



Relationship Disclosure Document and Agreements

ONLINE BROKERAGE



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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 securities brokerage, online brokerage, corporate financing, research, institutional sales and fixed income securities.

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

CIRO 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 Québec and the Ontario Securities Commission).

For more information on the regulation of investment dealers, visit the CIRO website at ciro.ca. You can also ask a Desjardins Online Brokerage representative for the brochure "[How CIRO protects investors.](#)"

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 to the CIPF brochure included in the welcoming kit sent to you at the moment of your account opening or at 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.

Unless otherwise mentioned, the masculine form is used throughout the document to make the text easier to read.

1. OUR RELATIONSHIP



Description of Products and Services

Order execution account

An order execution account is an account for which you are entirely responsible of your investment decisions. You execute your transactions, either through one of our online trading platforms or by speaking to one of our representatives. You do not receive any advice or recommendation from Desjardins Online Brokerage representatives. The suitability of your investments will not be evaluated, neither when the account is opened, nor when orders are accepted. In other words, we do not validate the appropriateness of your orders with regard to your personal or financial situation, your investment needs and objectives, your investment knowledge, your risk profile and your investment time horizon. Please consult the "General Account Agreement" for the terms and conditions governing Desjardins Online Brokerage accounts.

There are several ways to open a Desjardins Online Brokerage account:

Online

Complete an Account Application Form online at disnat.com.

At a caisse Desjardins

Caisse Desjardins employees can provide you with the Desjardins Online Brokerage Account Application Form. Caisse Desjardins employees cannot give advice, make investment recommendations, accept transaction orders or access a Desjardins Online Brokerage account. As a Desjardins Online Brokerage client, you are doing business with a separate entity from your caisse Desjardins. If you have any questions on how to open your account, caisse Desjardins employees must direct you to Desjardins Online Brokerage customer service.

Description of account types

Cash account

Brokerage account that enables you to buy or sell securities. Each transaction must be paid in full at the time of placing the order, unless there is an applicable exception.

A registered account is a brokerage account opened as part of one of the programs provided in Canada's *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 Desjardins Online Brokerage, which 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. Purchasing calls and puts
2. Sale of covered options
3. Spread trading
4. Sale of uncovered options

Please consult the "Options Account Agreement" for more details.

Short margin 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.

Disclosures

"Leverage" or "Gearing"

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.

Options Trading

Options trading carries a high degree of risk. Buyers and sellers of options should familiarize themselves with the type of option (i.e. put or call) they intend to trade and the associated risks. For more information, refer to the *Derivatives Risk Disclosure Statement* section of this document.

What We Do for You

- Desjardins Online Brokerage representatives must act with loyalty and integrity, and must be honest and fair in all dealings with you.
- Desjardins Online Brokerage complies with provincial and territorial securities legislation where 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.

What We Expect of You

As a client of Desjardins Online Brokerage, it is your responsibility to:

- Make your own investment decisions and choose your portfolio allocation;
- Understand the tax implications of your investment decisions;
- Examine carefully and without delay the content of this document, including [CIRI's How to Make A Complaint](#) brochure as well as the risks specific to certain markets, products or investment strategies. These risks are described in more detail in the *Notices* section of this document;
- Examine carefully and without delay all documents provided to you by Desjardins Online Brokerage regarding the functioning of your account, investment transactions and the assets in your account. This documentation includes all the information that Desjardins Online Brokerage keeps for your account, information on conflicts of interest and descriptions of all transaction costs, service charges and expenses related to your account, trade confirmations or portfolio statements;
- Make sure the information on your Account Application Form is accurate and update it if necessary by contacting Desjardins Online Brokerage;
- Inform Desjardins Online Brokerage without delay of any erroneous trade confirmation 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 ensuring the safety of your information are our priority. Please follow these recommendations to reinforce our existing security measures and protect your account from potential fraud.

Password

- 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 that 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 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.

Fraudulent emails (phishing) and identity theft

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 disnat.com. This type of email is fraudulent.

Please forward any such email to the following address to inform Desjardins of any fraudulent attempts: protection@desjardins.com.

Learn more about the tactics used by scammers to steal your personal and confidential information by visiting the following pages on the Desjardins website: [Phishing](#) and [What is Identity Theft?](#)

Pricing

Commissions

A commission is an amount you pay when you purchase or sell certain securities that is based on the value and the terms and conditions of the transactions. The commission is then added to the purchase cost or deducted from the sale proceeds. It is indicated on the trade confirmation you will receive after the transaction is performed and will be invoiced in the account's currency.

Shares, exchange traded funds (ETFs) and options

Transactions to buy and sell shares and ETF securities made online are not charged commission subject to certain conditions.

A commission applies to phone transactions when buying or selling shares or ETF securities.

A commission applies to phone and online transactions on each option contract.

Investment funds

Desjardins Online Brokerage offers securities in a wide variety of investment funds (also known as investment companies or mutual funds). Commissions may, however, apply to certain funds.

All investment funds, including ETFs, pay management fees to their respective manager as compensation and for the provision of other services to the fund. Funds also pay operating costs, which, when combined with the management fees paid, represent the fund's management expense ratio (MER). The MER indicates, as a percentage of the total assets under management, how much managing and distributing

the fund costs. These fees are described in the prospectus and the Fund Facts of each fund. When you invest in funds, you do not pay these fees directly. However, they have an impact on you because they directly lower the returns of the fund. We encourage you to read the Fund Facts of each fund in which you plan on investing for more details about these fees.

Certain funds pay trailing commissions — which are included in the management fees — each year to the registered firms selling their securities. As of June 1, 2022, Canadian securities legislation prohibits the payment of trailing commissions to investment dealers as part of their discount brokerage activities, such as Desjardins Online Brokerage. However, funds charging trailing commissions may be transferred to a Desjardins Online Brokerage account. In that event, if Desjardins Online Brokerage is unable to swap those units or shares for others from an identical or similar class or series without trailing commissions in the same investment fund, Desjardins Online Brokerage will pay the trailing commissions it receives from the fund in question to your account.

Since June 1, 2022, investment funds are also prohibited from charging redemption fees (or deferred sales charges). Desjardins Online Brokerage does not offer such funds. However, you may hold units or shares of a fund charging redemption fees that you may have purchased prior to this date. In this case, you will most likely not notice any change to these investments because the redemption fee schedule for your deferred sales charge holdings can run its course. If you hold your investment in such fund until the end of the redemption fee schedule, you will not pay a fee when you sell your units or shares. However, deferred sales charges may be applied against securities sold before the end of the redemption fee schedule.

Fixed-income securities

Commissions are applied to online or phone transactions on fixed-income securities, including, bonds, strip bonds, debentures, Treasuries, guaranteed investment certificates (GICs) and other money market securities. The minimum purchase amount and the associated commission vary depending on the security and how the transaction is carried out (online or by phone).

The commission is included in the purchase or sale price. Therefore, the price is revised upwards on a purchase or downwards on a sale (as applicable). The commission will be disclosed to you when the transaction is executed. A minimum commission per transaction may apply.

Other commissions and fees

- When Desjardins Securities acts as an underwriter or agent to qualify securities, compensation is also paid by the issuer to Desjardins Securities.
- In any transfer or transaction requiring currency conversion, Desjardins Securities may earn, in addition to brokerage fees, income from the conversion. In such a transfer or transaction, Desjardins Securities acts as principal. The conversion rate used for a transfer or transaction is based on the net amount of the transfer or transaction. Desjardins Securities uses a market-competitive conversion rate based on the currency's bid and ask prices that includes a "currency conversion" portion and an "income" portion (the income margin can vary between 0.15% and 1.90%, depending on the value of the conversion). The applicable rate corresponds to the prevailing rate when the transfer request is processed by Desjardins Online Brokerage or

when the transaction is carried out. The rate may be modified at any time throughout a day due to foreign exchange market fluctuations. Current conversion rates and the income margin on conversion can be found in the *Currency Exchange* section of the *Trading* menu under Help on the secure Disnat platform, or in the *Conversion* tab of the *Fund Transfer* menu on the mobile app.

The majority of Desjardins Online Brokerage accounts are available in Canadian and U.S. dollars. You will not pay conversion fees when trading U.S. securities exclusively in a U.S. dollar account.

- Desjardins Securities must pay fees for executing its clients' orders in Canadian and U.S. markets. However, certain U.S. intermediaries may pay Desjardins Securities with cash rebates. These rebates differ depending on the market and the security and are often determined based on the total volume of orders sent, the liquidity created by the orders or the type of party responsible for the order (a retail client or an institutional client). These rebates may vary between five thousandths of a cent (\$0.00005) and sixty-five hundredths of a cent (\$0.0065) per security listed in the United States. For a security listed in Canada, taking into account inverted market credits, the rebate can reach up to twenty-seven hundredths of a cent (\$0.0027). The fees paid or rebates received are not invoiced directly or returned to clients. Desjardins Securities may take the execution cost (fees to be paid by Desjardins Securities and potential rebates) into consideration when determining the routing procedure. When such situations lead to significant conflicts of interest, Desjardins

Securities will take action to identify and handle these situations in the best of the clients' interest.

- Fees may be charged in relation with the use of your accounts. These include administration fees, streaming data fees, transfer fees, electronic funds transfer fees, inactivity fees and interest fees.

Impact of commissions and fees on returns

The commissions and fees described in this *Pricing* section proportionally reduce your investment returns. Over time, this impact increases due to compounding.

Fee schedule

All commissions and fees are presented in the fee schedule included in the welcome email sent by Desjardins Online Brokerage when you open your account. You can consult the schedule at any time online by clicking on the following link: [Pricing](#). Pricing may be modified with at least 60-day notice. Any unusual transactions (on securities, etc.) not specified in this fee schedule may result in additional fees.

Report on fees and other forms of compensation

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 and advice you received during the year.

Information Regarding Activities in Your Accounts

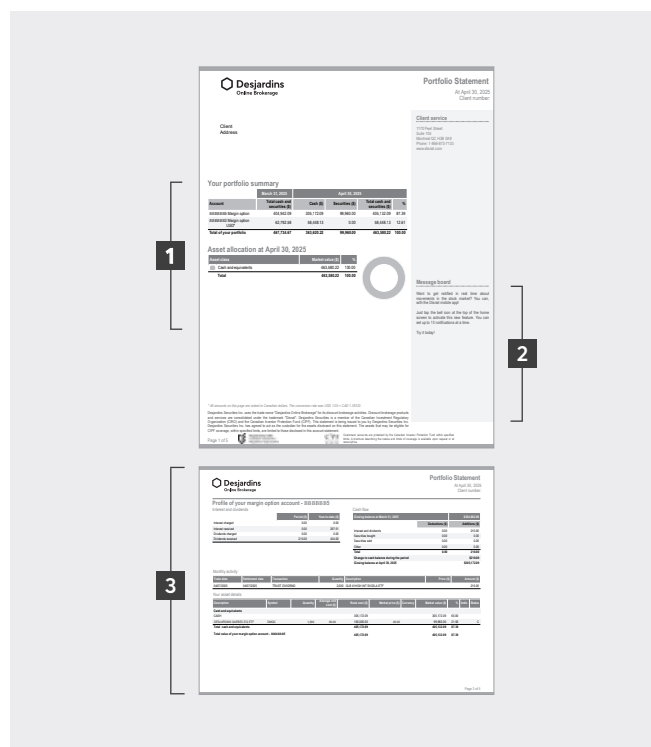
We commit ourselves to provide you regularly with complete and transparent information.

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 *Your asset details* section shows all the positions you hold: quantity, average unit cost, current unit price and market value (including accrued interest).

GREEN statements

Desjardins Online Brokerage is proudly committed to sustainable development and protecting the environment. It offers a simple and modern way to receive all notices, communications and documents related your account ("documents") electronically, including statements, trade confirmations and tax slips.

In certain situations, Desjardins Online Brokerage may send you a paper copy of any document at no charge, either in addition to or as a replacement for the electronic version.

If you no longer wish to receive documents electronically and would prefer paper copies, please notify Desjardins Online Brokerage customer service at the phone number or address indicated on your account statement. You can also contact us at the following email address: infodisnat@desjardins.com.

2. Your trade confirmation

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

The trade 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 trade 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.

In the case of fixed-income securities, in addition to the above-mentioned information, you will be provided with:

- 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 over the past 12 months, 3 years, 5 years, 10 years 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 Composite Index for Canadian stocks, the FTSE Canada Universe Bond Index for Canadian bonds and the S&P 500 Index 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.

5. Best order execution

Desjardins Securities has a duty to establish, maintain and enforce policies and procedures reasonably designed to achieve best execution when acting on a client's behalf. Desjardins Securities has implemented a series of measures to ensure best execution of client orders. These measures are outlined in the Best Execution of Client Orders and Transactions Policy, which is available at disnat.com/en/legal-notes.

2. YOUR PROTECTION



Confidentiality Policy

At Desjardins Securities, we know how much the security and confidentiality of your personal information matters.

That's why we follow the Desjardins Group Privacy Policy, which all Desjardins components have implemented, to ensure that any personal information collected, used or transmitted in the course of our business relationship with you is protected.

You can read the Policy here: desjardins.com/ca/privacy/privacy-policy.

If you have any questions, concerns or complaints about the protection or confidentiality of your personal information or our privacy practices, you can contact the Desjardins Group Privacy Office at any time.

By mail:

Office of the Chief Privacy Officer
100 rue des Commandeurs
Lévis, Québec G6V 7N5
LEV-100-6°

By email:

cpo@desjardins.com

Please be aware that we cannot guarantee the security of any personal information you send us by email.

If you wish to use one of the above means of transmission, please mention your name and address, the nature of your request, the name of the service or person with whom you have been in contact, as well as any other relevant information.

Handling of Complaints

At Desjardins Securities, we are committed to handling your complaints fairly and equitably in collaboration with the Desjardins Group Complaint Handling Team (the "Complaints Team").

If you are not satisfied with the service you received

If you are not satisfied with the service you received (for example, administrative problems, representative availability or professionalism, response or follow-up delays, fees charged in error or platform functionality), please do not hesitate to contact Desjardins Online Brokerage customer service at **1-866-873-7103**.

If you are still unsatisfied or if your issue is not resolved within 20 days, your file will be automatically forwarded to the Complaints Team.

If you believe misconduct occurred

If your complaint concerns misconduct or a breach of legal or regulatory obligations, you may submit it directly to the Complaints Team.

This includes allegations of false or misleading information, unauthorized or unexecuted transactions, breaches of confidentiality with respect to your personal information, conflicts of interest or prohibited activities carried out by a representative outside of Desjardins Securities.

How to submit a complaint

Complaints may be submitted as follows:

By mail:

Complaint Handling Team
100 Rue des Commandeurs
Lévis, Québec G6V 7N5

By fax:

418-835-2551 or 1-877-833-5985 (toll-free)

By email:

complaints@desjardins.com

If you do not wish to submit a written complaint, you may ask a Desjardins Online Brokerage customer service representative to submit one to the Complaints Team on your behalf, or you can contact the Complaints Team directly at 1-866-556-7212 (toll-free).

After submitting your complaint

Once your complaint is received, it will be handled through a rigorous process that includes the following steps:

- Acknowledgement of receipt will be sent to you within 5 business days of receiving your complaint.
- An advisor assigned to your file will contact you. Their contact information is available on the acknowledgement of receipt.
- A detailed response will be sent to you within a maximum of 60 days. It will include:
 - a summary of your complaint
 - the results of the investigation
 - the final decision with an explanation
 - options available to you if you are unsatisfied with the response given

If additional time is needed, you will be informed in writing of the reasons for the delay and the expected date of the final response. This additional period cannot exceed 30 days. If you reside in Québec, you may then request a review of your complaint file by the Autorité des marchés financiers (AMF).

If you still have not received a response from us within 90 days following your complaint or if you are not satisfied by the response received, you may also file a complaint with the Ombudsman for Banking Services and Investments (OBSI):

1-888-451-4519
ombudsman@obsi.ca

Available Recourse

If you are not satisfied with the Complaints Team's final response, several options are available to you. These are detailed in CIRO's [How to Make A Complaint](#) brochure, which is provided when you open your account, along with your acknowledgment of receipt and the final response.

You may contact:

- CIRO (Canadian Investment Regulatory Organization)
- OBSI (Ombudsman for Banking Services and Investments)
- AMF Mediation and Conciliation Service (for Québec residents)

You have two additional options: arbitration or legal action.

A summary of the complaint handling policy is available online at

desjardins.com/ca/contact-us/comments-dissatisfactions-complaints/index.jsp.

Trusted Contact Person

If you have provided your written consent for Desjardins Securities to contact your trusted contact person, we will communicate with them only in the following situations:

- In the event of concerns over your potential financial exploitation.
- In the event of concerns over your capacity to understand major financial issues about your situation or the important consequences of a financial decision you have to make.
- To get the contact information of one of your legal representatives.
- To get your contact information in the event that we could not reach you after many attempts.

Temporary Hold

A temporary hold on an account holds the purchase or sale of a security, or the withdrawal or transfer of cash or securities in an account.

Desjardins Securities or one of its representatives may put a temporary hold on an account in the following circumstances if it is reasonable to believe that:

- The client is vulnerable and is exploited financially; or
- With regard to an instruction given, the client does not have the mental capacity required to make an informed financial decision.

If a temporary hold is placed on your account, we will inform you verbally or in writing of the reasons for doing so.

If necessary, every 30 days, we will inform you verbally or in writing of the decision to maintain the temporary hold and the reasons for doing so.

3. GENERAL ACCOUNT AGREEMENT AND SPECIFIC AGREEMENTS



General Account Agreement

NOTICE: The term “Client” in the following agreement refers to the client who signed the Account Application Form, and the term “account” refers to the account(s) the Client holds with Desjardins Securities.

1. General terms and conditions

1.1. Applicability

The provisions of this agreement apply to all accounts the Client holds with Desjardins Securities, unless otherwise specified in another agreement between the Client and Desjardins Securities.

1.2. Contractual documents

The Relationship Disclosure Document and Agreements (the “Disclosure Document”), the terms of any Account Application Form, the General Account Agreement and any other agreement between the Client and Desjardins Securities concerning the account together constitute the terms of the contractual relationship between the Client and Desjardins Securities.

1.3. Legal capacity and identification

The Client is an adult and is legally competent to enter into this agreement.

1.4. Definitions

Significant Shareholder

Under CISO’s Universal Market Integrity Rules, a Significant Shareholder is a natural or legal person holding separately, or in combination with other persons, more than 20% of the outstanding voting securities of an issuer.

Declaration of Residence for Fiscal Purposes

According to Parts XVIII and XIX of the *Income Tax Act* of Canada, financial institutions must collect residence information for tax purposes in order to determine if 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 U.S. government if the person is a U.S. citizen.

Desjardins Group handles the personal information collected from the Client in a confidential manner. This information is collected and used strictly for the purposes of the *Income Tax Act* of Canada and may be shared between Desjardins Group entities.

The Client understands that Desjardins Securities, as a financial institution, is required to report to the CRA the necessary information 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 latter for the purposes of administering its tax laws. In Canada, the TIN is the social insurance number ("SIN") for a natural person, the business number or Québec enterprise number for a business ("BN" or "NEQ") and the trust number for a trust.

If the Client does not have a TIN, he or she has 90 days to request one. Once a TIN is assigned to the Client, the latter has 15 days to disclose it to his or her financial institution.

Citizen or resident of the United States

According to U.S. law, a citizen or resident of the United States for tax purposes is considered to be:

- Any citizen of the United States (including a U.S.-born person residing in Canada or another country who has not renounced his or her U.S. citizenship);
- Any U.S.-authorized resident (including a U.S. 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 in the United States. U.S. corporations, estates and trusts are also considered to be residents of the United States for tax purposes. If in doubt, the Client should contact his or her tax advisor.

More information about U.S. citizenship, residency and tax obligations can be found on the CRA or Internal Revenue Service websites.

Tax residence

In general, a person is a resident of a country for tax purposes if, under the laws of that country, they pay or are required to pay taxes 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 residency for tax purposes.

For more information on residency for tax purposes, the Client should consult his or her tax advisor.

Privileged information

In general, any information not yet known to the public that could influence a reasonable investor's decision to buy, sell or hold securities of a reporting issuer.

Insider

An issuer that has made a public offering by distributing its securities to the public is defined as a "reporting issuer." Canadian securities legislation requires that reporting insiders of a reporting issuer report transactions done in respect of any securities issued by said reporting issuer. Canadian securities legislation prohibits transactions initiated by an insider when in possession of insider information concerning the reporting issuer.

Under *Regulation 55-104 respecting Insider Reporting Requirements and Exemptions* ("Regulation 55-104"), a reporting insider is defined as being:

- a) the chief executive officer ("CEO"), chief financial officer ("CFO") or chief operating officer ("COO") of the reporting issuer, of a significant shareholder¹ of the reporting issuer or of a major subsidiary² of the reporting issuer;
- b) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- c) a person or company responsible for a principal business unit, division or function of the reporting issuer;
- d) a significant shareholder of the reporting issuer;
- e) a significant shareholder based on post-conversion beneficial ownership of the reporting issuer's securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
- f) 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;

- g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs a) to f);
- h) 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; or
- i) any other insider who:
 - i) in the ordinary course 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;
 - ii) 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.

1 A significant shareholder, under Regulation 55-104, means a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, 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 underwriter in the course of a distribution.

2 A major subsidiary, under Regulation 55-104, means a subsidiary of an issuer if:

- a) The assets of the subsidiary, as included in the issuer's most recent annual audited or interim balance sheet, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of financial position, are 30% or more of the consolidated assets of the issuer reported on that balance sheet or statement of financial position, as the case may be, or
- b) the revenue of the subsidiary, as included in the issuer's most recent annual audited or interim income statement, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of comprehensive income, is 30% or more of the consolidated revenue of the issuer reported on that statement.

Politically Exposed Person ("PEP") and Head of 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 financial or other resources.

IMPORTANT: If a Client's family member is a PEP or HIO, or if the Client is closely associated with a PEP or HIO, the Client must be treated as such (ex: if the Client's father is an HIO, the Client will be considered an HIO himself or herself).

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/mother/common-law partner's parent/mother-in-law/father-in-law or father/child of the mother or father of a person concerned (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 to 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

PEPs are divided between Politically Exposed Foreign Persons ("foreign PEP") and Politically Exposed Domestic Persons ("domestic PEP").

Politically Exposed Foreign Persons ("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 equivalent office holder
- Ambassador or attaché or counsellor of an ambassador
- Military officer with a rank of general or higher
- President 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 PEP regardless of their citizenship, resident status or place of birth. The foreign PEP status is permanent.

Politically Exposed Domestic Persons ("domestic PEP")

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 a rank of general or higher
- President of a corporation wholly owned by His Majesty in right of Canada or a province
- Head of a government agency
- Judge of 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 domestic PEP five years after they have left office or five years after they are deceased.

Head of an International Organization (HIO)

An HIO is a person who holds (or has held in the past five years) the position of:

- Head of an international organization established by the governments of states
- Head of an institution of an international organization
- Head of an international sports organization

In all cases, the HIO is the main person leading the international organization, institution or international sports organization, such as its president or director-general.

A person ceases to be an HIO five years after they are no longer the head of the organization or five years after they are deceased.

International Organization (IO)

Is an 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 an HIO or not. If an IO was created by an officially signed agreement between the governments of various states, the leader of that organization is an HIO. The existence of these organizations is lawfully recognized by their member countries but the organizations do not belong to any of the member countries. IOs include the United Nations, the International Labour Organization, the World Health Organization, the International Monetary Fund, the Commonwealth, the International Criminal Court and the Asian Development Bank.

2. Communication with the beneficial owners of securities of a reporting issuer

2.1. Communication of information regarding beneficial ownership

Securities laws allow a reporting issuer, as well as other persons and companies, 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.

2.2. 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.

2.3. 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 but that, if you do so consent, you may, at any time, revoke such consent by sending a written notice to 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 **ALL** 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 portfolio statement. You can also contact us by email at infodisnat@desjardins.com.

3. Terms applicable to all accounts

In consideration of Desjardins Securities agreeing, subject to the terms and conditions herein, to act as the Client's agent, the Client agrees to the following:

3.1. 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 also acknowledges that Desjardins Securities does not provide any warranty with respect to the quality or value of any securities.

3.2. Insider, significant shareholder and trading prohibition

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 an Insider or a Significant Shareholder as defined above and is not prohibited from trading the securities of any issuer. If the Client is or becomes an Insider or a Significant Shareholder or is prohibited from trading the securities of any issuer, the Client must expressly inform Desjardins Securities before completing any transaction in the account.

3.3. 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 CRO's rules. 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 Canadian securities laws and to all policies and decisions of all applicable regulatory authorities. The Client further recognizes that the provisions referred to in this section 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.

3.4. 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.

3.5. Registration, securities keeping and free credit balances

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, any distribution with respect to such securities and 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 balance held by Desjardins Securities in an account of the Client represent funds payable on request that, even if they are accounted for in a 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.

3.6. Trade confirmations and portfolio statements

The Client undertakes to examine carefully, upon receipt, all trade confirmations and portfolio statements sent by Desjardins Securities, and to notify Desjardins Securities, in writing, of any mistake, omission or objection to any such information included in these trade confirmations or portfolio statements, at the earliest possible occasion, but no later than ten (10) days following the date of such trade confirmations or within forty-five (45) days following the date of such portfolio statements, as the case may be, to the following address: Compliance Department, Desjardins Securities Inc., 1170 Peel Street, Suite 300, Montréal, Québec H3B 0A9, or to any other address that Desjardins Securities may make known to him (her). At the expiry of the above-mentioned delays, Desjardins Securities will deem that the Client has understood, confirmed and ratified all trades referred to in the trade confirmations and portfolio statements, as well as the accuracy and sufficiency of the information confirmed. The Client acknowledges that the market value of the securities indicated in these portfolio statements 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 conditions. 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 trade confirmation 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.

3.7. 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.

3.8. 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 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 securities in investment funds, bonds, or newly issued securities sold by Desjardins Securities as underwriter or agent. In addition, when Desjardins Securities has acted as principal in a trade, particularly with regard to fixed-income securities, it may receive compensation from the spread between buying and selling rates.

3.9. Taxes

The Client agrees to pay Desjardins Securities, in addition to any other amounts payable as set out herein, the goods and services tax and any applicable provincial sales tax.

3.10. Currency conversion

In any transfer or transaction requiring currency conversion, Desjardins Securities may earn, in addition to brokerage fees, income from the conversion. In

such a transfer or transaction, Desjardins Securities acts as principal. The conversion rate used for a transfer or transaction is based on the net amount of the transfer or transaction. Desjardins Securities uses a market-competitive conversion rate based on the currency's bid and ask prices that includes a "currency conversion" portion and an "income" portion (the income margin can vary between 0.15% and 1.90%, depending on the value of the conversion). The applicable rate corresponds to the prevailing rate when the transfer request is processed by Desjardins Online Brokerage or when the transaction is carried out. The rate may be modified at any time throughout a day due to foreign exchange market fluctuations.

3.11. 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.

3.12. Related or connected issuers

The Client authorizes Desjardins Securities to carry out transactions for the Client's account securities issued by issuers related to, or connected with, Desjardins Securities or belonging to the same group as Desjardins Securities, provided that such transactions are made according to market conditions. When Desjardins Securities executes transactions on securities of a related or connected issuer for the Client, the portfolio statements will indicate the related or connected status of the issuer. The Client acknowledges and agrees that the list of issuers related to, or connected with, Desjardins Securities is included in the Disclosure Document. This list will be updated regularly on the Desjardins Online Brokerage website. The Client undertakes to consult the Desjardins Online Brokerage website on a regular basis and to be aware of any update to the list of

issuers related to, or connected with, Desjardins Securities. In the absence of any objection by the Client within ten (10) days following the update of the list of related or connected issuers, the Client will be deemed to have consented to the modification of the list of issuers related to, or connected with Desjardins Securities.

3.13. 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 to Canadian dollars.

3.14. Control, pledge and moveable hypothec with delivery and security interest

- a) Control agreement (*Act respecting the transfer of securities and the establishment of security entitlements*)

The Client hereby consents to Desjardins Securities being the registered holder of all securities and security entitlements deposited by the Client with Desjardins 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 Québec)

All securities, security entitlements and all other securities and instruments, credit balances, monies held 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, 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 favour 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 and territories where Desjardins Securities transacts business, except Québec)

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 sales 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 favour of Desjardins Securities as security, pledge and collateral for the discharge of all present or future obligations of the Client pursuant to this agreement or any other agreement between the Client and Desjardins Securities.

- 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 or any other agreements between the Client and Desjardins Securities. Desjardins Securities may also, at its sole discretion, exercise any other rights provided by the law or by this agreement, without any notice to the Client or to any other person or without respect to 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 recourse in payment of any obligations of the Client; Desjardins Securities may make any choice with respect of such credits.

3.15. Responsibility and exceptional circumstances

Desjardins Securities shall not be liable with respect to any losses that the Client may incur in his (her) account, including losses resulting from his (her) securities transactions or with respect to any delay in the receipt or execution of any orders of transactions or to transfer securities or balances from an account of the Client to a third party, for any reason whatsoever, except in case of intentional fault, gross negligence or failure to comply with legal or regulatory obligations on the part of Desjardins Securities. 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, including 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 or any other independent circumstances or any acts of God.

3.16. Errors or omissions

Desjardins Securities shall not be held liable for errors or omissions affecting an order or its execution related to the purchase, sale, execution or expiry of any security or any connected matter, unless the error or omission was caused by negligence or bad faith on the part of Desjardins Securities or by a breach of its legal or regulatory obligations.

3.17. Securities professional

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

3.18. 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.

3.19. Amendment

Desjardins Securities may amend the terms of this agreement by providing the Client with 30-day written notice.

3.20. Termination

Subject to the provisions of any specific account agreements, the Client may terminate this agreement by providing written notice. Termination takes effect once Desjardins Securities receives this notice. Desjardins Securities may also terminate this agreement by providing the Client with written notice sent to the Client's address on file with Desjardins Securities. Such termination shall take effect within 30 days following the date on which the written notice is sent to the Client electronically or by mail.

3.21. Account activity

Desjardins Online Brokerage provides trading platforms to support financial independence and investing. The use of trading algorithms or software, or any use of the platforms for market manipulation, will result in account closure. Notwithstanding any other provision of this agreement, Desjardins Online Brokerage may, at its sole discretion and without prior notice, suspend or block your account or any related service, limit access to them or restrict, block or revoke

your right to use them if deemed necessary to protect Desjardins Online Brokerage or for any other valid reason. A trading restriction may be applied if account activity exceeds 1,000 transactions in one month.

3.22. Miscellaneous

All notices, documents and communications to the Client may be sent to his/her email or postal address provided in the Account Application Form signed by the Client or to any other address that the Client may provide to Desjardins Securities. All notices, documents and communications shall be deemed to have been received on the date they are sent electronically, on the third business day after mailing or on the date of delivery if delivered in person or by messenger.

Unless otherwise specified, any notices required under an agreement between the Client and Desjardins Securities must be sent by regular mail with postage paid to the following address:

Desjardins Securities Inc.
1170 Peel Street, Suite 300
Montréal (Québec) H3B 0A9

Any agreement between the Client and Desjardins Securities shall take effect to the benefit of Desjardins Securities and its successors or assigns, and of the Client and his (her) heirs, estate executors, succession administrators, legatees, liquidators or assigns, as the case may be, and it shall also be binding on them. The Client cannot assign this agreement and the rights and obligations resulting from it.

Any agreement between the Client and Desjardins Securities is governed by, and must be interpreted in compliance with, the laws of the Canadian province or territory where the Client resides.

Securities purchased through Desjardins Securities have the following characteristics: a) They are not insured in whole or in part by the Canada Deposit Insurance Corporation, the AMF (the body responsible for protecting eligible deposits with authorized

deposit institutions in Québec) or any other public deposit insurance fund; b) They are not guaranteed in whole or in part by Desjardins Securities, caisses Desjardins or other components of Desjardins Group; c) Their value may fluctuate. However, guaranteed investment certificates are deposits under the Trust and Loan Companies Act and comply with the provisions of the Canada Deposit Insurance Corporation Act. These deposits are eligible for insurance coverage through the Canada Deposit Insurance Corporation (CDIC).

The Client's accounts are covered, in case of insolvency of Desjardins Securities, by the Canadian Investor Protection Fund up to certain specific limits set by said Fund.

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 any other agreement between the Client and Desjardins Securities.

In any agreement between the Client and Desjardins Securities, and any other documents sent by Desjardins Securities to the Client, words in the singular include the plural, and words in the masculine include the feminine, and vice versa.

Margin Account Agreement

NOTICE: When used in this agreement, "Client" means the client who signed the "Account Application Form."

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

In consideration of the fact that Desjardins Securities is acting for the Client as a broker 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, from time to time and without notice to the Client, to lend all securities held by Desjardins Securities for the Client either to itself as broker or agent or to others; to use said securities to borrow money and to include these amongst guarantees granted for its general borrowings; to give and receive 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 any other market, purchase any securities which would be "short" in the account of the Client and sell any securities which Desjardins Securities holds for or on account of the Client and, moreover, Desjardins Securities may cancel any outstanding orders. The net proceeds of any operation, after commissions and fees, 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, unless it was the result of negligence entirely on the part of Desjardins Securities. 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 unfavourable 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 deliver, 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. If Desjardins Securities chooses not to borrow said securities, the Client shall reimburse to Desjardins Securities all losses, damages, costs or expenses suffered or incurred by Desjardins Securities as a result of the Client's 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. 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.
13. 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.
14. The Client acknowledges that his (her) financial situation and solvency are essential factors on which Desjardins Securities based its 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.

15. To comply with existing regulations 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.
16. 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.
17. The Client may terminate this agreement by providing written notice. Such termination shall take effect immediately upon receipt of said notice by Desjardins Securities. Desjardins Securities may terminate this agreement by sending a written notice to the Client at his/her address as shown in Desjardins Securities' files. Such termination shall take effect within 30 days following the date on which the written notice is sent to the Client electronically or by mail.
18. 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.

Options Account Agreement

NOTICE: When used in this agreement, "Client" means the client who signed the "Account Application Form."

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

In consideration of the fact that Desjardins Securities is acting for the Client as a broker or an agent for the purchase, sale or endorsement of puts 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 Derivatives Risk Disclosure Statement in Section 5 of the present Disclosure Document 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, at Desjardins Securities' discretion.
2. The Client understands the risks pertaining to trading in uncovered options contracts and hereby declares to have adequate financial resources to sustain any such transactions in which the Client participates.
3. It is agreed that any orders to trade securities given by the Client and through anyone else acting on the Client's behalf may be refused by Desjardins Securities at its 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 trade 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 its clients in order to permit Desjardins Securities to allocate exercise notices on a "first in, first out" basis. In cases of option assignments involving clients holding short positions on the same option contracts that were sold on that same day, and in cases where all the exercises of option assignments cannot be executed on the same day, the exercise notices will be allocated randomly.

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, unless it was the result of negligence entirely on the part of Desjardins Securities. 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 markets and exchanges 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 section.
6. The Client agrees that maximum limits may be set on short positions and trading restrictions may be set on the last day of trading prior to expiration. The Client also agrees that Desjardins Securities may set conditions to cash payments during the last 10 days prior to an option's expiration. 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 incurs 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, including legal and expert fees.

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. This agreement shall benefit your successors and assigns and shall be binding on the Client, his (her) heirs, liquidators, 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.
11. The Client acknowledges that a margin account is necessary to allow options 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.
12. 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

its 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.

13. The Client may terminate this agreement by providing written notice. Such termination shall take effect immediately upon receipt of said notice by Desjardins Securities. Desjardins Securities may terminate this agreement by sending a written notice to the Client at his/her address as shown in Desjardins Securities' files. Such termination shall take effect within 30 days following the date on which the written notice is sent to the Client electronically or by mail.
14. 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.

4. STATEMENT OF PRINCIPLES ON CONFLICTS OF INTEREST



Introduction

Desjardins Securities Inc. ("we," "our," "us," or "the firm") is an indirectly wholly owned subsidiary of the Fédération des caisses Desjardins du Québec (the "Fédération").

Desjardins Securities is an investment dealer registered in all provinces and territories of Canada.

Desjardins Securities carries out its securities brokerage activities under the trade names "Desjardins Wealth Management", "Desjardins Wealth Management Securities", and "Desjardins Wealth Management Private Wealth Management", depending on the network, and its online brokerage activities under the trade name "Desjardins Online Brokerage." Desjardins Securities' institutional brokerage activities are carried out under the trade name "Desjardins Capital Markets."

It is important to Desjardins Securities that its clients be informed of existing or potential material conflicts of interest that could arise in the course of its activities, including how these material conflicts of interest are addressed in the best interest of clients.

A conflict of interest arises when the interests of different persons, e.g., a client and 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 situation that involves a serious conflict of interest, presents too great a risk for its clients or may materially compromise market integrity. In any other material conflict of interest situation, Desjardins Securities ensures that appropriate measures are put in place to effectively control the conflict.

Generally, a conflict of interest is material if the conflict may be reasonably expected to influence either your

decisions as a client in the circumstances or Desjardins Securities's or its representatives' decisions in the circumstances.

Desjardins Securities, through this Statement of Principles on Conflicts of Interest (the "Statement of Principles"), informs you of the nature and scope of conflicts of interest that may have an impact on the services it offers you.

Conflict of Interest Situations

The main situations in which Desjardins Securities could be in a material conflict of interest, and the way in which Desjardins Securities intends to address such conflicts, are described below.

We will inform you in a timely manner should any additional material conflicts of interest be identified after account opening.

1. Related and connected issuers

As part of its business activities, Desjardins Securities may buy or sell securities of related and connected issuers on behalf of its clients, exercise its discretion to buy or sell such securities pursuant to discretionary management agreements, or make recommendations in respect of such securities, as the case may be.

Desjardins Securities may also, as part of its business activities, be called upon to act as an underwriter or 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.

We usually manage these conflicts of interest as follows:

- For advisory accounts, we advise you on the purchase or sale of securities of a related or connected issuer, and we will notify you of our

relationship with the issuer when giving you advice.

- For managed accounts, when we exercise discretionary authority to purchase or sell securities of a related or connected issuer on your account, disclosure will be made before we exercise our discretion, either through the delivery of this Statement of Principles or its posting on our website, disclosure in the account agreement governing your account or otherwise.
- When we buy or sell securities of a related or connected issuer on your account, we will disclose our relationship to the issuer in the trade confirmation and account statement.
- When we participate as an underwriter or a member of a selling group of securities of a related or connected issuer, we will disclose our relationship to the issuer in the prospectus or other document being used to qualify these securities.
- For advisory accounts, we ensure that the suitability of the securities held in your account is reviewed when we make a recommendation.

For a description of a related or connected issuer or to view a current list of our related and connected issuers, see the *Related and Connected Issuers Disclosure* section below.

2. Proprietary products

As part of its business activities, Desjardins Securities may buy or sell, on behalf of its clients and when applicable, products made by our affiliates ("proprietary products"), exercise its discretion to buy or sell such products pursuant to discretionary management agreements, or make recommendations in respect of such products.

These proprietary products include, but are not limited to, investment funds, guaranteed investment certificates, principal-protected notes and high-interest savings accounts offered by our affiliates.

Offering proprietary products generally gives rise to a conflict of interest that could affect the independence of a firm or of its representatives when assessing the suitability or quality of exclusive products.

We usually manage these conflicts of interest as follows:

- We implement a process to review and understand the products that takes into account various factors in assessing whether proprietary products should be included in the firm's product offering to clients.
- For advisory accounts, we ensure that the suitability of the securities held in your account is reviewed when we make a recommendation.
- We adopt compensation and incentive practices that do not encourage our representatives to favour proprietary products over other products.
- We disclose related and connected issuer relationships to clients. See also the *Related and Connected Issuers Disclosure* section above.

3. Relations between Desjardins Securities and other Desjardins Group entities

As part of its commercial activities, Desjardins Securities may enter into service agreements with affiliated partners who are members of the same financial group, Desjardins Group. These include the asset management service agreements that Desjardins Securities may enter into, as part of its discretionary management mandates and service offers, with Desjardins Global Asset Management Inc., Desjardins Capital Management Inc., Northwest & Ethical Investments LP, or other affiliated portfolio managers. Desjardins Securities will do so in accordance with applicable regulations and its obligations toward its clients by implementing a portfolio manager selection process and monitoring portfolio manager performance.

Shared premises with Desjardins Group entities

Desjardins Securities is a separate entity from the Fédération des caisses Desjardins du Québec, the Caisse Desjardins Ontario Credit Union Inc., as well as their member caisses. In some cases, the premises of these entities are located at the same address and in the same offices. Desjardins Securities representatives perform their duties solely on behalf of Desjardins Securities. In addition, unless Desjardins Securities informs the client otherwise, the securities bought through Desjardins Securities have the following features:

- a) They are not guaranteed by a government deposit insurer.
- b) They are not guaranteed by the caisses.
- c) Their value may fluctuate.

4. Relationship with other issuers

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

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

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

Desjardins Securities may buy or sell securities of an issuer on behalf of its clients, exercise its discretion 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.

These different, and often simultaneous, roles of Desjardins Securities could have an impact on its independence regarding these issuers. Desjardins Securities has therefore put in place the following

measures to effectively control the existing or potential conflicts of interest that may arise in the course of its commercial 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 and prevent our retail advisory employees from having access to any non-public information that may be available to our corporate finance businesses.
- The offering documents provide full disclosure of all relationships we may have with the issuer.
- When applicable, we notify you and obtain your consent before exercising our discretion on your account to invest in new or secondary issues underwritten by Desjardins Securities.
- 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.
- Desjardins Securities and employee trades are identified as such and client trades are given priority over firm and employee trades in accordance with industry "client priority" regulations.
- We will inform you whether we acted as principal or agent for each transaction on the trade confirmation.

5. Compensation and incentives

Desjardins Securities and its representatives may collect two types of compensation, direct and indirect. Direct compensation is paid by you and consists of brokerage commissions, management fees and account-related fees. 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 investment fund securities, bonds, principal-protected notes or newly issued securities sold by Desjardins Securities as underwriter or agent.

Except as part of online brokerage activities (order execution services), investment fund managers may pay ongoing trailing commissions to Desjardins Securities for the services and advice that we provide you. You are not directly charged the trailing commissions. However, these commissions affect you because they reduce the fund's return paid to you.

When Desjardins Securities acts as principal in a trade involving debt securities, it may receive an income resulting from the spread between the buying and selling prices.

In any transaction requiring currency conversion, Desjardins Securities may earn income from the conversion in addition to brokerage fees.

For more information on Desjardins Securities' forms of compensation, please see the *Pricing* section of this document.

Desjardins Securities representatives may also receive incentives (monetary or otherwise) for the achievement of individual or business unit objectives with regard to business development or income generated.

In general, compensation and incentives may have the effect of encouraging an investment dealer or its representatives to recommend a product or service that provides them with higher compensation.

We usually manage these conflicts of interest as follows:

- For advisory accounts, we ensure that the suitability of the securities held in your account is reviewed when we make a recommendation.

- Except for managed accounts, we inform you of all the fees payable related to a transaction before said transaction is executed.
- For fee-based advisory accounts and managed accounts, we disclose the fee rates to you in the account opening documents.
- We have implemented a comprehensive supervision program that is reasonably designed to detect, among other things, conflicts of interests between Desjardins Securities representatives and clients with regard to trading activities and inappropriate trading.
- You will also receive, for the period ending December 31 of each year, a report on the fees and other forms of compensation paid to Desjardins Securities for the services and advice you obtained during the year.

6. Referral arrangements

As part of its activities, Desjardins Securities may enter into referral arrangements with business partners, including with the business partner members of the same financial group, Desjardins Group.

The terms of our referral arrangement will be set out in writing and provided to you prior to the account opening, either through the delivery of this Statement of Principles or otherwise.

Such disclosures will allow you to make an informed decision with respect to the referral, when applicable, and assess any potential conflicts of interest.

We undertake periodic reviews of our referral arrangements in order to ensure that the referral fees received or given do not encourage practices incompatible with our obligations toward our clients.

For further details on Desjardins Securities referral arrangements, please see the *Referral arrangements disclosure* section below.

7. Conflicts related to the personal interests of Desjardins Securities representatives

Desjardins Securities representatives may find themselves in situations where their personal interests conflict with those of one or several clients of Desjardins Securities. This could occur in the following situations in particular:

- Desjardins Securities representatives may be offered or receive a gift or entertainment that could compromise or give the impression of compromising their independence.
- Desjardins Securities representatives could put themselves in a conflict of interest situation by carrying out personal financial dealings with clients or by exercising control over clients' financial affairs outside of their work at Desjardins Securities.
- Desjardins Securities representatives could put themselves in a conflict of interest situation by participating in an outside activity that could interfere with or enter into conflict with their duties.
- Our representatives could also put themselves in a conflict of interest situation by carrying out transactions in their personal account using confidential information about Desjardins Securities or its clients acquired in the performance of their duties.

Under Desjardins Securities' Code of Professional Conduct and Compliance Handbook, the interests of clients take precedence over those of Desjardins Securities and its representatives as a matter of basic principle.

Desjardins Securities' Code of Professional Conduct and Compliance Handbook set forth standards that guide the conduct of its representatives. These standards prohibit the following:

- Using confidential or privileged 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 made in the course of performing their duties.
- Accepting any other form of compensation than that paid by the firm without prior approval of the firm.
- 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 who are not members of their families.
- Carrying out transactions in their personal account that conflict with the interests of Desjardins Securities clients despite full knowledge of such fact.
- Engaging in any activity, 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 Desjardins Securities' clients.

Desjardins Securities representatives must disclose to the clients concerned any material 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, where appropriate.

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

The outside activities of our representatives must be approved by Desjardins Securities, which then assesses the presence or absence of a conflict of interest, potential risks and the appropriate control measures.

We monitor and review transactions in accounts of our representatives on a regular basis.

Desjardins Securities ensures that its practices with regard to representative compensation are not incompatible with its obligations toward its clients and do not encourage behaviour against clients' interests.

Related and Connected Issuers Disclosure

An issuer of securities is "related" to Desjardins Securities if, through the ownership of, or direction or control over, voting securities, Desjardins Securities exercises a controlling influence over that issuer, that issuer exercises a controlling influence over Desjardins Securities, or the same third party exercises

a controlling influence over both Desjardins Securities and the issuer.

An issuer distributing securities is a "connected issuer" to Desjardins Securities if the relationship between this issuer and Desjardins Securities, a related issuer of Desjardins Securities or the directors, officers or partners of Desjardins Securities or a related issuer of Desjardins Securities may lead a reasonable prospective purchaser of the securities of the connected issuer to question Desjardins Securities' independence from the issuer with respect to the distribution of the securities of this issuer.

The entities listed below may be considered issuers related or connected to Desjardins Securities.

Issuers	Issuer Description
Caisses Desjardins	Members of the Fédération and the Caisse Desjardins Ontario Credit Union Inc.
Capital régional et coopératif Desjardins Inc. ("CRCD")	Investment funds whose investment fund manager and portfolio manager is Desjardins Capital Management Inc., a wholly owned subsidiary of the Fédération. CRCD raises development capital through public offerings and allocates the funds to cooperatives and businesses. Desjardins Trust Inc. is the custodian of CRCD.
Fédération des caisses Desjardins du Québec (the "Fédération")	The Fédération is the cooperative entity responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group. It meets the financial needs of the caisses Desjardins and other components of Desjardins Group. In this regard, it is mandated with providing institutional funds to the Desjardins network and acting as financial agent, in particular by providing interbank exchange services, including the financial settlement of compensation.
Desjardins Trust Inc.	An indirectly wholly owned subsidiary of the Fédération, this company is a trust institution of Desjardins Group.
Desjardins Funds	<p>A family of investment funds for which the trustee and custodian is Desjardins Trust Inc., an indirectly wholly owned subsidiary of the Fédération.</p> <p>Desjardins Investments Inc. ("Desjardins Investments"), a wholly owned subsidiary of Desjardins Financial Security Life Assurance Company, which itself is an indirectly wholly owned subsidiary of the Fédération, is the investment fund manager and sponsor of Desjardins Funds.</p> <p>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.</p>
Trust Company DGAM Funds	A family of investment funds aimed at institutional clients, for which DGAM is the investment fund manager and portfolio manager. Trust Company DGAM Funds are not reporting issuers. Desjardins Trust Inc. is the trustee and custodian of Trust Company DGAM Funds.

Issuers	Issuer Description
Limited Partnership DGAM Funds	A family of private limited partnership funds for which a company wholly owned by DGAM is every fund's sole general partner. Limited Partnership DGAM Funds are not reporting issuers.
Desjardins ETFs	<p>A family of exchange-traded funds for which Desjardins Trust Inc., an indirectly wholly owned subsidiary of the Fédération, is the trustee.</p> <p>Desjardins Investments, a wholly owned subsidiary of Desjardins Financial Security Life Assurance Company, which itself is an indirectly wholly owned subsidiary of the Fédération, is the investment fund manager and sponsor of Desjardins ETFs as of February 1, 2024.</p> <p>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. Before February 1, 2024, DGAM was also the investment fund manager and sponsor of Desjardins ETFs.</p>
NEI Funds	A family of investment funds for which Northwest & Ethical Investments L.P. ("NEI Investments") is the trustee, investment fund manager and sponsor. NEI Investments also acts as portfolio manager for certain funds. NEI Investments is wholly owned by Aviso Wealth Inc., an entity whose sole shareholder is equally owned by Desjardins Financial Holding Inc. and a partnership made up of the five provincial credit union centrals and CUMIS Group. Desjardins Financial Holding Inc. is a wholly owned subsidiary of the Fédération. Desjardins Trust Inc. is the custodian of these funds.
DIM Private Funds	A family of investment funds aimed at private wealth management clients, for which DGAM is the investment fund manager and the portfolio manager is DGAM or an external manager. DIM Private Funds are not reporting issuers. Desjardins Trust Inc. is the trustee and custodian of DIM Private Funds.
Hexavest Funds	A family of private funds aimed at institutional clients, for which DGAM is the investment fund manager and portfolio manager. Hexavest Funds are not reporting issuers. RBC Investor Services is the trustee and custodian of Hexavest Funds.
Desjardins Capital PME S.E.C.	A limited partnership for which Desjardins Capital Management Inc, a wholly owned subsidiary of the Fédération, acts as general partner and whose objective is to raise private equity in cooperatives and small and medium enterprises.

Referral Arrangements Disclosure

In this section, "referral agreement" refers to an agreement whereby Desjardins Securities agrees to pay or receive a referral fee from another business partner. In the course of its activities, Desjardins Securities has entered into client referral arrangements with the following business partners:

- Member caisses Desjardins of the Fédération des caisses Desjardins du Québec;
- Caisse Desjardins Ontario Credit Union Inc.;
- Caisse populaire Alliance Limitée ("Caisse Alliance");
- Desjardins Financial Security Life Assurance Company ("DFS");
- Desjardins General Insurance Inc. ("DGI");
- Desjardins Financial Security Investments Inc. ("DFSI");
- Desjardins Securities Financial Services Inc. ("DSFS");
- Banque Transatlantique S.A. ("BT").

These business partners are members of the same financial group, Desjardins Group, except for BT, which is an outside business partner.

The above-mentioned caisses offer banking services.

DFS provides life and health insurance and DGI provides casualty insurance services.

DFSI is an indirectly wholly owned subsidiary of the Fédération. In Québec, DFSI operates under the business name "SFL Investments" and is registered with the AMF, particularly, as a mutual fund dealer, an exempt market dealer and a restricted dealer, and as a financial services firm for group and individual life and health insurance and financial planning.

DSFS is a wholly owned subsidiary of DFS. DSFS is registered with the AMF as a financial services firm for group and individual life and health insurance and financial planning.

BT is a wholly owned subsidiary of Groupe Crédit Mutuel CIC, which provides banking services primarily in the following sectors: private banking, international mobility assistance, employee stock ownership plan administration services and advisory. Depending on the client referral arrangements between Desjardins Securities and the above-mentioned entities, caisse Desjardins and BT staff may refer clients to Desjardins Securities, which will be able to provide them with any private wealth management services they offer.

The representatives of Desjardins Securities are authorized to refer clients to DFS and DGI for insurance products and to BT for banking services outside Canada.

1. Client referrals to Desjardins Securities by member caisses of the Fédération des caisses Desjardins du Québec and by the Caisse Desjardins Ontario Credit Union Inc.

As consideration for client referrals to Desjardins Securities' Securities Brokerage, Signature Service and Private Wealth Management networks, the member caisses Desjardins receive compensation equal to 15% of the gross commission and fee income generated annually by all the referred clients who are members.

2. Client referrals by Caisse Alliance

As consideration for client referrals to Desjardins Securities' Securities Brokerage network, Caisse Alliance receives compensation equal to 24% of the revenue generated, or of net fees under the Discretionary Management Service Program, amounting to \$1,500 or more for all referred members.

3. Client referrals to DFS by Desjardins Securities

As consideration for client referrals to DFS, Desjardins Securities receives, in the year following the signing of a new insurance contract, compensation equal to 27.5% of the insurance premium collected. No compensation will be paid on renewals.

4. Client referrals to DGI by Desjardins Securities

As consideration for client referrals to DGI, Desjardins Securities receives compensation of \$50 per referral in the case of individuals and \$300 per referral in the case of businesses.

5. Client referrals to Desjardins Securities by DFSI

As consideration for client referrals to Desjardins Securities, DFSI receives a 20% referral fee based on the revenues generated by the referred client in the

5 years following the date when the referred client opened a new retail brokerage services account with the Desjardins Securities Advisory Branch. After 5 years, no commission is due.

6. Client referrals to DSFS by Desjardins Securities

As consideration for client referrals to DSFS, Desjardins Securities receives, in the year following the signing of a new contract, as intermediary, a commission corresponding to 30% of DSFS's compensation. No other commission is paid under the agreement, even at policy renewal.

7. Client referrals to Desjardins Securities by BT

a) Securities Brokerage network:

As consideration for the referral of clients who engaged the services of Desjardins Securities for opening an account, BT receives, as a referral fee, the following fees (in percentage):

- 20% of the gross commissions generated by the account;
- 20% of the gross fees generated by the account.

b) Private Wealth Management network:

As consideration for the referral of clients who engaged the services of Desjardins Securities for the discretionary management of their portfolio, BT receives, as a referral fee, the following fees (in percentage):

- 50% of the gross fees generated by the client referred by BT or Crédit Mutuel-CIC;
- 30% of the gross fees generated by the client referred by a caisse Desjardins or any other Desjardins Group entity.

Fees will be paid to BT annually by Desjardins Securities and calculated from January 1 to December 31 of each year.

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 the account or the provision of services by the representative:

- 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 for 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, considering the nature of the referral, the activities that the registrant is not allowed 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.

Review

We will notify you of any significant changes to this Statement of Principles. An updated version of the Statement of Principles is available on our website at disnat.com/en/legal-notes.



5. NOTICES



How are your trade instructions executed on the stock market? What are the conditions that apply to strip bonds? How are they traded and taxed? What are the risks related to derivatives trading? What are the risks associated with using borrowed money to invest? These are the types of topics covered in this section.

Information on Multiple Marketplaces

Over the last few years, new exchanges and opaque markets 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 Stock Exchange exclusively. On opaque markets, blocks of shares are being anonymously traded within official markets. On those markets, important volumes of orders are executed and prices are never displayed before the transactions are executed by market participants. Desjardins Securities therefore prepared an informative document describing the changes applying to various types of trades.

Please note that the trade order execution process may be different for Desjardins Online Brokerage clients. We suggest you consult the user guides on disnat.com or contact a Desjardins Online Brokerage representative for additional information.

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 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 a 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.

Marketplaces

Securities listed on the Toronto Stock Exchange (TSX), the TSX Venture Exchange, the Canadian Securities Exchange (CSE) or the Aequis Neo Exchange may be traded on parallel markets.

"Best market"

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

Trade characteristics

Day Order

A Day Order is an order that is only valid during the market's trading 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 or can access for the purpose of best execution. The order will expire, if not filled in full, at market close.

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 it 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) representative on the expiry date should he (she) wish the order to be reinstated.

"All-or-None" Order

An "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 does not book to the marketplace unless it can be filled in full for its 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. It is not possible to place a Market Order after the opening of the markets. In an effort to avoid unusual market impacts, all market orders will be converted to limit orders with a reasonably higher 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 are 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 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.

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.

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 the 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 favourable 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 the 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.

Strip Bonds and Strip Bond Packages

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.

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.¹ 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.

¹ A bond-like strip bond package has payment characteristics resembling to 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.

Strips vs. 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 securities sold at a discount to face value and mature at par, similar to Treasuries. 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.
- 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 Treasuries, 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.

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 markup or markdown, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between \$0.25 to \$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

2 The purchase price of a strip bond may be calculated as follows:
Purchase Price = Maturity (Par) Value / (1+y/2)²ⁿ 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.

Commission or dealer markup amount (per \$100 of maturity amount)	Term to maturity in years and yield after commission or dealer mark-up (assuming a yield before commission of 5.5%)					
	1	2	5	10	15	25
\$0.25	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
\$0.75	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
\$1.50	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%

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 markup or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

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.**

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:

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 Risks

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.

Market Price Volatility

Bond Type	Market Price	Market Yield	Price with rate drop to 5%	Price change	Price with rate increase to 7%	Price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	-4.16%
5 Year Strip Bond	\$74.41	6.00%	\$78.12	+ 4.99%	\$70.89	-4.73%
6% 20 Year Bond	\$100.00	6.00%	\$112.55	+ 12.55%	\$89.32	-10.68%
20 Year Strip Bond	\$30.66	6.00%	\$37.24	+ 21.49%	\$25.26	-17.61%

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.

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.canada.ca/en/revenue-agency.html) 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") 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 that no interest will be 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 1 of a year and the anniversary date of the issuance of the underlying bond is June 30, 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 1 of that year to June 30 of the subsequent year (provided that the strip bond is still held on June 30 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.

Derivatives Risk Disclosure Statement

This risk disclosure statement does not disclose all of the risks and other significant considerations associated with trading in derivatives. In light of the variety of risks involved, you should undertake such transactions only if you understand the nature of the contracts, the contractual relationships into which you are entering and the extent of your exposure to risk.

Trading in derivatives is not suitable for everyone and often entails a high level of risk. Trading in derivatives should be made with caution and you should carefully consider whether such transactions are appropriate for you in light of your personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, and other relevant circumstances. You should consult with your own business, legal, tax and account advisers before engaging into such transactions.

You may lose more than the amount of funds deposited

A characteristic of many derivatives is that you are only required to deposit funds that correspond to a portion of your total potential obligations and yet your profits or losses are based on changes in the total value of the derivative. This inherent leverage characteristic means that losses incurred can greatly exceed the amount of funds deposited. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. Your dealer may require you to deposit additional funds on short notice to maintain your

position as the value of the derivative changes. If you fail to deposit these funds, your dealer may close out your position at a loss without warning and you will be liable for any resulting deficit in your account.

Using borrowed funds carries greater risk

Using borrowed funds to finance a derivatives transaction involves greater risk than using cash resources only. If you borrow money, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the derivative declines.

Deposited cash and property

You should familiarize yourself with the protections accorded to 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.

Commission and other charges

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

Fluctuations in price or value

The price and value of derivatives can be adversely affected by volatile market conditions and such occurrences may significantly increase your risk exposure. There are a variety of market factors and conditions which can directly or indirectly affect derivatives such as market demand and supply, interest rate, foreign currency exchange rate, indices, commodity prices, equity prices, investor perception and other political or economic factors. Since derivatives are linked to one or multiple underlying interests, the price or value of the derivatives may also be subject to considerable fluctuations due to the risks associated with the underlying interest. The level of sensitivity of an underlying interest with specific

market conditions can have wide implications on the value of derivatives linked to that underlying interest.

For example, when two or more factors are affecting one or more underlying interests of a derivative, its value may become unpredictable. A small movement in the price of one underlying interest can cause a sudden and large fluctuation in a derivative's value.

Hedging and risk management strategies

Hedging transactions may require constant monitoring. A failure to adjust your hedging transaction in light of changing market conditions may result in the position becoming either under-hedged or over-hedged and losses can ensue.

The placing of certain orders (e.g. "stop-loss" 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.

Listed derivatives

Under certain market conditions, you may find it difficult or impossible to liquidate or offset an existing position on a marketplace (e.g. buy-to-close or sell-to-close order). This can occur, for example, when the market reaches a daily price fluctuation limit ("daily price limit" or "circuit breakers").

You should ask your dealer about the terms and conditions of the specific derivatives which you are trading and associated obligations. Under certain circumstances the specifications of outstanding contracts may be modified by the marketplace or clearing house to reflect changes in the underlying interest.

Over-the-counter derivatives

Over-the-counter derivatives (OTC derivatives) trading is not done on a marketplace. Your dealer is your trading counterparty. When you sell, your dealer is the buyer and when you buy, your dealer is the seller. As a result, when you lose money trading, your dealer may be making money on such trades, in addition to any fees, commissions, or spreads it may charge.

An electronic trading platform for trading OTC derivatives such as contracts for difference and foreign exchange contracts is not a marketplace. It is an electronic connection for accessing your dealer. You are accessing that trading platform only to transact with your dealer. You are not trading with any other entities or clients of the dealer by accessing such platform. The availability and operation of any such platform, including the consequences of the unavailability of the trading platform for any reason, is governed only by the terms of your account agreement with the dealer.

You are limited to your dealer to offset or liquidate any trading positions since the transactions are not made on a marketplace. As such, it may be difficult or impossible to liquidate an existing position. The customized nature of certain OTC derivatives may also add to illiquidity.

The terms of OTC derivative contracts are generally not standardized, and the prices and characteristics are often individually negotiated with your dealer. A central source to obtain or compare prices may not exist. It may be difficult to assess the value, to determine a fair price or to assess the exposure to risk. You should ask your dealer about the terms and conditions of the OTC derivative contracts you are trading and understand the related rights and obligations.

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.





FOR FURTHER INFORMATION

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