agreement.

d) Default
If the Client fails to perform any of his/her obligations under this Agreement or becomes insolvent or bankrupt, Desjardins Securities may, at its sole discretion, sell by mutual agreement or otherwise all or part of the Secured Property or take it in payment of the obligations of the Client under this Agreement and exercise any other rights provided by the law or by this Agreement, the whole without any notice to the client or to any other person or without any delay prescribed by the law or by this Agreement. Such rights of Desjardins Securities may be exercised together or separately and in the order that Desjardins Securities may decide at its sole discretion. Desjardins Securities may credit the proceeds resulting from the exercise of its recourses in payment of any obligations of the Client; Desjardins Securities may make any choice with respect of such credits.

15. RESPONSIBILITY AND EXCEPTIONAL CIRCUMSTANCES
Desjardins Securities shall not be held liable with respect to any losses that the Client may realize in his (her) accounts, his (her) securities transactions or with respect to any delay in the receipt or execution of any orders of transactions or to transfer of securities or balances from an account of the Client to a third party, for any reason whatsoever, except in the case of intentional fault or gross negligence. Desjardins Securities has no obligation and cannot be held liable with respect to the exercise of any rights to vote, to subscribe, to convert or any other rights attached to the securities held in the accounts of the Client or with respect to the exercise of an option. Also, Desjardins Securities shall not be held liable for any losses resulting from restrictions made by a public authority, or by a decision of an exchange or a market, from a halt of the transactions, from abnormal or unusual activities in the markets, from war, strike and any other independent circumstances or any acts of God. This Agreement shall be governed and construed in accordance with the laws of the Canadian province or territory where the Client resides.

16. ERRORS OR OMISSIONS
Desjardins Securities will not be held responsible for errors or omissions affecting an order or its execution related to the purchase, sale, execution or expiry of options or any connected matter, unless the error or
omission was caused by flagrant negligence or in bad faith on the part of Desjardins Securities.

17. SECURITIES PROFESSIONAL
Any person who is an employee, officer or director of Desjardins Securities and any person working in any capacity in the securities industry, as well as a spouse of the above or a relative living under the same roof as the above, is considered a professional.

18. DEATH
Subject to provisions of certain specific account agreements, in the event of the Client’s death, Desjardins Securities will not accept any new orders or instructions for any accounts held by the Client with Desjardins Securities until such time as the legal representative of the Client or their successor has authority to issue new instructions. During this period, no withdrawals or outgoing transfers may be made from any of the accounts held by the Client with Desjardins Securities. Desjardins Securities cannot be held responsible for any direct or indirect loss or damage arising from the application of this article.

19. INCAPACITY
In the event of the incapacity of the Client, as homologated by a competent court on the matter, Desjardins Securities will not accept any new orders or instructions for any accounts held by the Client with Desjardins Securities until such time as the Client’s legal representative or authorized mandatory under the Client’s protection mandate, has authority to issue new instructions. During this period, no withdrawal or outgoing transfer out may be made from any of the accounts held by the Client with Desjardins Securities. Desjardins Securities cannot be responsible for any loss or damage directly or indirectly arising from the application of this article.

20. MISCELLANEOUS
All notices, documents and communications to the Clients may be sent to his (her) address mentioned in the Account Application Form and Agreements signed by the Client or to any other address that the Client may signify to Desjardins Securities. Such notices, documents and communications shall be deemed to have been received the third (3rd) business day after mailing or on the date of delivery in person or by messenger. Desjardins Securities may amend the provisions of this Agreement by means of a thirty-day (30) notice in writing given to the Client, and such amendment shall be considered to have been accepted upon by the Client if he (she) continues to make transactions with Desjardins Securities thereafter. This Agreement shall remain in effect until its termination by means of a written notice filled out by the Client and duly accepted by Desjardins Securities, or by means of a written notice given to the Client by Desjardins Securities.

This Agreement shall take effect to the benefit of Desjardins Securities and of the Client as well as his (her) respective heirs, estate executors, succession administrators, legatees, liquidators or successors, as the case may be, and its hall also be binding on them. The Client cannot assign this Agreement and the rights and obligations resulting therefrom.

This Agreement is governed by, and must be interpreted in compliance with, the laws of the Canadian province or territory where the Client resides.

The monies kept in the securities accounts and the securities sold by Desjardins Securities, except notice to the contrary, are not insured in whole or in part by the Canada Deposit Insurance Corporation, the Régie de l’assurance-dépôts du Quebec or by any another public fund of deposit insurance fund, and are not guaranteed in whole or in part by Desjardins Securities, Desjardins caisses or other components of the Desjardins Group.

The Client's accounts are covered, in case of insolvency of the dealer, by the Canadian Investor Protection Fund up to certain specific limits. A brochure explaining the conditions and limits of the coverage is available on request.

The invalidity or unenforceability of a provision shall not affect any other provision of this Agreement, which shall be construed as if the invalid provision had been omitted. The provisions of this Agreement shall be considered as distinct and supplementary to any other provisions contained in the Margin Account Agreement and Options Account Agreement attached to this Agreement.
NOTICE: When used in this Agreement, “Client” means the client who signed the “Account Application Form and Agreements”.

This Agreement applies in addition to the provisions of the General Account Agreement and to any other agreement between the client and Desjardins Securities.

In consideration of the fact that Desjardins Securities is acting for the Client as a broker and/or an agent for the purchase or sale of securities, the Client agrees to the following:

1. The Client declares that he (she) is at least eighteen (18) years old and that every time it will be so requested, he (she) agrees to give additional security for any indebtedness which the Client could have with Desjardins Securities.

2. Desjardins Securities shall have the right, occasionally and without notice to the Client, to lend all securities held by Desjardins Securities for the Client either to itself as broker and/or agent or to others; to use said securities to borrow money and to include these amongst guarantee granted for his general borrowings; to give and regive in guarantee, either separately or with its own securities or those of others or in such manner and for such amount and for such purposes as Desjardins Securities may deem advisable and to deliver these to cover sales carried out for other accounts without retaining in its possession or under its control securities of like kind and amount.

3. Whenever and as often as Desjardins Securities deems it necessary for its protection, and without demand or notice to the Client, Desjardins Securities may, either on an exchange or commodity market or over-the-counter, purchase any securities which would be “short” in the account of the Client and sell any securities which Desjardins Securities are holding for or on account of the Client and, moreover, Desjardins Securities may cancel any outstanding orders. The net proceeds of any operation, after commissions, shall be applied against the Client’s debt to Desjardins Securities without prejudice to the Client’s liability for the payment of any balance remaining due. For its protection, Desjardins Securities also reserves the right to withdraw access to the margin granted to the client, at its sole discretion and without prior notice.

4. Orders accepted by Desjardins Securities are valid until they have been either executed or cancelled, provided that the orders placed are valid only on the day when they are placed, unless Desjardins Securities specifies and accepts a longer period. Desjardins Securities will not accept orders for which the Client has not indicated precisely the security, the quantity, the amount, the time when the order is to be placed and the rate (which may be quoted as the “market rate”, which is the rate that can be obtained on the market where the order is to be executed at the time the order reaches the market). Desjardins Securities is not responsible for the price at which a market order is executed. All orders placed by the Client and accepted by Desjardins Securities bind the Client from the time of the execution. Desjardins Securities will send a written confirmation to the Client soon after the execution. If the Client does not receive the written confirmation, or receives it late, the Client is in no way released from his (her) obligation under this Agreement to settle all operations on the settlement date or to maintain coverage as is set out hereafter.
5. The short sale of securities is a speculative transaction intended for experienced investors who have the ability to maintain the required margin and have a high tolerance for risk. The required margin varies according to the loan value of the security and its price fluctuation. At the time of the transaction, Desjardins Securities evaluates if it is possible to lend to the Client the securities he (she) wishes to sell short.

When the Client has a short position, Desjardins Securities may, at any time and at its sole discretion, recall the securities and close the short position in cases where it would no longer be possible to maintain the loan on these securities or if this loan becomes unfavorable for Desjardins Securities. Credit balances generated by a short sale do not bear interest. Dividends declared and owing during the period when the security is short are payable by the seller of the security.

6. If the Client does not promptly remit, to Desjardins Securities, securities sold on his (her) behalf, Desjardins Securities may, without being bound to do so, borrow said securities, and the Client shall reimburse all losses, damages, costs and expenses suffered or incurred by Desjardins Securities through such borrowing or through Desjardins Securities’ failure to complete delivery of said securities.

7. Desjardins Securities shall not be bound to deliver to the Client the same securities or certificates received from the Client or for his account but may deliver other securities of like kind and amount.

8. The account hereby opened shall be operated as a current account and it will not be necessary that sums of money appearing from time to time to the credit of the Client be kept separate from Desjardins Securities’ own sums of money.

9. Debit balances of the accounts of the Client shall be charged with interest at a rate that Desjardins Securities may fix, from time to time, without prior notification, and are payable at any time.

10. The Client agrees to pay commissions for the execution of any order to sell or to buy securities on behalf of the Client at the brokerage fee established by Desjardins Securities, from time to time, without prior notification. In addition, the Client agrees to pay any administrative fees that Desjardins Securities may establish, from time to time, for the services rendered to the Client.

11. Except as otherwise directed in writing by the Client, all securities carried by Desjardins Securities for his (her) account may, at Desjardins Securities’ discretion, be kept at any of the places where Desjardins Securities operates an office.

12. All notices and communications to the Client may be effectively transmitted to the Client by regular mail at his (her) last address registered in Desjardins Securities’ books.

13. This Agreement shall cover any accounts held by Desjardins Securities for the Client or for his (her) account and all transactions hereafter made as well as those carried out beforehand and still outstanding, and none of its provisions shall be deemed to be waived or modified by Desjardins Securities except by written agreement signed by Desjardins Securities.

14. The provisions of this Agreement shall take effect not only for the benefit of Desjardins Securities and the Client and be binding to them, but also to their respective successors, assigns and legal representatives. This Agreement is governed by, and must be interpreted in compliance with, the laws of the Canadian province or territory where the Client resides.
15. The Client acknowledges that his (her) financial situation and solvency are essential factors on which Desjardins Securities based their decision to grant them margin loans. Consequently, the Client hereby authorizes Desjardins Securities, as long as a margin account in his (her) name will be open with Desjardins Securities, to obtain any information that Desjardins Securities might think advisable for the analysis of the Client's financial situation and solvency from any financial institution, personal information agents, employer, landlord or any other person and, to that effect, authorizes Desjardins Securities to provide a copy of this authorization to any such person.

16. To comply with existing regulations (IIROC Rule 100, Rule 9 of the Montreal Exchange) and in accordance with Desjardins Securities policies, for a given transaction, Desjardins Securities must receive a deposit equal to at least the minimum required margin. In all cases, Desjardins Securities reserves the right to impose a higher margin requirement. In compliance with established policies, Desjardins Securities is entitled to sell sufficient holdings to cover margin shortfalls for any account found to be in default.

17. The Client understands that the liquidation of any securities held by Desjardins Securities for him (her) may entail significant financial consequences, including tax consequences, for which the Client will be solely responsible.

18. The Client may terminate this Agreement by written notice. The termination will take effect upon its receipt by Desjardins Securities. Desjardins Securities may also terminate this Agreement by giving the Client written notice at his (her) address as registered with Desjardins Securities. The termination will take effect within thirty (30) days from the date of mailing of the written notice to the Client.

19. The invalidity or unenforceability of a provision shall not affect the other provisions of this Agreement which shall be applied as if such provision, whether invalid or unenforceable, was not incorporated herein. The provisions of this Agreement are distinct and additional to any other provision contained in any other agreement between the Client and Desjardins Securities.
NOTICE: When used in this Agreement, “Client” means the client who signed the “Account Application Form and Agreements”.

This Agreement applies in addition to the provisions of the General Account Agreement and to any other agreement between the client and Desjardins Securities.

In consideration of the fact that Desjardins Securities is acting for the Client as a broker and/or an agent for the purchase, sale and/or endorsement of puts and/or calls, or variations thereof, the Client agrees as follows:

1. The Client acknowledges that, as of the date the Account Application Form was signed, he has received and read the documentation provided by the various Clearing Corporations for Options as well as all other documents that have been transmitted to the Client. The Client is fully aware of the risks described in the futures and options Risk Disclosure Statement in Section 5 herein and understands the information contained therein. Desjardins Securities may refuse to process clients’ trading instructions whenever deemed necessary for its protection or for any other valid reason, according to Desjardins Securities’ discretion.

2. The Client understands the special risks pertaining to trading in uncovered options contracts and thereby declares to have adequate financial resources to sustain any such transactions in which the Client participates.

3. It is further agreed that any orders to sell the securities mentioned in the preceding paragraph, given by the Client and through anyone else acting on the Client’s behalf may be refused by Desjardins Securities at their discretion, and the Client shall not hold Desjardins Securities liable for any loss that he (she) may sustain due to Desjardins Securities’ refusal to permit the sale of said securities during such periods. It is further agreed that Desjardins Securities shall maintain a register of dates of execution orders for the sales of options transacted by their clients in order to permit Desjardins Securities to allocate exercise notices on a “first in, first out” basis.

4. Orders accepted by Desjardins Securities are valid until they have been either executed or cancelled, provided that the orders placed are valid only on the day when they are placed, unless Desjardins Securities specifies and accepts a longer period. Desjardins Securities will not accept orders for which the Client has not indicated precisely the security, the quantity, the amount, the time when the order is to be placed and the rate (which may be quoted as the “market rate”, which is the rate that can be obtained on the market where the order is to be executed at the time the order reaches the market). Desjardins Securities is not responsible for the price at which a market order is executed. All orders placed by the Client and accepted by Desjardins Securities bind the Client from the time of the execution. Desjardins Securities will send a written confirmation to the Client soon after the execution. If the Client does not receive the written confirmation, or receives it late, the Client is in no way released from his (her) obligation under this Agreement to settle all operations on the settlement date or to maintain coverage as is set out hereafter.

5. The Client agrees, in connection with options transactions, to comply with the provisions of the By-Laws and Rules of the various Clearing Corporations, options and exchange where these options are traded. The Client further agrees to respect the position limits of the Clearing Corporations for Options concerned with the transactions initiated by the Client. In addition, the Client shall not exercise a long position in any options contract if the Client, acting alone or in concert with others, directly or indirectly, has or will have exercised within any five (5) consecutive days, aggregate long positions in excess of the limits described in this paragraph.
6. The Client agrees that maximum limits may be set on short position and that during the last ten (10) days prior to expiration, operations may be conducted only in cash and that, moreover, Clearing Corporations for Options may enact other rules affecting existing subsequent transactions.

7. The Client agrees that, if he (she) fails to make payment of any money due to Desjardins Securities, Desjardins Securities may sell any other securities held in any account of the Client and apply the proceeds of such sale to any debt of the Client to Desjardins Securities. Any and all expenses incurred by Desjardins Securities in connection with the foregoing may be charged to the account of the Client and shall be fully reimbursed by the Client.

8. The Client agrees to inform Desjardins Securities beforehand or concurrently of any such options contract conducted through any other broker, seller, individual or other entity. In the event that Desjardins Securities incur any liability by virtue of the fact that the Client has failed to notify Desjardins Securities, the Client agrees to indemnify Desjardins Securities to the extent of such liability.

9. The Client recognizes that in view of the trading procedures on the various exchanges, a Market Maker representing Desjardins Securities may be on the other side of the transaction and, accordingly, Desjardins Securities may be indirectly, and without prior knowledge, acting as a principal.

10. The Client agrees that the mailing of the confirmation of a transaction or a statement on your part shall be considered as having been received, and if the Client does not register a formal complaint within ten (10) days from the mailing of the question, he shall be considered as having ratified the transaction.

11. This Agreement shall benefit to your successors and assigns and shall be binding on the Client, his (her) heirs, testamentary executors, administrators and assigns. This Agreement is governed and construed in accordance with the laws of the Canadian province or territory where the Client resides.

12. The Client acknowledges that a margin account is necessary to allow option trading. The Client agrees to be bound by the terms and conditions of this Agreement and the terms and conditions of the General Account Agreement and of the Margin Account Agreement. The terms and conditions of the Margin Account Agreement, except as specifically amended by the present Agreement, shall remain effective with respect to all option positions in the Account as well as with respect to option contracts hereafter traded.

13. Upon the purchase by the Client of an option contract, notice of the Client's intent to exercise such option must be given to Desjardins Securities' office no later than 3:30 p.m. on the last trading day before expiry. Failure to give timely notice will constitute an abandonment of such option, in which event the option may be sold for the Client at Desjardins Securities discretion or acquired by Desjardins Securities for their own account without any liability or responsibility to the Client. Without any exception, the Client recognizes that Desjardins Securities has no duty or obligation to exercise an option belonging to the Client without specific instructions to that effect from the Client. Moreover, the Client recognizes and agrees that Desjardins Securities may correct any error or omission related to orders.
14. The Client may terminate this Agreement by written notice. The termination will take effect upon its receipt by Desjardins Securities. Desjardins Securities may also terminate this Agreement by giving the Client written notice at his (her) address as registered with Desjardins Securities. The termination will take effect within thirty (30) days after the date of mailing of the written notice to the Client.

15. The invalidity or unenforceability of a provision shall not affect the other provisions of this Agreement which shall be applied as if such provision, whether invalid or unenforceable, was not incorporated herein. The provisions of this Agreement are distinct and additional to any other provision contained in any other agreement between the Client and Desjardins Securities.

Definitions

1. INSIDERS

Under National Instrument 55-104 Insider Reporting Requirements and Exemptions (hereinafter, “NI 55-104”), a reporting insider is defined as being:

- The CEO, CFO, COO and the directors of the reporting issuer, of a Major subsidiary\(^1\) of the reporting issuer, of a Significant Shareholder\(^2\) of the reporting issuer or of any post-conversion\(^3\) Significant Shareholder
- A person or company responsible for a principal business unit, division or function of the reporting issuer or of a Major subsidiary
- A Significant Shareholder or a post-conversion Significant Shareholder
- A management company that provides significant management or administrative services to the reporting issuer or a Major subsidiary of the reporting issuer, every director of the management company, every CEO, CFO and COO of the management company, and every Significant Shareholder of the management company
- An individual who performs functions similar to those described above
- The reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security

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1 A Major subsidiary is a subsidiary of an issuer whose assets is equal to 30% or more of the consolidated assets of this issuer, or whose revenues correspond to 30% or more of the consolidated revenue of the issuer.

2 A Significant Shareholder under NI 55-104 is a person or company that has beneficial ownership of, or control or authority over, whether direct or indirect, of securities of an issuer carrying more than 10% of the voting rights attached to all the issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as an underwriter in the course of a distribution. Post-conversion ownership of securities is also taken into consideration for recognition as a Significant Shareholder.

3 “Post-conversion” ownership can be considered if the securities are convertible within a sixty-day (60) timeframe.
• Any other insider who:
  – in the ordinary course of business, receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and
  – directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer

2. SIGNIFICANT SHAREHOLDER
Under IIROC’s Universal Market Integrity Rules (UMIR), a Significant Shareholder is a person (including a corporation or incorporated organization) holding separately, or in combination with other persons, more than 20% of the outstanding voting securities of an issuer.

3. DECLARATION OF RESIDENCE FOR FISCAL PURPOSES
According to Parts XVIII and XIX of the Income Tax Act, financial institutions must collect residence information for tax purposes in order to determine whether a financial account should be reported to the Canada Revenue Agency (CRA). The CRA may disclose this information to the government of a foreign country if a person has a residence there for tax purposes, or to the US government if the person is a US citizen.

Desjardins treats the personal information collected on this form in a confidential manner. This information is collected and used strictly for the purposes set out in the Income Tax Act and may be shared between of Desjardins departments.

I understand that Desjardins, as a financial institution, is required to report to the CRA information required concerning a person who is a resident of a country other than Canada for tax purposes or a citizen of the United States. The CRA may impose a penalty on a person who does not provide this information.

Tax identification number
A tax identification number (TIN) is a unique combination of letters or numbers that a country assigns to an individual to identify the individual for the purposes of administering its tax laws. In Canada, the TIN is a social insurance number (SIN) for a natural person, a business number (BN) or Quebec enterprise number (NEQ) for a business and a trust number for a trust.

If you do not have a TIN, you have 90 days to request a SIN for a natural person, a business number (BN or NEQ) for a business, or a trust number for a trust.

Citizen or resident of the United States
According to US law, a citizen or resident of the United States for tax purposes is considered to be:
• Any citizen of the United States (including a US-born person residing in Canada or another country who has not renounced his or her US citizenship); or
• Any US authorized resident (including a US Green Card Holder); or
• Any permanent resident of the United States
A person may also be considered to be a resident of the United States for tax purposes if he or she spends a sufficiently long period of time in the United States. US corporations, estates and trusts are also considered to be residents of the United States for tax purposes. If in doubt, please contact your tax advisor.

More information about US citizenship and US tax obligations can be found on the Canada Revenue Agency (CRA) or Internal Revenue Service (IRS) websites.

Tax residence
In general, a person is resident of a country for tax purposes if, under the laws of that country, they pay or are required to pay tax because they are domiciled or resident therein, or meet similar criteria. Individuals who are residents of more than one country for tax purposes may rely on the decisive rules that the tax treaties provide for (when applicable) to resolve the issue of dual residencies for tax purposes.

For more information on residency for tax purposes, please consult a tax advisor.
4. POLITICALLY EXPOSED PERSON (PEP) AND HEAD OF AN INTERNATIONAL ORGANIZATION (HIO)

These are persons who have been assigned important functions that usually involve the ability to influence decisions and the ability to direct resources. They are distinguished by the influence and control they can exert on political decisions, institutions or rules determining the allocation of resources, financial or other.

IMPORTANT: If a family member is a PEP or HIO, or if you are closely associated with a PEP or HIO, you will be treated as such (ex: if your father is a HIO, you will be considered a HIO yourself).

Family member: Some family members of a PEP and HIO must also be considered as PEPs or HIOs. Family members of the person concerned are the following: spouse or common-law partner/child/spouse’s parent/parent/father/child of the mother or father of an affected person (brother or sister).

Closely associated person: A person who has close ties to a PEP or HIO for personal or professional reasons. The association does not have to be known by the public.

Here are some examples of people closely associated with a PEP or HIO:

• A business partner of a PEP or HIO, or a person who holds, directly or indirectly, a business jointly with a PEP or HIO
• A person engaged in a romantic relationship with a PEP or HIO
• A person engaged in financial transactions with a PEP or HIO
• An important member of the same political party or trade union as a PEP or HIO
• A person on the same board of directors as a PEP or HIO
• A person participating in charities in close connection with a PEP or HIO

PPVs are divided between Politically Exposed Foreigner Persons (PEPs) and Politically Exposed Nationals (PENs).

Politically Exposed Foreign Person (foreign PEP)

A person who holds or has previously held a position in or on behalf of a foreign state:

• Head of State or head of government
• Member of the executive council of government or member of a legislature
• Deputy Minister or a position of an equivalent rank
• Ambassador or attaché or counsellor of an ambassador
• Military officer with the rank of general or higher
• An officer of a state-owned company or state-owned bank
• Head of a government agency
• Judge on a supreme court, constitutional court or other final appellate court
• Leader or president of a political party represented in a legislature

These persons are foreign PEPs regardless of their citizenship, resident status or place of birth. The foreign PEP status is permanent.

Politically Exposed Nationals (foreign NPV)

A person who holds (or has held in the past five years) one of the following positions within or on behalf of the Canadian federal government, a Canadian provincial government or a Canadian municipal government:

• Governor General, Lieutenant Governor or Head of Government
• Member of the Senate or House of Commons or a member of a Legislative Assembly
• Deputy Minister or equivalent office holder
• Ambassador or attaché or counsellor of an ambassador
• Military officer with the rank of general or higher
• An officer of a corporation wholly owned by Her Majesty in right of Canada or a province
• Head of a government agency
- Judge on a provincial court of appeal, the Federal Court of Appeal or the Supreme Court of Canada
- Leader or president of a political party represented in a legislature
- Mayor (leader of a city, village, rural municipality or urban agglomeration)

A person ceases to be a PEN five years after ceasing their functions.

**Head of an International Organization (HIO)**

A person who performs one of the following duties:

- Head of an international organization set up by the governments of different States
- Head of an institution established by an international organization

A HIO is the principal person who directs the organization, such as its president or chief executive officer. The activities of an institution established by an international organization do not necessarily have an international scope and may be limited to a country or territory.

A person ceases to be a HIO upon ceasing to direct an international organization or institution established by an international organization.

- **International Organization (IO):** Organization created by the governments of more than one state. The circumstances surrounding the establishment of the organization are therefore crucial in determining whether its leader is a HIO. If an IO was created by an officially signed agreement between the governments of various states, the leader of that organization is a HIO. The member countries of these organizations recognize their existence in their domestic laws, without the organization belonging to either of the member countries. Examples of IOs: UN, ILO, WHO, IMF, Commonwealth, ICC, Asian Development Bank, etc.
4. Statement of principles on conflicts of interest

Desjardins Securities is an investment dealer registered in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan.

It is important to Desjardins Securities that its clients be informed of existing or potential conflicts of interest which could arise in the course of its activities. A conflict of interest arises when the interests of different persons, e.g. those of a client and those of Desjardins Securities or one of its representatives (directors, officers, partners, employees, agents) are incompatible or divergent.

Desjardins Securities takes reasonable measures to identify any material conflicts of interest that exist or that it can reasonably expect to arise. It assesses the level of risk associated with each conflict and avoids any circumstances that involve a serious conflict of interest or that present too great a risk for its clients and any situation that may materially compromise market integrity. In any other conflict of interest situation, Desjardins Securities ensures that appropriate measures are put in place to effectively control the conflict.

The activities of Desjardins Securities and its representatives are governed by a Code of Professional Conduct and by a Compliance Handbook.

“Desjardins Capital Markets” is a trade name used by Desjardins Securities. It is also used by Desjardins Securities International Inc., a wholly owned subsidiary of Desjardins Group.

“Desjardins Wealth Management, Securities” is a trade name used by Desjardins Securities to offer its full-service securities brokerage services, and “Desjardins Online Brokerage” is a trade name used by Desjardins Securities for its discount brokerage services.

Desjardins Securities hereby informs you of the nature and scope of the conflicts of interest that could affect the services it offers you.
Desjardins Securities is a wholly owned subsidiary of Desjardins Financial Holding Inc., which itself is an indirectly wholly owned subsidiary of the Fédération des caisses Desjardins du Québec (hereinafter the “Fédération”). The entities listed below may be considered issuers related or connected to Desjardins Securities:

<table>
<thead>
<tr>
<th>ISSUERS</th>
<th>ISSUER DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caisses Desjardins</td>
<td>Members of the Fédération des caisses Desjardins du Québec (the Fédération) and the Fédération des caisses populaire de l’Ontario Inc.</td>
</tr>
<tr>
<td>Capital Desjardins Inc.</td>
<td>Wholly owned subsidiary of the Fédération, Capital Desjardins’ purpose is to offer its own securities in the financial markets and to invest the proceeds in securities issued by Desjardins caisses.</td>
</tr>
<tr>
<td>Capital régional et coopératif Desjardins Inc. (CRCD)</td>
<td>Investment fund whose portfolio manager is Desjardins Venture Capital Inc. (which itself is a wholly owned subsidiary of the Fédération), CRCD raises development capital by means of public offerings and injects these funds into cooperatives and small and medium-sized businesses.</td>
</tr>
<tr>
<td>Desjardins ETF</td>
<td>Family of exchange-traded mutual funds for which the trustee is Desjardins Trust Inc., which is a wholly owned subsidiary of the Fédération. Desjardins Global Asset Management Inc., a wholly owned subsidiary of Desjardins Financial Corporation Inc., which itself is an indirectly wholly owned subsidiary of the Fédération, is the management company and the portfolio manager of the Desjardins ETF.</td>
</tr>
<tr>
<td>Desjardins Funds</td>
<td>Family of mutual funds for which the trustee and custodian is Desjardins Trust Inc., which is an indirectly wholly owned subsidiary of the Fédération. Desjardins Investments Inc., a wholly owned subsidiary of Desjardins Financial Security Life Assurance Company which itself is an indirectly wholly owned subsidiary of the Fédération, is the management company and sponsor of Desjardins Funds. Desjardins Global Asset Management Inc. (DGAM) is their portfolio manager. DGAM is a wholly owned subsidiary of Desjardins Financial Corporation Inc., which itself is an indirectly wholly owned subsidiary of the Fédération.</td>
</tr>
<tr>
<td>Desjardins Investment Management Inc. (DIM)</td>
<td>Wholly owned subsidiary of the Fédération and registered as a portfolio manager in Quebec, Alberta, Ontario, British Columbia and New Brunswick. Also registered in Quebec and Ontario as an investment fund manager as part of the management of DIM Private Funds, which are available in provinces where DIM is registered as a portfolio manager. DIM offers discretionary portfolio management services and equity and/or private funds mandates to its clients.</td>
</tr>
<tr>
<td>Desjardins Trust Inc.</td>
<td>Indirectly wholly owned subsidiary of the Fédération, this company is a trust institution of Desjardins Group.</td>
</tr>
<tr>
<td>Fiera Capital Corporation</td>
<td>Public company in which Desjardins Financial Holding Inc., an indirectly owned subsidiary of the Fédération, has a significant indirect interest.</td>
</tr>
<tr>
<td>Fiera Capital Mutual Funds</td>
<td>Family of mutual funds for which Fiera Capital Corporation, a company in which Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, has a significant indirect interest, is the manager and the promoter. Fiera Capital Corporation is a registered portfolio manager and acts in this capacity for the Fiera Capital Mutual Funds.</td>
</tr>
<tr>
<td>ISSUERS</td>
<td>ISSUER DESCRIPTION</td>
</tr>
<tr>
<td>----------------------------</td>
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<tr>
<td>Meritas SRI Funds</td>
<td>Family of mutual funds for which OceanRock Investments Inc., a company in which Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, has a significant indirect interest, is the manager and the promoter. OceanRock Investments Inc. is a registered portfolio manager and acts in this capacity for the Meritas SRI Funds and OceanRock Funds. OceanRock Investments Inc. also acts as the trustee of the Funds.</td>
</tr>
<tr>
<td>and OceanRock Funds</td>
<td></td>
</tr>
<tr>
<td>NEI Funds</td>
<td>Family of mutual funds for which Northwest &amp; Ethical Investments L.P. is the trustee and administrator. NorthEast &amp; Ethical Investments L.P. also acts as portfolio manager for specific funds. Northwest &amp; Ethical Investments L.P. is entirely owned by Aviso Wealth Inc., the shareholder of which is held in equal shares by Desjardins Financial Holding Inc. and a partnership comprised of Canada’s five provincial credit unions and the CUMIS Group. Desjardins Trust Inc. is the custodian of these funds.</td>
</tr>
<tr>
<td>Zag Bank</td>
<td>Chartered bank offering a suite of financial products through mobile and online applications. This company is an indirectly wholly owned subsidiary of the Fédération.</td>
</tr>
</tbody>
</table>

As part of its business activities, Desjardins Securities may buy or sell the securities of such issuers on behalf of its clients, exercise its discretionary power to buy or sell such securities pursuant to discretionary management agreements, or make recommendations in respect of such securities. Desjardins Securities shall do so in accordance with the regulations applicable to such transactions and always in the best interest of its clients.

Desjardins Securities may also, as part of its business activities, be called upon to act as an underwriter or as a member of a selling group for the sale of the securities of such issuers. Its other divisions may at the same time recommend such securities. Desjardins Securities shall do so in accordance with the regulations applicable to such transactions and always in the best interest of its clients.
Issuers unrelated to Desjardins Securities

Conflicts may also arise in the relationships between Desjardins Securities and other issuers that are neither related nor connected to it, for example, trusts, partnerships, special purpose vehicles, or conduits that issue asset-backed commercial paper. In such a situation, the practices and procedures in force and in accordance with regulations will be applied.

Other companies related to Desjardins Securities

1. DESJARDINS GROUP
The complete organization chart of the companies belonging to Desjardins Group is available on the Internet at: [www.desjardins.com/ca/about-us/desjardins/governance-democracy/structure/group-organization-chart/index.jsp](http://www.desjardins.com/ca/about-us/desjardins/governance-democracy/structure/group-organization-chart/index.jsp).

2. RELATIONS BETWEEN DESJARDINS SECURITIES AND OTHER DESJARDINS GROUP ENTITIES
Desjardins Securities is a separate entity from the Fédération des caisses Desjardins du Québec, the Fédération des caisses populaires de l’Ontario Inc., and their member caisses. In some cases, the premises of those entities are at the same address and in the same offices. Desjardins Securities representatives perform their duties solely on behalf of Desjardins Securities.

Moreover, securities bought through Desjardins Securities have the following features:

i) they are not guaranteed by a deposit insurer;

ii) they are not guaranteed by the caisses;

iii) their value may fluctuate.

3. DESJARDINS SECURITIES FINANCIAL SERVICES INC.
Desjardins Securities incorporated a wholly owned subsidiary, Desjardins Securities Financial Services Inc. (DSFS) which is registered with the Autorité des marchés financiers (AMF) as a financial services firm and with the Financial Services Commission of Ontario (FSCO) as an insurance agency, so that some of its representatives can distribute life and health insurance.

4. DESJARDINS SECURITIES/BODIAM INC.
Desjardins Securities partnered with Bodiam Financial Inc. to create an entity in which each has a 50% stake. Its sector of activity is structured financing and asset-backed securities (securitization).

5. DESJARDINS SECURITIES INTERNATIONAL INC.
6. **CREDENTIALS QTRADE SECURITIES INC.**
Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, indirectly holds a significant interest in Credentials QTrade Securities Inc. (CQSI). CQSI is a company registered with the Canadian Securities Administrators as an investment dealer and a derivatives broker.

7. **QTRADE ASSET MANAGEMENT INC.**
Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, indirectly holds a significant interest in QTrade Asset Management Inc. (QAM). QAM is a company registered with the Canadian Securities Administrators as a mutual fund dealer and an exempt market dealer.

8. **OCEANROCK INVESTMENTS INC.**
Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, indirectly holds a significant interest in OceanRock Investments Inc. (Ocean). Ocean is a company registered with the Canadian Securities Administrators as a portfolio manager and an exempt market dealer.

9. **QTRADE INSURANCE SOLUTIONS INC.**
Desjardins Financial Holding Inc., an indirectly wholly owned subsidiary of the Fédération, indirectly holds a significant interest in QTrade Insurance Solutions Inc. (QTIS). QTIS acts as an insurance broker in some Canadian provinces.

10. **DE SJARDINS FINANCIAL SECURITY INVESTMENTS INC.**
Desjardins Financial Security Investments Inc. (DFSI) is a wholly owned subsidiary of the Fédération. In Quebec, DFSI operates under the business name “SFL Investments” and is registered with AMF, particularly, as a mutual fund dealer, an exempt market dealer and a restricted dealer. DFSI is also authorized to pursue insurance activities. It is registered with AMF as a firm in the insurance of persons and as a firm in the group insurance of persons. It is also registered as a firm in financial planning. DFSI also holds similar registrations in other Canadian provinces.
Activities of Desjardins Securities

As part of its business activities, Desjardins Securities may act in various capacities in respect of an issuer.

Desjardins Securities may, for a fee, act as a corporate financing advisor, an underwriter, or a member of a selling group in respect of issuers.

Desjardins Securities may express opinions or issue research reports with recommendations on issuers.

Desjardins Securities may buy or sell the securities of an issuer on behalf of its clients, exercise its discretionary power to buy or sell such securities pursuant to discretionary management agreements, or make recommendations in respect of such securities.

Such securities may on occasion be owned or traded by Desjardins Securities and its representatives.

Desjardins Securities may act as a market maker.

Desjardins Securities has put in place all appropriate measures to effectively control existing or potential conflicts of interest that may arise in the course of its activities. The relationships between the different divisions of Desjardins Securities are subject to specific and effective policies and procedures, which are based on the regulations in force.

The activities of the research division of Desjardins Securities, which expresses opinions and issues research reports with recommendations on issuers, are subject to policies on disclosure of potential conflicts of interest. The complete list of company-specific disclosures may be consulted on the Internet at: www.vmdconseil.ca/en/regulatory-disclosures.

Desjardins Securities is called upon to act as a principal or as an agent when it buys or sells for or on behalf of its clients.

As part of the management of its clients’ discretionary accounts, Desjardins Securities may buy or sell or make recommendations in respect of:

i) securities of an issuer which it or a person of its group owns;

ii) securities for which it or a person of its group participates in the offering;

iii) securities of a related or connected issuer;

iv) securities of an issuer that has as an employee, agent, partner, director or officer an employee, agent, partner, director or officer of Desjardins Securities or of Desjardins.

Desjardins Securities will do so in accordance with the regulations applicable to such transactions and always in the best interest of its clients.

In the case described in paragraph iv) above, Desjardins Securities will not make any transaction involving such issuer, unless the client concerned has been informed of this fact beforehand and has expressly authorized such transaction in writing.

Desjardins Securities ensures that fair and reasonable policies exist and are implemented for the management of conflicts of interest specific to portfolio management activities, such as fair allocation of securities, soft-dollar payments, proxy voting, compensation and expense allocation practices, error correction, confidentiality of information, trade allocation and best execution.

Desjardins Securities representatives may, in the normal course of their duties, find themselves in situations where their personal interests conflict with those of one or more clients of Desjardins Securities.

Under the Code of Professional Conduct and the Compliance Handbook of Desjardins Securities, the interests of clients take precedence over those of Desjardins Securities and its representatives as a matter of basic principle.
The Code of Professional Conduct and the Compliance Handbook of Desjardins Securities set forth standards that guide the conduct of its representatives. These standards prohibit them from:

- using confidential information acquired in the course of or in connection with their duties, or exploiting a situation, for the purpose of obtaining an advantage of any kind;
- accepting or giving gifts, entertainment and compensation that could influence decisions to be taken in the course of performing their duties;
- engaging in outside activities that could interfere or conflict with their duties at Desjardins Securities;
- entering into financial transactions on a personal basis with clients of Desjardins Securities;
- giving trade orders which they know conflict with the interests of clients of Desjardins Securities;
- engaging in any activity or holding an interest in any business or participating in any partnership that may hinder or appear to hinder their independence of judgment in the best interest of clients of Desjardins Securities.

Desjardins Securities representatives must disclose to the clients concerned any conflict of interest and any personal interest in a security or other investment that can be expected to affect their capacity to advise them objectively and impartially.

Desjardins Securities representatives must disclose to their employer any situation that can be reasonably expected to hinder them in the performance of their duties or in their capacity to give objective and impartial advice.

Desjardins Securities ensures that its employee compensation practices are not inconsistent with its obligations to its clients.

Referral arrangements

In the course of its activities, Desjardins Securities has entered into fee-sharing agreements with the following business partners:

- member caisses of the Fédération des caisses Desjardins du Québec;
- member caisses of the Fédération des caisses populaires de l’Ontario;
- L’Alliance des caisses populaires de l’Ontario;
- Desjardins Securities Financial Services Inc. (DSFS);
- Desjardins Financial Security Investments Inc. (DFSI).

These business partners are members of the same financial group, Desjardins Group. The above-mentioned caisses offer banking services. DSFS and DFSI are authorized to engage in insurance activities.

1. **CLIENT REFERRALS TO DESJARDINS SECURITIES BY MEMBER CAISSES OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, MEMBER CAISSES OF THE FÉDÉRATION DES CAISSES POPULAIRES DE L’ONTARIO AND MEMBER CAISSES OF THE ALLIANCE DES CAISSES POPULAIRES DE L’ONTARIO**

   a) In consideration for client referrals to the Full-Service Brokerage division of Desjardins Securities, the caisses receive, as intermediaries, compensation based on the generated revenues in referred accounts, according to the percentages indicated in the table below.

   The term “generated revenues” includes gross fees, gross income on maintaining outstanding funds and gross commissions from all Desjardins Securities’ accounts of the referred member (Full-Service Brokerage division).
Regarding the Discretionary Management Service at Desjardins Securities, compensation is based on net fees.

Regarding members referred to the Advisory Branch, compensation is based on a recurring rate of 24% of the generated revenues.

b) In consideration for client referrals to Desjardins Online Brokerage, for the brokerage platform Disnat Classic, the caisses receive, as intermediaries, compensation based on all gross commissions generated on each transaction, including those from bank transfers and other brokers, on all accounts of the referred member, according to the percentages indicated in the table below.

c) In consideration for client referrals to Desjardins Online Brokerage, for the brokerage platform Disnat Direct, the caisses receive, as intermediaries, compensation based on the gross commissions generated on each transaction, including those from bank transfers and other brokers, on all accounts of the referred member, according to the percentages indicated in the table below.

### 2. CLIENT REFERRALS TO DESJARDINS SECURITIES BY DFSI

a) In consideration for client referrals to the Full-Service Brokerage division, more specifically the Advisory Branch, DFSI receives, as intermediary, compensation based on the generated revenues by referred clients, according to the percentages indicated in the table below.

“Generated revenues” include gross fees, gross income on the maintenance of outstanding funds and gross commissions from all Desjardins Securities’ accounts of the referred client (Full-Service Brokerage division).
b) In consideration for client referrals to Desjardins Online Brokerage, for the brokerage platform Disnat Classic, DFSI receives, as intermediary, compensation based on the gross commissions generated on each transaction, including those from bank transfers and other brokers, according to the percentages indicated in the table below.

<table>
<thead>
<tr>
<th>GROSS COMMISSIONS GENERATED ON EACH TRANSACTION</th>
<th>COMPENSATION % RECEIVED BY DFSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>For one (1) year following the opening of each new account*</td>
<td>30%</td>
</tr>
<tr>
<td>For the period starting on the second (2nd) year following the opening of any new account and ending at the end of the fifth (5th) year following the opening of said account</td>
<td>Between 3% and 5%</td>
</tr>
<tr>
<td>After five (5) years following the opening of each new account**</td>
<td>0%</td>
</tr>
</tbody>
</table>

* Accounts generating at least three (3) transactions during the first year.

** Following the fifth year of the opening of a referred account, no compensation will be paid by Desjardins Securities to DFSI regardless of the generated commissions in connection with said account.

c) In consideration for client referrals to Desjardins Online Brokerage, for the brokerage platform Disnat Direct, DFSI receives, as intermediary, compensation based on the gross commissions generated on each transaction according to the percentages indicated in the table below.

<table>
<thead>
<tr>
<th>GROSS COMMISSIONS GENERATED ON EACH TRANSACTION</th>
<th>COMPENSATION % RECEIVED BY DFSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>For one (1) year following the opening of each new account</td>
<td>2%</td>
</tr>
<tr>
<td>For the second (2nd) year following the opening of each new account</td>
<td>3%</td>
</tr>
<tr>
<td>For subsequent years*</td>
<td>0%</td>
</tr>
</tbody>
</table>

* After the second year following the opening of a referred account, no compensation will be paid by Desjardins Securities to DFSI.

3. CLIENT REFERRALS TO DSFS BY DESJARDINS SECURITIES

In consideration of client referrals to DSFS, the Full-Service Brokerage division, receives, as intermediary, compensation corresponding to 30 percent of insurance premiums, both at the time of the subscription and of the renewal.
Other referral arrangements

Desjardins Securities may enter into arrangements whereby it pays or receives compensation for client referrals. The following information is communicated to the client in writing before the opening of account or the provision of services:

• the name of each party to the referral arrangement;

• the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;

• any conflicts of interest resulting from the relationship between the parties to the referral arrangement and from any other element of the referral arrangement;

• the method of calculating the referral fee and, to the extent possible, the amount of the fee;

• the category of registration of each registrant that is a party to the agreement, with a description of the activities that the registrant is authorized to engage in under that category and, giving consideration to the nature of the referral, the activities that the registrant is not permitted to engage in;

• if a referral is made to a registrant, a statement that all activity requiring registration resulting from the referral arrangement will be provided by the registrant receiving the referral;

• any other information that a reasonable client would consider important in evaluating the referral arrangement.

If there is a change to the information set out above, Desjardins Securities must ensure that written disclosure of that change is provided to each client affected by the change as soon as possible and no later than the thirtieth day before the date on which a referral fee is next paid or received.

This Statement of Principles on Conflicts of Interest will be updated if new conflict of interest situations arise. The most recent version of this Statement is available at all times on the Desjardins Securities website, at the following address: [www.vmdconseil.ca/en/statement-principles-conflicts-interest](http://www.vmdconseil.ca/en/statement-principles-conflicts-interest).
Information on multiple marketplaces

Over the last few years, new exchanges have been established in Canada. With the availability of multiple marketplaces (such as Alpha, Pure and Chi-X), new circumstances come into play in the trade order execution process, which is no longer limited to the Toronto Exchange exclusively. Therefore, Desjardins Securities informs its clients of the changes applying to various types of trades.

Please note that the trade order execution process may be different between Desjardins Online Brokerage and Desjardins Securities. We suggest you consult the user guides on www.disnat.com or contact a Desjardins Online Brokerage representative for additional information.
1. **HOURS OF OPERATION FOR TRADING IN LISTED CANADIAN SECURITIES**

Desjardins Securities’ trading staff is available for order execution between the hours of 9:30 a.m. and 4:00 p.m., Eastern Time (“ET”), Monday through Friday, not including statutory Canadian holidays. Staff may be further available before and after these hours; however Desjardins Securities cannot guarantee any order taking and/or trade execution outside of the hours noted above. For Desjardins Online Brokerage, the trading service is generally available from 8 a.m. to 5 p.m. ET.

Please be advised that unless otherwise stated, or unless otherwise agreed to between an Investment Advisor or Registered Representative of Desjardins Securities and the client:

a) an order received prior to 9:30 a.m. ET will route into the opening sequence of the marketplace for execution on the opening;

b) an order received after 4:00 p.m. ET can be entered to the after-hours trading of markets where this feature is available, if the trade characteristics allow. If received after “extended hours” trading becomes unavailable, the order will route the next business day to the pre-opening of the marketplaces.

2. **PRINCIPAL MARKETPLACE**

For those securities listed on the Toronto Stock Exchange (“TSX”) and trading on other alternative marketplaces, the principal marketplace will be the TSX unless otherwise notified by Desjardins Securities.

3. **“BEST MARKET”**

The “Best market” is defined as the market with the best bid (buy price) or ask (sell price) and/or best historical liquidity and where Desjardins Securities feels the order has the highest probability of being executed.

4. **TRADE CHARACTERISTICS**

**Day Order**

A Day Order is an order that is only valid during the market opening hours on and for the day it is entered. A Day Order received after the opening of the principal marketplace will be entered into the “best market” at the time of entry. From there, the order will trade on any marketplace Desjardins Securities has access to and/or can access for the purpose of best execution. The order will expire, if not filled in full, on the market where the last portion of the order remains live and will expire at 4:00 p.m. ET, or at the time after-hours market activities cease on that market.

**Special Terms Order**

A Special Terms Order is an order with specific terms that is not executable in the regular marketplace. A Special Terms Order will only post to the Special Terms Market of the principal marketplace, currently the TSX, unless it is immediately executable on an alternative marketplace at the time of entry and they will only be live between 9:30 a.m. and 4:00 p.m. ET.

**Good-Til-Cancelled Order**

A Good-Til-Cancelled Order is an order that the client wants to remain open until a specified date of expiry. Such order will be sent to a marketplace determined by Desjardins Securities’ established routing map. The order will remain in the principal marketplace until executed or expired, whichever comes first. It is the client’s responsibility to ensure he/she knows what the date of expiry will be and to contact his/her Investment Advisor on the expiry date should he/she wish the order to be reinstated.

**All-or-None Order**

Note: The TSX no longer accepts “All-or-None” orders. A Retail All-or-None Order is an order that must be executed in full; no partial fills are to be executed or booked pending a complete fill. In the multiple marketplace environments, an All-or-None order may not be executed due to limited volume on more than one marketplace. While the total volume on all marketplaces might complete the order, the All-or-None terms apply only to the individual marketplace where entered.
An All-or-None order received after the opening of the principal marketplace will be booked to the “best market” at the time of entry.

An Institutional All-or-None Order is an order that must be executed for large block volume in full, and do not book to the marketplace unless they can be filled in full for their entire volume at the time of receipt. Such order can be executed on any marketplace as agreed to between both parties at the time of receipt.

**Market Order**

An order is considered a “Market Order” when the client has instructed a dealer to buy or sell at whatever prices are available in the marketplace to help ensure a complete and full fill. A Market Order requires immediate completion. An order received after the opening of the principal marketplace will be entered into the “best market” at the time of entry. In an effort to avoid unusual market impacts, all market orders will be converted to limit orders with a reasonably aggressive price before being sent to a marketplace. This measure ensures that market orders still receive a full and immediate fill, except in cases where there is unusual liquidity rates or erroneous order parameters which would result in significant market impacts and a likelihood of breaching market liquidity thresholds. From there, the order will trade on any marketplace Desjardins Securities has access to and/or can access for the purpose of best execution. The order will expire, if not filled in full, on the market where the unexecuted portion of the order remains live until that marketplace closes.

**Limit Order**

A Limit Order has a specific minimum sale price or maximum purchase price provided by the client. On or after 9:30 a.m. ET, if a limit order is not immediately executable on any marketplace, the order will be sent to a marketplace determined by Desjardins Securities’ established routing map. The order will expire, if not filled in full, on the market where the last portion of the order remains live until that marketplace closes.

**5. DISCLOSURE OF MARKETPLACE**

An order executed using one or more marketplaces or alternative marketplaces in either Canada or the United States will be reported to the client using a trade confirmation on a North American Marketplace. If multiple prices or marketplaces were used in the completion of the order, a further disclaimer will also be provided. Should you receive such a confirmation, you are free to contact your Investment Advisor/Registered Representative to obtain further information.

**6. EXTENDED TRADING HOURS**

Some marketplaces may offer extended trading hours for brokers and investors. Extended trading hours allow the possibility to buy and sell securities beyond regular hours of operation of the principal marketplaces (9:30 am to 4:00 pm ET). Mostly used by investment professionals, extended trading hours often have low liquidity rates and wider spreads between bid and ask prices, resulting in risks of having orders executed at a less favorable price than during regular trading hours. An order placed during extended trading hours will not necessarily be completed at the desired time and may be executed at a price lower or higher than the one indicated on another trading system during extended trading hours or during regular hours of operation of marketplaces. Furthermore, the market price during extended trading hours is not always consistent with the market price registered at the time of closing of the principal marketplaces and may be highly volatile. Orders placed during extended trading hours are valid only during the particular trading session in which they are placed and will expire at the end of the said session.
1. **SECTION 871(M) OF THE INTERNAL REVENUE CODE**

The Internal Revenue Service (IRS) has implemented a series of regulations under section 871(m) of the *Internal Revenue Code* (IRC), which introduces withholding taxes on several types of derivatives held by U.S. non-residents. The withholding taxes in regards with section 871(m) apply on dividend equivalents which are payments that reference actual dividends on U.S. equity securities.

Desjardins Securities, in its capacity as withholding agent, is responsible for withholding and issuing information returns on dividend equivalents on certain instruments, which are held in our custody, most notably options, future contracts, structured notes, warrants, rights, convertible debt as well as other similar instruments.

2. **SECTION 305(C) OF THE INTERNAL REVENUE CODE**

The IRS implemented a proposed regulation on U.S. non-residents' withholding tax requirements for deemed distributions payments under section 305(c) of the IRC.

Desjardins Securities, in its capacity as withholding agent, is responsible to withhold and issue information returns with respect to deemed distributions under section 305(c), in the case of applicable adjustments arising from changes in conversion ratios or conversion prices in respect of warrants, rights, convertible bonds, as well as other similar instruments.
This information statement relates to strip securities that are based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Provincial securities regulations create an exemption from dealer registration and prospectus requirements for these types of securities.

1. **Strip bonds and strip bond packages (“strips”)**

A strip bond—commonly referred to as a “strip”—is a fixed-income product that is sold at a discount to face value and matures at par. This means the holder is entitled to receive the full face value at maturity. Strips do not pay interest, but rather, the yield at the time of purchase is compounded semi-annually and paid at maturity. Since the return on a strip is fixed at the time of purchase, strips may be a suitable investment where the holder requires a fixed amount of funds at a specific future date.

A strip is created when a conventional debt instrument, such as a government or corporate bond, discount note or asset-backed security (i.e., the “underlying bond”), is separated into its “interest” and “principal” component parts for resale. Components are fungible and may be pooled together where they share the same issuer, payment date and currency and have no other distinguishing features. The two types of components may be referred to as follows:

- The “coupon”: the interest-paying portion of the bond; and
- The “residual”: the principal portion.

A strip bond package is a security comprised of two or more strip components. Strip bond packages can be created to provide holders with a regular income stream, similar to an annuity, and with or without a lump-sum payment at maturity. By laddering strips with staggered maturities or other payment characteristics, holders can strategically manage their cash flow to meet their future obligations and specific needs.

2. **Strips versus conventional bonds**

Strips are offered on a variety of terms and in respect of a variety of underlying bonds, including government bonds issued by the Government of Canada or provincial, municipal and other government agencies, or a foreign government. CARs and PARs are examples of strips derived from high-quality corporate bonds. Some differences between strips and conventional bonds that you may wish to consider include the following:

- Strips are sold at a discount to face value and mature at par, similar to T-bills. Unlike conventional interest-bearing debt securities, strips do not pay interest throughout the term to maturity; rather, the holder is entitled to receive a fixed amount at maturity. The yield or interest earned is the difference between the discounted purchase price and the maturity value; thus, for a given par value, the purchase price for a strip will typically be lower the longer the term to maturity.

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1 A bond-like strip bond package has payment characteristics resembling a conventional bond, including regular fixed payments and a lump-sum payment at maturity. In contrast, an annuity-like strip bond package provides regular fixed payments but no lump-sum payment at maturity.
• A strip with a longer term to maturity will generally be subject to greater price fluctuations than a strip of the same issuer and yield but with a shorter term to maturity.

• Strips typically offer higher yields over T-Bills, GICs and term deposits, and over conventional bonds of the same issuer, term and credit rating.

• The higher yield offered by strips reflects their greater price volatility. Like conventional bonds, the price of a strip is inversely related to its yield. Thus, when prevailing interest rates rise, strip prices fall, and vice versa. However, the rise or fall of strip prices is typically more extreme than with conventional bonds of the same issuer, term and credit rating. The primary reason for this greater volatility is that no interest is paid in respect of a strip bond prior to its maturity.

• Unlike conventional bonds that trade in $1,000 increments, strips may be purchased in $1 multiples above the minimum investment amount, thereby enabling a holder to purchase a strip for any desired face value amount above the minimum investment amount.

• Strips are less liquid than conventional bonds of the same issuer, term and credit rating: there may not be a secondary market for certain strips and strip bond packages, and there is no requirement or obligation for investment dealers or financial institutions to maintain a secondary market for strips sold by or through them; as a result, purchasers should generally be prepared to hold a strip to maturity, since they may be unable to sell it—or only able to sell it at a significant loss—prior to maturity.

3. DEALER MARK-UPS AND COMMISSIONS

When purchasing or selling a strip bond or a strip bond package, the prospective purchaser or seller should inquire about applicable commissions (mark-ups or mark-downs) when executing the trade through an investment dealer or financial institution, since such commissions will reduce the effective yield (if buying) or the net proceeds (if selling). Investment dealers must make reasonable efforts to ensure the aggregate price, inclusive of any mark-up or mark-down, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between $0.25 and $1.50 per $100 of maturity amount of the strip, with commissions typically at the higher end of this range for small transaction amounts, reflecting the higher relative costs associated with processing small trades.

The table below illustrates the after-commission yield to a strip holder with different terms to maturity and assuming a before-commission yield of 5.5%. All of the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year and a commission of $0.25 per $100 of maturity amount has an after-commission yield of 5.229%. The before-commission cost of this particular strip bond will be $94.72 per $100 of maturity amount while the after-commission cost will be $94.97 per $100 of maturity amount. In contrast, a strip bond with a term to maturity of 25 years and a commission of $1.50 per $100 of maturity amount has an after-commission yield of 5.267%. The before-commission cost of this particular strip bond will be $25.76 per $100 of maturity amount while the after-commission cost will be $27.26 per $100 of maturity amount.²
The purchase price of a strip bond may be calculated as follows:

\[
\text{Purchase Price} = \frac{\text{Maturity (Par) Value}}{1 + \frac{y}{2}}^n
\]

where “y” is the applicable yield (before or after commission) and “n” is the number of years until maturity. For example, the purchase price (per $100 of maturity value) for a strip bond that has a yield of 5.5% and 25 years until maturity is: $100/(1+0.0275)^{50} = $25.76.

Prospective purchasers or sellers of strips should ask their investment dealer or financial institution about the bid and ask prices for strips and may wish to compare the yield to maturity of the strip, calculated after giving effect to any applicable mark-up or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

4. SECONDARY MARKET AND LIQUIDITY

Strips may be purchased or sold through investment dealers and financial institutions on the “over-the-counter” market rather than on an exchange. Where there is an active secondary market, a strip may be sold by a holder prior to maturity at the prevailing market price in order to realize a capital gain or to access funds. However, liquidity may be limited for certain strip bonds and strip bond packages, and, as noted above, investment dealers and financial institutions are not obligated to maintain a secondary market for strips sold by or through them. As a result, there can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time, and investors should generally be prepared to hold strips to maturity or run the risk of taking a loss.

5. OTHER RISK CONSIDERATIONS

Potential purchasers of strips should conduct their own research into the term, yield, payment obligations and particular features of a strip prior to purchase. While not an exhaustive list, you may wish to consider some of the following potential risks:

<table>
<thead>
<tr>
<th>COMMISSION OR DEALER MARK-UP AMOUNT (PER $100 OF MATURITY AMOUNT)</th>
<th>TERM TO MATURITY IN YEARS AND YIELD AFTER COMMISSION OR DEALER MARK-UP (ASSUMING A YIELD BEFORE COMMISSION OF 5.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.25</td>
<td>1 2 5 10 15 25</td>
</tr>
<tr>
<td>$0.75</td>
<td>5.229% 5.357% 5.433% 5.456% 5.462% 5.460%</td>
</tr>
<tr>
<td>$1.50</td>
<td>4.691% 5.073% 5.299% 5.368% 5.385% 5.382%</td>
</tr>
</tbody>
</table>

Credit risk of the issuer

Strips represent a direct payment obligation of the government or corporate issuer, thus any change to an issuer's credit rating or perceived credit worthiness may affect the market price of a strip, and the impact may be more severe than the impact on conventional bonds of the same issuer.

Interest rate risk

If interest rates rise, the market value of a strip will go down, and this drop in market value will typically be more severe than the drop in market value for the corresponding conventional bond from the same issuer for the same term and yield. If interest rates rise above the yield of the strip at the time of purchase, the market value of the strip may fall below the original price of the strip.

Market and liquidity risk

Strips are not immune to market or liquidity risks and may have specific terms and conditions that apply in the event of a market disruption or liquidity event. If liquidity is low, it may be difficult to sell a strip prior to maturity and there may be large spreads between the bid and ask prices. There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time.

Currency risk

Strips may pay out in a currency other than Canadian dollars. Currency fluctuations may enhance, nullify or exacerbate your investment gains or losses.
**Component risk**

You should ensure that you understand and are comfortable with the underlying components, terms, risks and features of a strip bond or strip bond package prior to purchase. For example, strips may be derived from asset-backed securities or callable or retractable bonds, and may have features such as inflation indexation or structured payments.

**Price volatility**

Strips are generally subject to greater price volatility than conventional bonds of the same issuer, term and credit rating, and will typically be subject to greater price fluctuations in response to changes to interest rates, credit ratings and liquidity and market events. The table below shows the impact that prevailing interest rates can have on the price of a strip. For example, as indicated in the table below, an increase in interest rates from 6% to 7% will cause the price of a 5-year strip bond with a maturity value of $100 to fall by 4.73%—a larger percentage drop than for a $100 5-year traditional bond, whose price would fall only 4.16%, assuming the same increase in interest rates.

<table>
<thead>
<tr>
<th>BOND TYPE</th>
<th>MARKET PRICE</th>
<th>MARKET YIELD</th>
<th>PRICE WITH RATE DROP TO 5%</th>
<th>PRICEchange</th>
<th>PRICE WITH RATE INCREASE TO 7%</th>
<th>PRICEchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% 5 Year Bond</td>
<td>$100.00</td>
<td>6.00%</td>
<td>$104.38</td>
<td>+4.38%</td>
<td>$95.84</td>
<td>-4.16%</td>
</tr>
<tr>
<td>5 Year Strip Bond</td>
<td>$74.41</td>
<td>6.00%</td>
<td>$78.12</td>
<td>+4.99%</td>
<td>$70.89</td>
<td>-4.73%</td>
</tr>
<tr>
<td>6% 20 Year Bond</td>
<td>$100.00</td>
<td>6.00%</td>
<td>$112.55</td>
<td>+12.55%</td>
<td>$89.32</td>
<td>-10.68%</td>
</tr>
<tr>
<td>20 Year Strip Bond</td>
<td>$30.66</td>
<td>6.00%</td>
<td>$37.24</td>
<td>+21.49%</td>
<td>$25.26</td>
<td>-17.61%</td>
</tr>
</tbody>
</table>

6. **CUSTODIAL ARRANGEMENTS**

Due to the high risk of forgery, money laundering and similar illegal activities—and the costs associated with such risks—with physical strips and bearer instruments, most investment dealers and financial institutions will only trade or accept transfer of book-based strips. CDS Clearing and Depository Services Inc. (“CDS”) provides strip bond services, including book-based custodial services for strips and underlying bonds. Custodian banks or trust companies may also create and take custody of strips that are receipt securities, and may permit holders to obtain a registered certificate or take physical delivery of the underlying coupon(s) or residue(s). However, if the holder decides to take physical delivery, he or she should be aware of the risks, including the risk of lost ownership, associated with holding a bearer security which cannot be replaced. In addition, the holder should be aware that the secondary market for physical strips may be more limited than for book-based strips due to the risks involved. Investors in strip components held by and at CDS are not entitled to a physical certificate if the strips are Book Entry Only.

7. **CANADIAN INCOME TAX SUMMARY**

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should refer questions to the Canada Revenue Agency [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca/) or consult their own tax advisors for advice relating to their particular circumstances.

The following is only a general summary regarding the taxation of strip bonds and strip bond packages under the *Income Tax Act* (Canada) (the Tax Act) and the regulations thereunder for purchasers who are residents of Canada and hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The following does not constitute legal advice.

**Qualified investments**

Strip bonds and strip bond packages that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are “qualified investments” under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs), deferred profit sharing plans, registered disability savings plans.
and tax-free savings accounts (“Registered Plans”). Depending on the circumstances, strip bonds issued by corporations may also be “qualified investments” for Registered Plans.

**Annual taxation of strip bonds**

The Canada Revenue Agency takes the position that strip bonds are a “prescribed debt obligation” within the meaning of the Tax Act. Consequently, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding no interest was paid or received in the year. Strips may therefore be more attractive when purchased and held in non-taxable accounts, such as self-directed Registered Plans, pension funds and charities.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using the interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the underlying bond. For example, if a strip bond is purchased on February 1st of a year and the anniversary date of the issuance of the underlying bond is June 30th, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1st of that year to June 30th of the subsequent year (provided that the strip bond is still held on June 30th of the subsequent year).

In some circumstances the anniversary date of the issuance of the underlying bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

**Disposition of strip bonds prior to maturity**

A purchaser who disposes of a strip bond prior to, or at, maturity, is required to include in the purchaser’s income for the year of disposition, notional interest accrued to the date of disposition that was not previously included in the purchaser’s income as interest. If the amount received on a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss.

**Strip bond packages**

For tax purposes, a strip bond package is considered a series of separate strip bonds with the income tax consequences as described above applicable to each such component of the strip package. Thus a purchaser of a strip bond package will normally be required to make a calculation in respect of each component of the strip bond package and then aggregate such amounts to determine the notional interest accrued on the strip bond package. As an alternative, in cases where the strip bond package is issued at or near par and is kept intact, the Canada Revenue Agency will accept tax reporting that is consistent with reporting for ordinary bonds (i.e., reported on a T5 tax slip as accrued interest where it is matched by cash flow), including no obligation to report premium or discount amortization where the strip bond package is subsequently traded on the secondary market.
1. **RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS**

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

2. **FUTURES**

**Effect of “leverage” or “gearing”**

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

**Risk-reducing orders or strategies**

The placing of certain orders (e.g. “stop-loss” order, where permitted under local law, or “stop-limit” orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simple “long” or “short” positions.

3. **OPTIONS**

**Variable degree of risk**

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a future position with associated liabilities for margin (see the adjacent section on Futures). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable is usually remote.

Selling an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount.

The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the adjacent section on Futures). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

4. ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS

Terms and conditions of contracts
You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a future contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Suspension or restriction of trading and pricing relationships
Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

Deposited cash and property
You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

Commission and other charges
Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

Transactions in other jurisdictions
Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade, you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

Currency risk
The profit or loss in transactions in foreign currency denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
Trading facilities
Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

Electronic trading
Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system, including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Your ability to recover certain losses which are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of your total loss.

Off-exchange transactions
In some jurisdictions, and then only in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules.
Off-book borrowing for investment purposes

In this Information Statement, the term “off-book borrowing for investment purposes” is a strategy that enables you to borrow money from third parties, i.e. another entity than Desjardins Online Brokerage, to make investments with the objective of enhancing your investment returns.

This leverage strategy carries a high degree of risk. Whether the investment makes money or not, you must still pay back the money plus interest. The possibility that interest rates may increase or the possibility that the market may decline should be considered as you may see your debt rise and suffer greater losses.

Risks associated with such a strategy

You should be aware that:

• using money borrowed from others to purchase investments involves greater risk than a purchase using your own money;
• you have a continuing obligation to repay principal and interest even if the value of the investment goes down; and
• use of a borrowing-to-invest strategy could result in far greater losses than an investment strategy that does not involve the use of borrowed money.
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