

Short Form Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the issuer at 100 rue des Commandeurs, Lévis, Québec G6V 7N5 (telephone: (514) 281-7000) and are also available electronically on SEDAR at: www.sedar.com. See “Documents Incorporated by Reference”.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

March 16, 2023



FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

\$2,000,000,000

Medium Term Notes (Principal at Risk Notes)

The Fédération des caisses Desjardins du Québec (the “**Federation**” or “**we**”) may offer to the public from time to time, during the 25-month period that this short form base shelf prospectus, including any amendments (the “**Prospectus**”), remains valid, up to an aggregate principal amount of \$2,000,000,000, or the equivalent thereof in one or more non-Canadian currencies or currency units, of medium term debt securities (principal at risk notes) (the “**Notes**”) to be issued in one or more tranches of one or more series. Each Note may be subject to redemption at the option of the Federation, in whole or in part, prior to its stated maturity date, as specified in the applicable pricing supplement, and may also be redeemed upon the occurrence of certain special circumstances as provided herein. **The Notes will not constitute deposits that are insured under the *Deposit Institutions and Deposit Protection Act* (Québec) (the “**Deposit Institutions Act**”), the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.**

The specific variable terms of the Notes to be offered and sold hereunder will be set out in one or more prospectus supplements and/or pricing supplements (referred to collectively as “**pricing supplements**”) which will be delivered to purchasers together with this Prospectus in conjunction with the sale of the Notes. The Federation reserves the right to set forth in a pricing supplement specific variable terms that are not within the options and parameters set forth in this Prospectus. In compliance with applicable securities laws, the Federation will file with the securities regulators an undertaking that it will not distribute Notes that are considered novel specified derivatives within the meaning of the applicable securities laws without pre-clearing the disclosure contained in the pricing supplement pertaining to such securities with the regulators. A copy of this undertaking will be available from the corporate secretary of the Federation at the address indicated on the cover of this Prospectus and will also be available electronically at www.sedar.com. **Unless otherwise specified in the applicable pricing supplement, there is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. See “**Risk Factors**”.**

The principal amount of a Note payable at or prior to maturity or any variable return or other payment, other than any minimum principal repayment, will be determined, in whole or in part, by reference to one or more equity or equity like

securities, one or more securities of mutual funds, exchange-traded funds or investment funds, one or more interest rates or other statistical measures of economic or financial performance or one or more indices, or any basket or combination of the foregoing.

Amounts paid to holders of Notes will depend on the performance of the Underlyings (as defined herein). Unless otherwise specified in the applicable pricing supplement, the Federation does not guarantee that any of the principal amount of Notes will be paid at maturity or that any return will be paid on Notes. Unless otherwise indicated in the applicable pricing supplement, the principal amount of the Notes will not be guaranteed (other than a minimum of 1%) and will be at risk. As a result, investors could lose substantially all their investment in the Notes. Notes are not appropriate investments for persons who do not understand the risks associated with structured products or derivatives. Purchasers should read carefully the “Risk Factors” section in this Prospectus and in each applicable pricing supplement.

Notes offered under this Prospectus are not conventional notes or debt securities. Unless otherwise specified in the applicable pricing supplement, there is no assurance that any of the principal amount of the Notes will be paid at or before maturity, other than the minimum principal repayment. In addition, Notes may not provide holders with a return or income stream prior to maturity calculated by reference to a fixed or floating rate of interest determinable prior to maturity. An investment in Notes, unlike traditional debt obligations of Canadian financial institutions, may be uncertain in that they could produce no return on a purchaser’s original investment or not repay any of their principal amount at or prior to maturity or otherwise, other than the minimum principal repayment.

The Notes will be direct unsecured and unsubordinated obligations of the Federation and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of entities of the Groupe coopératif Desjardins (as defined under the *Act respecting financial services cooperatives* (Québec)), except as may be provided by law.

Rates on Application

Unless otherwise indicated in the applicable pricing supplement, the principal amount of the Notes will not be guaranteed (other than a minimum of 1%) and will be at risk. As a result, investors could lose substantially all their investment in the Notes.

The Notes may be offered by Desjardins Securities Inc. (“DSI”), iA Private Wealth Inc., Laurentian Bank Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc. and Wellington-Altus Private Wealth Inc. and by such other investment dealers that may be selected from time to time by the Federation (collectively, the “Dealers” or, individually, a “Dealer”) pursuant to the Dealer Agreement referred to under “Plan of Distribution”. The Dealers shall act as agents, underwriters or as principals, as the case may be, subject to confirmation by the Federation. The rate of commission payable in connection with sales of the Notes by the Federation through the Dealers will be set forth in the applicable pricing supplement. The Notes may be offered at a discount or premium. The Federation may also sell Notes to any Dealer, as principal, at such prices and with such commissions as may be agreed upon by the Federation and such Dealer, for resale to the public at prices to be negotiated by the Dealer with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. The Notes may also be offered directly by the Federation to purchasers pursuant to applicable laws at such prices and on such terms as may be negotiated by the Federation with any purchaser. The offering is subject to approval of certain legal matters on behalf of the Federation by McCarthy Tétrault LLP and on behalf of the Dealers by Fasken Martineau DuMoulin LLP.

DSI is a wholly-owned subsidiary of the Federation. Consequently, the Federation is a “related issuer” and a “connected issuer” of DSI within the meaning of applicable securities legislation in connection with the offering of Notes under this Prospectus. See “Plan of Distribution”.

Regarding Notes for which the Underlying includes securities, the business unit within the Federation responsible for the Federation's Notes program selects the underlying securities and makes decisions to acquire and sell underlying securities on the secondary market for the purposes of its hedging activities independently from other business units. It does not acquire underlying securities in connection with Notes under primary distributions. Its personnel is not privy to any non-public information regarding either primary or secondary market purchases of underlying securities by other business units of the Federation.

Unless otherwise specified in the applicable pricing supplement, upon issuance, the Notes will either be issued in (i) book-entry form and represented by one or more fully registered global certificates, or (ii) uncertificated form and registered in records maintained by or on behalf of the Federation in the name of registered holders.

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ELIGIBILITY FOR INVESTMENT

The Notes, if issued on the date hereof, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (“**Tax Act**”) and the regulations thereunder for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered education savings plans (“**RESPs**”), registered disability savings plans (“**RDSPs**”), deferred profit sharing plans (other than a deferred profit sharing plan to which contributions are made by the Federation or by an employer with which the Federation does not deal at arm’s length within the meaning of the Tax Act), tax-free savings accounts (“**TFSAs**”) and first home savings accounts effective April 1, 2023 (“**FHSAs**”), each as defined in the Tax Act, provided that the Federation has not granted a benefit or privilege to an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such governing plans, or to any other person who does not deal at arm’s length with that person, as a result of the governing plans (or a “registered investment” (as defined in the Tax Act) in which they have invested) having invested in the Notes.

Notwithstanding that the Notes may be “qualified investments”, a holder of a TFSA, FHSA or a RDSP, a subscriber of a RESP or an annuitant of an RRSP or RRIF will be subject to a penalty tax if the Notes are “prohibited investments” (as defined in the Tax Act) for a trust governed by a TFSA, FHSA, RDSP, RESP, RRSP or RRIF. The Notes will generally be a “prohibited investment” for a trust governed by a TFSA, FHSA, RDSP, RESP, RRSP or RRIF if the holder of the TFSA, FHSA or the RDSP, the subscriber of a RESP or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm’s length with the Federation for purposes of the Tax Act, or has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Federation.

Holders of TFSAs, FHSAs or RDSPs, subscribers of RESPs and annuitants of RRSPs or RRIFs should consult their own advisors in this regard.

MEANING OF CERTAIN REFERENCES

Unless otherwise indicated or the context otherwise requires, in this Prospectus, (i) the expressions “Federation”, “we” and “our” refer to the Fédération des caisses Desjardins du Québec and its direct and indirect subsidiaries, its predecessors, its other constituent entities and the other entities controlled by it, (ii) the expression “Desjardins Group” refers, collectively, to the Desjardins caisses in Québec and the Caisse Desjardins Ontario Credit Union Inc., the Federation and its subsidiaries, and the *Fonds de sécurité Desjardins*, and (iii) all references to dollars or “\$” are to Canadian dollars. Certain totals, subtotals and percentages throughout this Prospectus may not reconcile due to rounding.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements are contained in this Prospectus and in the documents incorporated by reference herein. Forward-looking statements in this Prospectus (including but not limited to documents incorporated by reference herein) include, but are not limited to, comments about the Federation’s use of the net proceeds and the objectives achieved through the use of such net proceeds, the Federation’s and Desjardins Group’s objectives regarding financial performance, priorities, operations, the review of economic conditions and financial markets, as well as the outlook for the Québec, Canadian, U.S., and global economies, and the impact of the COVID-19 pandemic on their operations, results and financial position, as well as on economic conditions and financial markets. Such statements are typically identified by words or phrases such as “target”, “objective”, “believe”, “expect”, “count on” “anticipate”, “intend”, “estimate”, “plan”, “forecast”, “aim”, “propose”, “should” and “may”, words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. The Federation and Desjardins Group caution purchasers against placing undue reliance on forward-looking statements since a number of factors, many of which are beyond the Federation’s and Desjardins Group’s control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the assumptions, predictions, forecasts or other forward-looking statements in this Prospectus. It is also possible that

these assumptions, predictions, forecasts or other forward-looking statements, as well as the Federation's and Desjardins Group's objectives and priorities, may not materialize or may prove to be inaccurate and that actual results differ significantly. Furthermore, the uncertainty created by the COVID-19 pandemic has greatly increased this risk by adding to the difficulty of making assumptions, predictions, forecasts or other forward-looking statements compared to previous periods.

The factors that may affect the accuracy of the forward-looking statements in this Prospectus include those discussed in Section 4.0, "*Risk management*", of the Annual MD&A (as defined hereinafter), in particular, credit, market, liquidity, operational, insurance, strategic and reputation risk, as well as environmental or social risk, and regulatory risk. Such factors also include those related to security breaches, corporate and household indebtedness, technological advancement and regulatory developments, interest rate fluctuations, climate change, biodiversity loss and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in regions in which the Federation and Desjardins Group operate; monetary policies; the critical accounting estimates and accounting standards applied by Desjardins Group; new products and services to maintain or increase the Federation's and Desjardins Group's market share; geographic concentration; acquisitions and joint arrangements; credit ratings; reliance on third parties; the ability to recruit and retain talent; tax risk and the COVID-19 pandemic. Other factors include interest rate benchmark reform, unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises, such as pandemics and epidemics, or any other similar disease affecting the local, national or global economy, as well as Desjardins Group's ability to anticipate and properly manage the risks associated with these factors despite a disciplined risk management environment. Additional information about these factors is found in Section 4.0, "*Risk management*", of the Annual MD&A.

These factors include those discussed in any pricing supplement, in the documents incorporated by reference herein, including but not limited to the Annual MD&A, in the Annual Information Form (as defined hereinafter) and in other disclosure documents filed from time to time by the Federation and Desjardins Group with the securities commissions or similar authorities in Canada.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an adverse effect on the Federation's and Desjardins Group's results.

Although the Federation and Desjardins Group believe that the expectations expressed in these forward-looking statements are reasonable and founded on valid bases, they cannot guarantee that these expectations will materialize or prove to be accurate. The Federation and Desjardins Group caution purchasers against placing undue reliance on these forward-looking statements when making decisions, given that actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly. Purchasers who rely on these statements must carefully consider these risk factors and other uncertainties and potential events, including the uncertainty inherent in forward-looking statements.

Any forward-looking statements contained in this Prospectus and the documents incorporated by reference herein represent the views of management only as at the date hereof (or, in the case of information contained in a documents incorporated by reference herein, as at the date of such documents), and are presented for the purpose of assisting purchasers in understanding the Federation's and Desjardins Group's strategic priorities and objectives, among other things. These statements may not be appropriate for other purposes. The Federation does not undertake to update any oral or written forward-looking statements that could be made from time to time by or on behalf of the Federation or Desjardins Group, except as required under applicable securities legislation.

PUBLIC INFORMATION – EQUITY LINKED NOTES

Investors should carefully read the following if the return of the Notes offered under a particular pricing supplement is linked to the performance of a share or equity security of a reporting issuer (individually a "**Reference Share**", or collectively "**Reference Shares**") or a portfolio or basket of Reference Shares of more than one reporting

issuer. As reporting issuers, each Reference Share issuer is required to file periodically certain financial and other information specified by securities legislation. In addition, information regarding the Reference Share issuers may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of such documents and the information therein is not incorporated by reference into and does not form part of the applicable pricing supplement or the Prospectus.

The applicable pricing supplement will relate only to the offered Notes and will not relate to the Reference Shares, the Reference Share issuers or other securities. All disclosure contained in the applicable pricing supplement regarding the Reference Shares and the Reference Share issuers will be derived from publicly available information. Further, the Federation and the Dealers will not verify the accuracy or completeness of any such information or to determine if there has been any omission by any of the Reference Share issuers to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information has been furnished by the Reference Share issuers or which may affect the significance or accuracy of any such information. Neither the Federation nor the Dealers will participate in the preparation of any reporting documents of the Reference Share issuers or make any due diligence inquiry with respect to the Reference Shares or the Reference Share issuers in connection with the offering of the particular Notes. Neither the Federation nor the Dealers make any representation that publicly available documents or information regarding the Reference Share issuers are accurate or complete. Furthermore, the Federation and the Dealers cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement that would affect the trading price of the Reference Shares and therefore the Maturity Consideration (as defined under “Description of the Notes – Terms of the Notes”) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Share issuers could affect the value of the particular Notes.

THE ISSUERS OF REFERENCE SHARES WILL NOT BE AFFILIATES OF THE FEDERATION AND THE REFERENCE SHARE ISSUERS WILL NOT PARTICIPATE IN THE PREPARATION OF THE PARTICULAR PRICING SUPPLEMENT OR THE PROSPECTUS; THEY WILL MAKE NO REPRESENTATION AS TO THE ADVISABILITY OF PURCHASING THE PARTICULAR NOTES. THE PARTICULAR NOTES WILL IN NO WAY BE SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE REFERENCE SHARE ISSUERS. THE REFERENCE SHARE ISSUERS ARE NOT RESPONSIBLE OR LIABLE FOR AND WILL NOT PARTICIPATE IN THE DETERMINATION OF THE TIMING, PRICING OR NUMBER OF NOTES TO BE ISSUED. THE REFERENCE SHARE ISSUERS WILL NOT TAKE ON OR ASSUME ANY RESPONSIBILITY OR LIABILITY, STATUTORY OR OTHERWISE, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN A PRICING SUPPLEMENT, AND WILL NOT HAVE ANY OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF NOTES. THE ISSUANCE OF NOTES WILL NOT BE A FINANCING FOR THE BENEFIT OF ANY OF THE REFERENCE SHARE ISSUERS.

Prospective investors should independently investigate the Reference Shares and decide whether an investment in the particular Notes is appropriate. Prospective purchasers should take into account additional risk factors associated with the Notes. See “*Risk Factors*”.

PUBLIC INFORMATION – INDEX LINKED NOTES

Investors should carefully read the following if the return of the Notes offered under a particular pricing supplement is linked to an index (individually a “**Reference Index**” , or collectively “**Reference Indices**”) or a portfolio or basket of Reference Indices. All information relating to a Reference Index contained in the relevant pricing supplement will be taken from and based solely upon publicly available information. That information will reflect the policies of, and will be subject to change by the relevant Reference Index sponsor. Such Reference Index sponsor will have no obligation to continue to publish, and may discontinue publication of, the Reference Index at any time. Neither the Federation nor the Dealers have independently verified the accuracy or completeness of any such information or assume any responsibility for the accuracy or completeness of such information.

NEITHER THE REFERENCE INDEX SPONSOR(S), ITS AFFILIATES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. THE REFERENCE INDEX SPONSOR(S), ITS AFFILIATES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. THE REFERENCE INDEX MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL THE REFERENCE INDEX SPONSOR(S), ITS AFFILIATES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

Prospective investors should independently investigate the Reference Index or Reference Indices and the index sponsor of each Reference Index and decide whether an investment in the particular Notes is appropriate. Prospective purchasers should take into account additional risk factors associated with the Notes. See “*Risk Factors*”.

PUBLIC INFORMATION – FUND LINKED NOTES

Investors should carefully read the following if the return of the Notes offered under a particular pricing supplement is linked to the performance of a unit or share (a “**Reference Unit**”) of a reporting issuer mutual fund, exchange-traded fund or investment fund (individually a “**Reference Fund**”, or collectively “**Reference Funds**”) or a portfolio or basket of Reference Units of more than one Reference Fund. As a reporting issuer, each Reference Fund is required to periodically file certain financial and other information specified by securities legislation. In addition, information regarding the Reference Fund may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of such documents and the information therein is not incorporated by reference into and does not form part of the applicable pricing supplement or the Prospectus.

The applicable pricing supplement will relate only to the Notes offered therein and will not relate to the Reference Units, the Reference Fund or other securities. All disclosure contained in the applicable pricing supplement regarding the Reference Units and the Reference Fund will be derived from publicly available information. Further, the Federation and the Dealers will not verify the accuracy or completeness of any such information or to determine if there has been any omission by any Reference Fund to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information has been furnished by the Reference Fund or which may affect the significance or accuracy of any such information. Neither the Federation nor the Dealers will participate in the preparation of any reporting documents of the Reference Fund or make any due diligence inquiry with respect to the Reference Units or the Reference Funds in connection with the offering of the particular Notes. Neither the Federation nor the Dealers make any representation that publicly available documents or any publicly available information regarding the Reference Funds are accurate or complete. Furthermore, the Federation and the Dealers cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement that would affect the trading price of the Reference Units and therefore the Maturity Consideration will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Funds could affect the value of the particular Notes.

AFFILIATES OF THE FEDERATION MAY ACT AS MANAGER OF A REFERENCE FUND. THE ISSUERS OF REFERENCE UNITS REFERRED TO IN A PARTICULAR PRICING SUPPLEMENT WILL NOT

BE AFFILIATES OF THE FEDERATION AND THE REFERENCE FUNDS WILL NOT PARTICIPATE IN THE PREPARATION OF THE PARTICULAR PRICING SUPPLEMENT OR THE PROSPECTUS; THEY WILL MAKE NO REPRESENTATION AS TO THE ADVISABILITY OF PURCHASING THE PARTICULAR NOTES. THE PARTICULAR NOTES WILL IN NO WAY BE SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE REFERENCE FUNDS. THE REFERENCE FUNDS WILL NOT BE RESPONSIBLE OR LIABLE FOR OR WILL PARTICIPATE IN THE DETERMINATION OF THE TIMING, PRICING OR NUMBER OF PARTICULAR NOTES TO BE ISSUED. THE REFERENCE FUNDS WILL NOT TAKE ON OR ASSUME ANY RESPONSIBILITY OR LIABILITY, STATUTORY OR OTHERWISE, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN A PRICING SUPPLEMENT, AND WILL NOT HAVE ANY OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF NOTES. THE ISSUANCE OF NOTES WILL NOT BE A FINANCING FOR THE BENEFIT OF ANY OF THE REFERENCE FUNDS.

Prospective investors should independently investigate the Reference Fund and Reference Units and decide whether an investment in the particular Notes is appropriate. Prospective purchasers should take into account additional risk factors associated with the Notes. See “*Risk Factors*”.

PUBLIC INFORMATION – INTEREST RATE LINKED NOTES

Investors should carefully read the following if the return of the Notes offered under a particular pricing supplement is linked to an interest rate (individually a “**Reference Rate**”, or collectively “**Reference Rates**”) or a portfolio or basket of Reference Rates. All information relating to a Reference Rate contained in the relevant pricing supplement will be taken from and based solely upon publicly available information and this information will be subject to change. Neither the Federation nor the Dealers have independently verified the accuracy or completeness of any such information or assume any responsibility for the accuracy or completeness of such information. Prospective investors should independently investigate the Reference Rate and the countries issuing or regulating such Reference Rate and decide whether an investment in the particular Notes is appropriate. Prospective purchasers should take into account additional risk factors associated with the Notes. See “*Risk Factors*”.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Federation at 100 rue des Commandeurs, Lévis, Québec, G6V 7N5 ((514) 281-7000). The documents of the Federation and Desjardins Group that are incorporated by reference in this Prospectus are available electronically under the Federation’s SEDAR profile at www.sedar.com.

The following documents and excerpts from documents, filed with the securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

- a) The Federation’s annual information form dated March 9, 2023 for the year ended December 31, 2022 (the “**Annual Information Form**”);
- b) Desjardins Group’s audited combined financial statements (including notes thereto) as at and for the years ended December 31, 2022 and 2021, and the independent auditor’s report (the “**Annual Financial Statements**”); and

- c) Desjardins Group's management's discussion and analysis for the years ended December 31, 2022 and 2021 (the "**Annual MD&A**").

Any documents of the type referred to above or other disclosure documents required to be incorporated by reference into a Prospectus pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") or National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**"), all as filed by the Federation with the various securities regulatory authorities in Canada after the date of this Prospectus and prior to the termination of the offering of Notes under any pricing supplement, shall be deemed to be incorporated by reference into this Prospectus.

A pricing supplement containing the specific terms of an offering of Notes will be delivered to the purchasers of such Notes together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of the pricing supplement solely for the purposes of the offering of the Notes covered by that pricing supplement unless otherwise expressly provided therein.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

On April 23, 2021, the Federation obtained exemptive relief from, among other things, the requirements set forth in Parts 4 and 5 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") relating to the filing of Federation annual and interim financial statements, along with the accompanying Federation annual or interim management's discussion and analysis, provided that the Federation uses the financial statements of Desjardins Group in lieu and place of the Federation financial statements and management's discussion and analysis for all relevant purposes under applicable Canadian securities laws. Therefore, for periods ending after December 31, 2020, and in accordance with the decision obtained from the relevant Canadian securities regulatory authorities by the Federation, the Federation has ceased preparing stand-alone financial statements and accompanying management's discussions and analysis, and instead financial statements and accompanying management's discussion and analysis of Desjardins Group are incorporated in this Prospectus by reference and used as a basis for all disclosure required by applicable Canadian securities laws in this Prospectus. See "*Exemptions*".

Upon a new annual information form of the Federation and the related annual audited combined financial statements and annual management's discussion and analysis of the Desjardins Group for a new financial year being filed by the Federation with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual audited combined financial statements of Desjardins Group and accompanying annual management's discussion and analysis and all unaudited combined interim consolidated financial statements of Desjardins Group (including notes thereto) and accompanying management's discussion and analysis, material change reports, information circulars (if then applicable), business acquisition reports and other disclosure documents filed by the Federation prior to the commencement of the Federation's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Notes hereunder.

Upon new unaudited condensed interim combined financial statements (including notes thereto) and the accompanying management's discussion and analysis of Desjardins Group being filed by the Federation with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus,

all unaudited condensed interim combined financial statements (including notes thereto) and accompanying management's discussion and analysis of Desjardins Group filed by the Federation prior to such new unaudited condensed interim combined financial statements (including notes thereto) and accompanying management's discussion and analysis shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Notes hereunder.

ABOUT THIS PROSPECTUS

One or more pricing supplement(s) containing the specific variable terms for an issue of Notes and any other additional or updated information that the Federation elects to include therein will be delivered with this Prospectus to purchasers of such Notes and will be deemed to be incorporated into this Prospectus as of the date of such pricing supplement(s) only for the purposes of the offering of the Notes covered by such pricing supplement(s).

You should rely only on information contained or incorporated by reference in this Prospectus. We have not, and the Dealers have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Dealers are not, making an offer to sell these Notes in any jurisdiction where the offer or sale of the Notes is not permitted.

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

The Federation

The Federation is a federation of cooperative financial institutions formed under *An Act respecting financial services cooperatives* (Québec) (the “AFSC”). The Federation is the cooperative entity responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group, while serving as a financial agent in Canadian and international financial markets. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. The Federation enables the Caisses (as defined herein) and other Desjardins Group components to accelerate their development and better meet the needs of their members and clients. The Federation's mandate is also to ensure risk management and capital management for Desjardins Group and look after the financial health of the Groupe coopératif Desjardins, which comprises the Caisses, the Federation and the *Fonds de sécurité Desjardins* (the “Fund”), as well as its sustainability pursuant to the AFSC.

The Federation's role in Desjardins Group enables the Federation to achieve higher credit ratings than would otherwise apply to it as a stand-alone entity. Desjardins Group is also important to the Federation in that a portion of the Federation's cash flows and income is derived from its lending and other relationships with the other members of Desjardins Group, including on interest and other payments from the Caisses and the other members of Desjardins Group. Accordingly, while payments under the Notes will be obligations of the Federation only and accordingly are not obligations of the other members of Desjardins Group, Desjardins Group's overall strength is nonetheless important information for purchasers. See section “Intervention Mechanisms” in the Annual Information Form.

The Federation also acts as a control and supervisory body over the Desjardins caisses in Québec (the “Caisses”, each a “Caisse”). The AFSC confers broad normative powers upon the Federation, in particular with respect to Caisse adequacy of capital base, reserves, liquid assets and credit and investment activities. The Federation is responsible for inspecting the Caisses.

Furthermore, the Federation provides financial services to Desjardins Group, governments, public and parapublic sector institutions, individuals as well as medium-sized and large businesses. It meets the financial needs of the Caisses and other Desjardins Group components. The Federation's mandate includes providing institutional funding for the Desjardins network and to act as financial agent. Its activities in Canadian and international markets complement those of other Desjardins Group entities.

The Federation handles Desjardins Group's treasury operations in particular and is its official representative to the Bank of Canada and Canadian banking system.

Desjardins Group

Desjardins Group is the largest financial cooperative group in North America. A number of its subsidiaries and components are active across Canada, and Desjardins Group maintains a presence in the United States through Desjardins Bank, National Association and the Desjardins Florida Branch. With its Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance segments, Desjardins Group offers a full range of financial services designed to meet the needs of its members and clients and it is one of the largest employers in Canada.

Desjardins Group is not a legal entity itself but is the term used to describe the numerous legal entities that form the Group. Specifically, it is an institutional network of financial services cooperatives which regroups the Caisses, the Federation and its subsidiaries, *La Caisse Desjardins Ontario Credit Union Inc.* and the Fund.

Regulation and Control

The Minister of Finance of Québec is responsible for the application of the AFSC, and the *Autorité des marchés financiers* (the "AMF") is in charge of its administration. The AMF performs monitoring and control functions over financial institutions. Among its responsibilities, the AMF supervises and inspects deposit taking institutions (other than banks) operating in Québec, including the Caisses and the Federation. In particular, it is responsible for administering the AFSC and performing the duties and exercising the powers conferred to it under the AFSC. In particular, the AMF may issue orders to ensure implementation of the constituent legislation and any regulations adopted by the government of Québec.

DESCRIPTION OF THE NOTES

General

The following describes certain general terms and provisions of the Notes. The particular or specific terms of Notes that the Federation issues under this Prospectus will be described or more fully described in one or more pricing supplements and may include, where applicable: the specific designation, aggregate principal amount, the currency or the currency unit for which such securities may be purchased, maturity (if any), interest provisions, authorized denominations, offering price, the name of any Dealer involved in the distribution of the Notes, the compensation payable to any Dealer, any terms for redemption at the Federation's option or the holder's option, any exchange or conversion terms and any other specific terms.

Since the terms of a series of Notes may differ from the general information provided in this Prospectus, in all cases a purchaser should rely on the information in the applicable pricing supplement where it differs from information in this Prospectus.

Subject to regulatory requirements applicable to the Federation and as contemplated in this Prospectus or in any pricing supplement, there is no limit on the principal amount of Notes that the Federation may issue. Notes may be issued up to the aggregate principal amount which may be authorized from time to time by the Federation. The Federation may issue Notes under one or more trust indentures (in each case between the Federation and a trustee determined by the Federation in accordance with applicable laws) or pursuant to an issue and paying agency agreement (between the Federation and an agent, which agent may be an affiliate of or otherwise non-arm's length to the Federation). Any series of Notes may also be created and issued without a trust indenture or an issue and paying agency agreement. The Federation may also appoint a calculation agent in connection with any Notes issued under this Prospectus. The Federation makes reference to the applicable pricing supplement which will accompany this Prospectus for the terms and other information with respect to the offering of Notes being offered thereby.

The Notes will not constitute deposits that are insured under the Deposit Institutions Act, the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.

Notes issued under this Prospectus and any pricing supplement are obligations of the Federation only and are not obligations of the other members of Desjardins Group. The fact that the Caisses are required to fund the Federation by way of assessments made by the Federation is not in any way a guarantee of any Notes issued, and purchasers of Notes will not have any rights as third party beneficiaries or otherwise in connection therewith and will not have any right to benefit from any guarantee or any other form of credit support or receive any other payment in respect of the Notes from, in each case, any member of Desjardins Group other than the Federation.

Unless otherwise specified in the applicable pricing supplement, upon issuance, the Notes will either be issued in (i) book-entry form and represented by one or more fully registered global certificates, or (ii) uncertificated form and registered in records maintained by or on behalf of the Federation in the name of registered holders.

Terms of the Notes

The Notes will be direct unsecured and unsubordinated obligations of the Federation that will rank *pari passu* and *pro rata* with all unsecured and unsubordinated deposits, borrowings and obligations of the Federation, whether now outstanding or hereafter incurred, except as may be provided by law. In the event of winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of entities of the Groupe coopératif Desjardins, except as may be provided by law.

Subject to regulatory capital requirements applicable to the Federation, there is no limit on the amount of indebtedness that the Federation may issue. The Federation has other unsubordinated debt outstanding and may issue additional unsubordinated debt at any time and without notice to investors. However, the Federation may only offer up to an aggregate principal amount of \$2,000,000,000, or the equivalent thereof in one or more non-Canadian currencies or currency units, of medium term debt securities (principal at risk notes) pursuant to the Prospectus.

The Notes will be offered on a continuing basis and will mature as specified in the applicable pricing supplement. The Notes may be interest bearing or non-interest bearing. Interest bearing Notes will bear interest at either fixed or floating rates as specified in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, the principal amount of the Notes will not be guaranteed (other than a minimum of 1%) and will be at risk. As a result, investors could lose substantially all their investment in the Notes.

Unless otherwise indicated in a Note and in the applicable pricing supplement, the Notes will be denominated in Canadian dollars and the Federation will make payments of principal, and premium and interest (if any) on the Notes in Canadian dollars. Unless otherwise specified in the applicable Note and pricing supplement, the Federation will pay money upon the discharge of the Notes of a series when due or upon redemption. If the applicable Note and pricing supplement so specifies, the Federation will deliver money and/or securities and/or property upon the discharge of the Notes of a series, when due or upon redemption. The amount of money, securities, other property and/or combination of money, securities and/or other property payable or deliverable to holders of the Notes upon the discharge of the Notes is referred to as the “**Maturity Consideration**” for such Notes.

If the maturity date of a Note or any payment date falls on a day that is not a business day, the related payments (of principal, and premium and interest or other payment, if any) on such Note, will be made on the next succeeding business day as if made on the date the applicable payment was due and no interest will accrue on the amount payable for the period from and after the payment date or maturity, as the case may be, unless otherwise indicated in the applicable Note and in the applicable pricing supplement.

The Notes may be issued from time to time at such rates of interest and at par, at a premium or at a discount, the principal value of which at maturity or any other payment may be determined, in whole or in part, by reference to one or more Underlyings (as defined below), the amounts of principal and variable return or interest may be payable in installments over the term of the Notes, and the Notes of any series may be subject to redemption or repayment prior to maturity, in each case as specified in the applicable pricing supplement.

Unless otherwise specified in this Prospectus or as required for the purposes of any statutory rights of withdrawal, the term “**business day**” means a day, other than a Saturday or a Sunday, a statutory or civic holiday in Toronto or Montreal. If any date on which any action is otherwise required to be taken in respect of the Notes is not a business day, the date on which such action will be taken will, except as otherwise indicated, be the next following business day and, if the action involves payment of any amount, no interest or other compensation will be paid as a result of any such delay.

Tranches and Series of Notes

The Federation may issue Notes in one or more tranches of one or more series establishing the principal terms of the particular Notes being issued, which shall be set forth in the applicable pricing supplement and which shall include the following, to the extent applicable:

- (a) the designation of such Notes and the series in which such Notes will be included;
- (b) any limit upon the aggregate principal amount of the Notes of such title or the Notes of such series which may be authenticated and delivered;
- (c) what part of the principal amount is protected (other than a minimum of 1%) or at risk;
- (d) the maturity and the date or dates on which the Maturity Consideration of the Notes is payable;
- (e) whether Notes will provide a variable return and whether Notes will be issued at par or at a premium or a discount, the rate or rates at which, or the formula based on which, such Notes will provide a variable return, if any, and/or any method by which such rate or rates or variable return will be determined, whether, and the extent to which, the Federation covenants to make minimum payments of interest or on account of a variable return in a specified amount or based on a specified fixed or floating rate, the date or dates from which such variable return will be calculated, the payment dates on which such variable return will be payable and the regular record date for the variable return payable on such Notes on any payment date;
- (f) whether Notes will bear interest, the rate or rates at which such Notes will bear interest, if any, and, if applicable, the method by which such rate or rates will be determined, the date or dates from which such interest will accrue, the interest payment dates on which such interest will be payable and the regular record date for the interest payable on such Notes on any interest payment date, whether any interest will be paid on defaulted interest, and the basis upon which interest will be calculated;
- (g) whether any other distribution in respect of the Notes, in the form of interest, return of capital or otherwise, will be made prior to maturity, the record and payment dates in respect thereof and the basis upon which such distributions will be calculated;
- (h) if the amount of payments of principal of and/or interest, if any, on, and additional or other amounts in respect of, the Notes may be determined with reference to an asset, index, formula or other item or method, the manner in which such amounts will be determined and the Calculation Agent (as defined herein), if any, with respect thereto;

- (i) the type of Maturity Consideration to be delivered to the holders of the Notes upon payment of the discharge of the Notes of such series when due or upon redemption, if all or any portion of the Maturity Consideration is to be other than money;
- (j) the period or periods within which, the price or prices at which and the terms and conditions upon which such Notes may be redeemed, in whole or in part, at the option of the Federation;
- (k) the right or obligation, if any, of the Federation or any affiliate, or the holders, as the case may be, to redeem or purchase such Notes, in addition to a Reimbursement Under Special Circumstances (as defined herein), and the period or periods within which the price or prices at which and the terms and conditions upon which such Notes will be redeemed or purchased, in whole or in part, pursuant to such obligation, and any provisions for the remarketing of such Notes;
- (l) in addition to the market disruption events described herein, any other market disruption events which may trigger an acceleration or postponement of the maturity or amounts payable under the Notes;
- (m) the denominations in which Notes of such series, if any, will be issuable;
- (n) if other than Canadian dollars, the currency in which payment of amounts payable at or prior to maturity or on redemption or in which variable return, if any, on, and additional or other amounts, if any, in respect of, such Notes will be payable and the manner in which the amount of such currency will be determined for purposes of such payments;
- (o) if amounts payable at or prior to maturity or on redemption (and premium or discount, if any) or variable return, if any, on, and additional or other amounts, if any, in respect of, such Notes are to be payable, at the election of the Federation or a holder thereof, in a currency other than the original currency of such Notes specified in the applicable pricing supplement, the period or periods within which, and the terms and conditions upon which, such election may be made;
- (p) whether Notes of the series are to be issuable in uncertificated form, in fully certificated form or as Global Notes (as defined herein) and, if in certificated form, whether such Notes are to be issuable initially in global form and, if so, (i) whether beneficial owners of interests in any such Note in global form may exchange such interests for Notes of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur and (ii) the name of the depository with respect to any Global Note or temporary global form of Note;
- (q) if Notes of such series are to be issuable in fully certificated form only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and terms of such certificates, documents or conditions;
- (r) the date as of which any Global Note representing outstanding Notes of the series will be dated if other than the original issue date of the first such Note of the series to be issued;
- (s) the place or places, if any, in addition to or other than the places of payment specified in this Prospectus, where the Maturity Consideration and interest on or additional or other amounts, if any, payable in respect of such Notes will be payable, where Notes of such series may be surrendered for registration or transfer, where Notes of such series may be surrendered for exchange and where demand to or upon the Federation in respect of such Notes may be served;
- (t) any additional terms and provisions with respect to, and any additional conditions, representations, covenants and Events of Default (as defined below), if any, for such Notes;

- (u) any modification or elimination of any of the definitions, representations, covenants, conditions, Events of Default or other terms and provisions of the Notes applicable to such Notes;
- (v) whether the Notes will be listed on a stock exchange or other organized market;
- (w) any other provisions, requirements, conditions, indemnities, enhancements or other matters of any nature or kind whatsoever relating to such Notes, including any terms which may be required by, or advisable under any other applicable law or any rules, procedures or requirements of any securities exchange on which any of the Notes are, or are proposed to be, listed or of any over-the-counter market in which any of the Notes are, or are proposed to be, traded or which may be advisable in connection with the marketing of such Notes;
- (x) the commissions, fees or expenses payable by the Federation or any of its affiliates in connection with the issue, maintenance or administration of, or provision of services in respect of, the Notes;
- (y) if the Notes are issued under an indenture;
- (z) if the Notes will be sold and purchased from a distributor using the Fundserv network;
- (aa) the identity of the Calculation Agent, if not Desjardins Investments;
- (bb) the identity of the paying agent if not the transfer agent and registrar;
- (cc) the identity of the registrar and transfer agent, if not the Federation or one of its affiliates;
- (dd) whether there will be a third party guarantor and the identity of such guarantor, if any; and
- (ee) any other terms of such Notes.

The Federation will be able, without the consent of holders of any Notes, to issue additional Notes with terms different from those of Notes previously issued and to reopen a previous series of Notes and issue additional Notes of that series at any time. All Notes of any one series will be substantially identical except, as the case may be, as to terms such as denomination, stated maturity and the date from which interest, if any, will accrue and except as may otherwise be provided in or pursuant to any pricing supplement or terms of the Note.

Amounts Payable on Notes

The Federation may offer Notes, the principal value of which at maturity, or the amount of any other payment thereon, will be determined, in whole or in part, by reference to an underlying interest (each an “**Underlying**”), including:

- (a) one or more equity or equity-like securities of one or more issuers, including, but not limited to, the market price or yield of such securities (the “**Equity Linked Notes**”);
- (b) one or more securities or units of one or more mutual funds, exchange-traded funds or investment funds, including, but not limited to, the net asset value, market price or yield of the units or securities of such funds (the “**Fund Linked Notes**”);
- (c) one or more statistical measures of economic or financial performance, including, but not limited to, any interest rate (the “**Interest Rate Linked Notes**”), consumer price or mortgage index, or other reference point and the occurrence or non-occurrence of any event or circumstance;

- (d) one or more indices (the “**Index Linked Notes**”);
- (e) any other item; or
- (f) any combination or basket of the foregoing items.

The Federation may offer Notes, the principal value of which at maturity, or the amount of any other payment thereon, will be determined, in whole or in part, by reference to Underlying(s) that meet certain environmental, social and governance (ESG) criteria, as specified in the applicable supplement and/or pricing supplement.

The payment on any Note at maturity will be determined, in whole or in part, by the decrease or increase, as applicable, in the price, value or other measure of the applicable Underlying. The terms of and any additional considerations, including certain tax consequences and certain specific risk factors, relating to any Notes will be described in the applicable pricing supplement.

In addition, payments during the term of the Notes or at maturity may also be determined in relation to a fixed or a floating interest rate payable in the manner specified in the applicable terms of the Notes and in the applicable pricing supplement to the holder of such Notes on the applicable record date, on such dates as are specified in the applicable terms of the Notes and in the applicable pricing supplement and at maturity, at any other time while the Notes are outstanding, or upon earlier redemption or repayment.

Payment on Notes including payment(s) based on a fixed rate will be computed on the basis of a methodology determined by the Calculation Agent, as specified in the applicable supplement and pricing supplement. Notes with a fixed rate notes will also include zero-coupon notes, which bear no interest and are instead issued at a price lower than the principal amount. The floating rate applicable to Notes including payment(s) based on a floating rate will be reset on the dates specified in such Note. If an interest reset date is not a business day, such interest reset date will be postponed to the next day that is a business day unless otherwise indicated in the applicable Notes and in the applicable pricing supplement. Interest on floating rate Notes will be determined by reference to the applicable interest rate formula that is specified in the applicable pricing supplement. Upon the request of the holder of any floating rate Note, the Federation will cause the Calculation Agent to provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next interest reset date with respect to that floating rate Note.

Form, Registration and Transfer of Notes

The Notes of each series may, as it shall be specified in the applicable pricing supplement, either be issued (i) as fully registered and certificated securities, (ii) as book-entry only securities in fully registered form represented by a global certificate and transferable only through Fundserv, CDS Clearing and Depository Services Inc. (“**CDS**”) or any other depository specified in the applicable pricing supplement (“**Global Notes**”), or (iii) in uncertificated form registered in records maintained by or on behalf of the Federation in the names of the registered holders, transferable only through Fundserv (“**Uncertificated Notes**”).

Registers showing the name of the holders of the Notes (including any global certificates for Global Notes) will be kept at the principal transfer offices of the transfer agent and registrar in Montreal or at any other place as the Federation may designate.

Fully Certificated Notes

Any registered holder of a Note of any series in fully certificated form may transfer the Note, unless specified otherwise in the applicable pricing supplement, by executing the form of transfer provided on the reverse side of the Note in person or by attorney duly appointed in writing and forwarding the Note to the transfer agent and registrar at the principal transfer office of the transfer agent and registrar in Montreal or at any other place as the Federation may

designate, for issuance of a new Note payable to and registered in the name of the transferee. The Notes issued upon any such transfer will be of the same series and have the same terms and conditions as the Notes submitted for transfer, including the same principal amount, rate or method of calculating interest, if any, and maturity date. Such transfer will be effected upon the Federation or the transfer agent and registrar, as the case may be, being satisfied with the documents of title, subject to the provisions of the terms of the Note relating to transfers and such other reasonable regulations as the Federation may from time to time agree upon with the transfer agent and registrar. During the period from the relevant record date to a date fixed for payment of any payment on the Note, the transfer agent and registrar shall not be required to register the transfer of a Note.

There will be no service charge for any registration of transfer or exchange of Notes, but the Federation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange, other than exchanges pursuant to the terms of the Notes not involving any transfer.

Global Notes

Unless otherwise specified in the applicable pricing supplement, upon issuance, the Global Notes will be issued in book-entry only form and will be represented by fully registered global certificates.

Each Global Note will be held by, or on behalf of, CDS or such other entity designated in writing by the Federation to act as depository. The Global Notes will be registered in the name of CDS or its nominee, or another depository or its nominee. Except as described below, no Global Note may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository, or another nominee of the depository, or by the depository or any such nominee to a successor of the depository, or a nominee of the successor.

Ownership of Global Notes by purchasers will be constituted through beneficial interests in the Global Notes, and will be represented through book-entry accounts of institutions, as direct and indirect participants of the depository, acting on behalf of the beneficial owners of such Notes. Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the Dealer from whom the Notes are purchased in accordance with practices and procedures of such Dealer. Investors that want to transfer or exchange their Notes may do so only through a participating member of CDS, or any other depository as is identified in an applicable pricing supplement.

Upon the issuance by the Federation of Global Notes represented by a global certificate, the depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Global Notes represented by such Global Note to the accounts of its participants. The accounts to be credited shall be designated by the dealers of such Global Notes, or the Federation, if such Global Notes are offered and sold directly by the Federation, as the case may be. Ownership of beneficial interests in a Global Note will be limited to participants or persons that hold interests through participants. Ownership of beneficial interests in Global Notes represented by a Global Note or Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository (with respect to interests of participants in the depository), or by participants in the depository or persons that may hold interests through such participants (with respect to persons other than participants in the depository).

So long as the depository for a Global Note, or its nominee, is the registered owner of the Global Note, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the Global Notes represented by such Global Note. Except as provided below, owners of beneficial interests in Global Notes represented by such Global Note or Global Notes will not be entitled to have Global Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Global Notes in definitive form and will not be considered the registered owners or holders thereof.

Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of the depository and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under a Global Note. The Federation understands that under existing policies of the depository and industry practices, if the Federation requests any action of holders or if an owner of a beneficial interest in such a Global Note desires to give any notice or take any action which a holder is entitled to give or take under a Global Note, the depository would authorize the participants holding the relevant beneficial interests to give such notice or take such action. Any beneficial owner that is not a participant must rely on the contractual arrangements it has directly, or indirectly through its financial intermediary, with a participant to give such notice or take such action.

All payments on the Global Notes represented by a Global Note registered in the name of the depository or its nominee will be made by the Federation (or a paying agent, if specified by the Federation) to the depository or its nominee, as the case may be, as the registered owner of a Global Note. None of the Federation, the paying agent (if any) or any other agent of the Federation will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Except in the circumstances described in the following paragraph, the Federation expects that the depository or its nominee, upon receipt of any payment on a Global Note, will immediately credit the accounts of the related participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interests in such Global Note as shown on the records of the depository. The Federation also expects that payments by participants to owners of beneficial interests in a Global Note will be governed by standing customer instructions and customary practices as is now the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants.

If the depository is at any time unwilling or unable to continue as depository for the Notes of any series and a successor depository is not appointed by the Federation within 60 days, the Federation will issue fully certificated Notes in exchange for all outstanding Global Notes. In addition, the Federation may at any time determine not to have Global Notes represented by Global Notes and, in such event, will issue fully certificated Notes in exchange for all Global Notes. In either instance, an owner of a beneficial interest in a Global Note will be entitled to have fully certificated Notes equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such fully certificated Notes. Such fully certificated Notes shall be registered in such name or names as the depository shall instruct the Federation or its paying agent. It is expected that such instructions may be based upon directions received by the depository from participants with respect to beneficial interests in such Global Notes. Notes so issued will be issued in such denominations as the Federation may determine from time to time and will be issued in registered form only, without coupons. No service charge will be made for any transfer or exchange of such fully certificated Notes, but the Federation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Uncertificated Notes

Uncertificated Notes will not be represented by any certificates, global or otherwise, and will not be held by or on behalf of any depository. Instead, Uncertificated Notes will be registered in records maintained by or on behalf of the Federation in the names of registered holders. Unless specified otherwise in the applicable pricing supplement, the Federation will act as the transfer agent and registrar for Uncertificated Notes. The terms and conditions of Uncertificated Notes that would have been set out in a definitive or global certificate will be set out in a document entitled "Terms and Conditions of Uncertificated Non Principal Protected Notes" which will be dated as of the issuance date of the Notes, and a copy of which will be available on request from the Federation (the "**Terms and Conditions**").

Investors should be aware that their ability to pledge or transfer Uncertificated Notes may be limited due to the lack of a physical certificate.

With respect to Notes to be issued in uncertificated form, the Notes may be purchased only through Fundserv through a dealer or other firm having access to the Fundserv network. See “*Fundserv*” for details on the procedures relating to a purchase of Notes through Fundserv, and for an understanding of who will be considered the registered owner of Notes purchased through Fundserv. The Federation will treat the registered holder of a Note as the person exclusively entitled to vote, to receive notices, to receive any interest or other payment in respect of such Note and to exercise all of the rights and powers of an owner of Notes. The Federation will have no responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Accordingly, each person owning a beneficial interest in a Note must rely on the procedures of Fundserv and on the procedures of and contractual arrangements with the Fundserv Participant (as defined herein) through which such person owns its interest, to exercise any rights of a holder under a Note.

Notes purchased through Fundserv may be transferred or exchanged only through Fundserv and a Fundserv Participant. There will be no service charge for any registration of transfer or exchange of Notes, but the Federation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange, other than exchanges pursuant to the terms of the Notes not involving any transfer. The transfer of Notes may be subject to certain time limitations imposed by the registrar and transfer agent to ensure that payments to be made pursuant to the terms of the Notes are made to the registered holders as of the relevant date, taking into account applicable settlement periods and internal processes. See “*Fundserv – Sale of Notes using Fundserv*” in this Prospectus for a description of the Federation’s understanding of the process and particularities involved with a sale of Notes through Fundserv.

Payments

In the case of Notes in fully certificated form, the Federation will make payment of Maturity Consideration at the maturity of each Note in immediately available funds upon presentation and surrender of the Note and, in the case of any repayment on an optional repayment date, upon submission of a duly completed election form if and as required by the provisions described below, at or from the place or places of payment designated in the terms of the Note. Payment of interest due at maturity will be made to the person to whom payment of Maturity Consideration of the Note in fully certificated form will be made. Unless otherwise specified in the applicable pricing supplement, payment of interest, if any, due on Notes in any series in certificated form other than at maturity will be made by the paying agent either by a cheque dated the applicable interest date and sent by prepaid regular mail to the holders of such securities as of the regular record date for such interest three business days before the interest payment date or by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received in writing by the paying agent not less than 15 days prior to the applicable interest payment date. Any wire instructions received by the paying agent shall remain in effect until revoked by the holder.

In the case of Global Notes, the Federation will make all payments through the paying agent or, if the paying agent is unable to act in connection with the payment of certain payments other than money, through another designated paying agent, to the depository or its nominee. See “*Description of the Notes – Form, Registration and Transfer of Notes – Global Notes*”.

In the case of Uncertificated Notes, the Federation will make all payments through the Fundserv network. All payments on such Notes registered in the name of a Fundserv Participant will be made by the Federation to such Fundserv Participant, as the registered holder of the Notes. The Federation will have no responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The Federation will credit the accounts of the related Fundserv Participants with payment in amounts proportionate to their respective holdings in the principal amount of such Notes as shown on the records. The Federation also expects that payments by Fundserv Participants to owners of beneficial interests will be governed by standing customer instructions and customary practices as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such Fundserv Participants.

Redemption at the Option of the Federation

Except for a Reimbursement Under Special Circumstances, the Federation may redeem the Notes of any series at its option prior to the stated maturity only if a redemption right is specified in the applicable Notes and in the applicable pricing supplement. If so indicated in the applicable pricing supplement, the Federation may redeem the Notes of such series at its option on any date on and after the applicable initial redemption date specified in the applicable pricing supplement. On and after the initial redemption date, if any, the Federation may redeem the related Note at any time in whole or from time to time in part at its option at the applicable redemption price specified in the applicable pricing supplement, together with any accrued interest on the principal of the applicable Note payable to the redemption date, on notice given to the holders of the Notes of such series, unless otherwise specified in the applicable pricing supplement. If redeemed in part, the Federation will redeem the Notes in increments equal to the authorized denomination, provided that any remaining principal amount will be an authorized denomination of the applicable Note.

Unless otherwise stated in the terms of a Note, the Federation may at any time purchase Notes at any price or prices in the open market or otherwise. Notes so purchased by the Federation may, at the discretion of the Federation, be held, resold or surrendered for cancellation.

Repayment at the Option of the Holder

If so indicated in an applicable pricing supplement, the Federation will repay the Notes of any series in whole or in part at the option of the holders of the Notes of such series on any optional repayment date specified in the applicable pricing supplement. If no optional repayment date is indicated with respect to the Notes of such series, such Notes will not be repayable at the option of the holders before their stated maturity. Any repayment in part will be in an amount equal to the authorized denomination or integral multiples thereof, provided that any remaining principal amount will be an authorized denomination of such Notes. The applicable pricing supplement will specify the amount payable upon such repurchase. For any Notes to be repaid, the paying agent must receive, at its principal offices in Montreal, no later than such time and day specified in the pricing supplement, before the optional repayment date:

- (a) in the case of a Note in fully certificated form, the Note and any duly completed redemption form as may be specified by the Federation;
- (b) in the case of a Global Note, instructions to that effect from the applicable beneficial owner of the Notes to the participant through which such owner owns its interest and forwarded by such participant to the depository and by the depository to the paying agent; or
- (c) in the case of an Uncertificated Note, by instructing the holder's financial advisor to initiate an irrevocable request to redeem the Note in accordance with the procedures that may be specified by the Federation.

Notices of elections from a holder to exercise the repayment option must be received by the paying agent by the time and day specified in the pricing supplement. Exercise of the repayment option by the holder of a Note will be irrevocable.

Only the depository may exercise the repayment option in respect of Global Notes. Accordingly, beneficial owners of Global Notes that desire to have all or any portion of such Global Notes repaid must instruct the participant through which they own their interest to direct the depository to exercise the repayment option on their behalf by forwarding the repayment instructions to the paying agent as discussed above. In order to ensure that the instructions are received by the paying agent on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different participants may have different deadlines for accepting instructions from their customers. Accordingly, beneficial

owners of Global Notes should consult the participants through which they own their interest for the respective deadlines. All instructions given to participants from beneficial owners of Global Notes relating to the option to elect repayment will be irrevocable. In addition, at the time instructions are given, each beneficial owner will cause the participant through which it owns its interest to tender its interest in the Global Notes, on the depository's records, to the Federation for repayment. See "*Description of the Notes – Form, Registration and Transfer of Notes – Global Notes*".

A holder wishing to exercise the repayment option in respect of Uncertificated Notes purchased using the Fundserv network will need to comply with the procedures of the Fundserv network. In particular, to be treated on a particular business day, redemption requests must be initiated by financial advisors by the deadline time prescribed by Fundserv. Accordingly, any holder wishing to exercise the repayment option in respect of an Uncertificated Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of exercising the repayment option through Fundserv. All instructions given to Fundserv Participants relating to the option to elect repayment will be irrevocable.

Deferred Payment

If the payment of the full amount of the Maturity Consideration of the particular Notes when due would result in payment of "interest", as defined in *Criminal Code* (Canada), at a "criminal rate" (defined as an effective annual rate exceeding 60%), such payment would be prohibited by the *Criminal Code*. Accordingly, each holder agrees that if payment of the full amount of the Maturity Consideration of the Notes would cause the holder to receive payment of interest at a criminal rate for the purpose of the *Criminal Code*, the Federation may defer payment of a portion of such amount until the earliest time that it may be lawfully be paid, with interest on the unpaid portion at the Federation's equivalent term deposit rate.

Reimbursement Under Special Circumstances and Payment

In the event of a Special Circumstance, all of the outstanding Notes of a series may be redeemed, at the option of the Federation (a "**Reimbursement Under Special Circumstances**") upon 30 business days' prior notice furnished in writing by the Federation in the manner set forth under "Description of the Notes – Notice to Holders".

A "**Special Circumstance**" means an event where, in the opinion of the Federation acting reasonably and in good faith, an amendment or a change is made to a taxation statute or regulation, to taxation practices, policies or administration, to the interpretation of a taxation statute or regulation or taxation practice, policy or administration; or an event occurs, now or in future, caused by circumstances beyond the control of the Federation making it illegal or disadvantageous, from a legislative or regulatory point-of-view, or disadvantageous, from a financial point-of-view, for the Federation to allow the Notes of such series to remain outstanding. As provided hereunder, certain other extraordinary events affecting the Underlying may be deemed to constitute a Special Circumstance and entitle the Federation to proceed with a Reimbursement Under Special Circumstances.

In the event of a Reimbursement Under Special Circumstances for which the Federation has opted to redeem the Notes of a series, the Federation, acting in good faith, will set a date for the reimbursement of the particular Notes (the "**Special Reimbursement Date**") and the maturity date will be accelerated to the Special Reimbursement Date. In such event, the Federation will establish a value for the particular Notes, acting in good faith in accordance with industry-accepted methods based on a number of interrelated factors, such as, if applicable, the return, liquidity and volatility of the Underlying, interest rates, any extraordinary events and market disruption events affecting the Underlying as described below, and the time remaining to maturity or to the valuation date of the Maturity Consideration or to any redemption or optional repayment date, as the case may be (the "**Actualized NAV**") and the Federation will appoint a Calculation Expert to confirm the calculations of the Calculation Agent. See "*Calculation Expert*". Holders of record on the Special Reimbursement Date will be entitled to receive the Actualized NAV of their Notes. The Federation will make available to holders, no later than 10:00 a.m. (Toronto time) on the eighth

business day following the determination of the Actualized NAV, the amount payable pursuant to such redemption, through CDS or its nominee in the case of Global Notes, and through Fundserv in the case of Uncertificated Notes.

Calculation Agent

Unless otherwise specified in a pricing supplement, Desjardins Investments Inc. (“**Desjardins Investments**”) will be the calculation agent for the Notes (the “**Calculation Agent**”). Subject to confirmation by the Calculation Expert as applicable, the Calculation Agent will be solely responsible for the determination and calculation of the Maturity Consideration, the Actualized NAV and any other determinations and calculations with respect to any payment in connection with the Notes, as well as for determining whether a Market Disruption Event (as defined below) for each of a Reference Share, a Reference Index, a Reference Unit and a Reference Rate has occurred and for making certain other determinations with regard to the Notes. All determinations and calculations made by the Calculation Agent, as confirmed by the Calculation Expert, when required, will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding upon the holders. Where the Calculation Agent is an affiliate of the Federation, or where the Federation and the Calculation Agent are the same person, the Calculation Agent may have economic interests adverse to those of the holders. The Calculation Agent will carry out its duties and functions in good faith and using its reasonable judgment. See “*Risk Factors – Conflicts of interest may affect the Calculation Agent*”.

Calculation Expert

In any circumstance where a calculation, valuation or determination contemplated to be made by the Federation or the Calculation Agent, including in connection with extraordinary events affecting Underlyings or Market Disruption Events described herein, involves the application of material discretion as determined by the Calculation Agent, acting reasonably and is not based on information or calculation methodologies compiled, utilized or provided by, or derived from, independent third party sources (including hedge counterparties), unless otherwise specified in a pricing supplement, the Federation will appoint an independent calculation expert (a “**Calculation Expert**”) to confirm such calculation, valuation or determination of the Federation or the Calculation Agent. For greater certainty, no such confirmation will be required for the exercise by the Federation of its rights under the terms of the Notes, including its right and discretion to proceed with adjustments to or substitutions and replacement of the Underlying upon certain extraordinary events as provided in this Prospectus or to treat any such extraordinary event as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances once such event has been determined to have occurred (provided, as the case may be, that such determination of the occurrence of an extraordinary event may be subject to confirmation by a Calculation Expert in the circumstances described above for the appointment of a Calculation Expert). Any Calculation Expert will be independent from the Federation and the Calculation Agent and will be an active participant in the financial markets in Canada or significant markets in respect of which determinations are required to be made. Any Calculation Expert will act as an independent expert and will not assume any obligation or duty to, or any relationship of agency or trust for or with, holders or the Federation. The conclusions of such Calculation Expert will, except in the case of manifest error and subject to the following paragraph, be final and binding on the Federation, the Calculation Agent and the holders of Notes. The Calculation Expert will not be responsible for good faith errors or omissions. Holders will not be entitled to any compensation from the Federation or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent’s calculations and determinations.

If a Calculation Expert disagrees with the reasonableness of the discretionary aspects of the Calculation Agent’s determination, the Federation will appoint at its own cost two additional Calculation Experts. Each of the three Calculation Experts will repeat the determination having regard to the basis, factors and considerations properly applicable to the initial determination by the Calculation Agent, and the average of such determination by such Calculation Experts will be final and binding on the Federation, the Calculation Agent and the holders of Notes.

Other Provisions; Addenda

Any provisions with respect to an issue of Notes of any series, including the determination of one or more interest rate bases, the specification of one or more interest rate bases, the calculation of the interest rate applicable to a floating rate Note, the applicable interest payment dates, the stated maturity date, any redemption or repayment provisions or any other matter relating to the applicable Notes may be modified as specified under the terms of the applicable Notes or the pricing supplement, or in an addendum relating to the Note.

Modification and Waiver

The Global Note or the Terms and Conditions (as applicable) of a series of Notes and the terms of the Notes may be amended without the consent of the holders if, in the reasonable opinion of the Federation, the amendment is to correct a manifest error or would not materially and adversely affect the interests of the holders. In other cases, the Global Note or the Terms and Conditions (as applicable) may be amended by the Federation if the Federation proposes the amendments and if the amendment is approved by a resolution passed by the favorable votes of the holders of not less than 66 2/3% of the principal amount of Notes of a series outstanding represented at a meeting convened by the Federation for the purposes of considering the resolution, or by written resolution signed by holders of not less than 66 2/3% of the principal amount of Notes of a series outstanding. Quorum for a meeting shall be reached if holders of 10% or more of the principal amount of Notes of a series outstanding are present at the meeting. If a quorum is not reached at any meeting within 30 minutes after the time fixed for the meeting, that meeting must be adjourned to a later date, selected by the Federation, not earlier than seven business days nor later than 30 business days after the original meeting date, in which case the quorum required shall be the holders present at such adjourned meeting. Except as provided herein or unless otherwise specified in the applicable pricing supplement, the Notes do not carry the right to vote in any other circumstances.

The holders of not less than a majority in principal amount of the outstanding Notes of any series may waive past defaults under the Notes and waive compliance by the Federation with certain provisions of the Notes, except as described under “*Description of the Notes – Events of Default*”.

Estimated Initial Value of Notes

The estimated value of Notes on the date of their issuance that will be set forth on the cover of the relevant pricing supplement will be based on the Federation’s internal valuation models, which may differ from those of other market participants, and which rely on subjective views of certain market conditions and certain assumptions about future events, which may prove to be incorrect.

Notes are debt securities of the Federation, the return on which is linked to the performance of Underlyings, as specified in the applicable pricing supplement. In order to satisfy the Federation’s payment obligations under Notes, the Federation may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with any counterparty, which may include one of the Federation’s subsidiaries. The terms of these hedging arrangements, if any, would take into account a number of factors, including the Federation’s creditworthiness, interest rate movements, the volatility of the Underlyings specified in the applicable pricing supplement, and the term to maturity of the Notes. These factors may also impact the estimated initial value of the Notes. The issue price of the Notes will also reflect the selling commission, the independent dealer fee, the Federation’s expected profit (which may or may not be realized) for structuring the Notes and the estimated costs that may be incurred by the Federation in creating, issuing, maintaining and hedging its obligations under the Notes. At any time, the Federation may decide not to hedge or partially hedge its obligations under the Notes. The estimated initial value for the Notes on the date of the relevant pricing supplement will therefore be less than their issue price. See “*Risk Factors – The estimated initial value of Notes will be less than the issue price and will not reflect the secondary market price, if any*” and “*Risk Factors – The estimated initial value of Notes is an estimate only, calculated as of the time the terms of the Notes were set*”.

The Federation has adopted written policies and procedures for determining the fair value of Notes which include: (i) the methodologies used for valuing each type of component embedded in Notes, (ii) the methods by which the Federation will review and test valuations to assess the quality of the prices obtained as well as the general functioning of the valuation process, and (iii) conflicts of interest.

Events of Default

Each of the following will be an event of default (an “**Event of Default**”) with respect to Notes of any series:

- (a) default in the payment of any distribution in respect of any Note, in the form of interest, return of capital or otherwise when due, and continuing for 30 days;
- (b) default in the payment of any Maturity Consideration of any Note of that series when due; and
- (c) the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the AFSC or other applicable law, or any statute hereafter enacted in substitution therefor, as such act, or substituted act, may be amended from time to time, or if the Federation goes into wind-up, liquidation or dissolution, either voluntarily or under an order of a court of competent jurisdiction, duly passes or approves a resolution or declaration for the winding-up, liquidation or dissolution of the Federation, or is ordered wound-up, liquidated or dissolved.

If an Event of Default occurs and is continuing for Notes of any series, the holders of not less than 25% in principal amount of the outstanding Notes of that series may, following a properly called and duly constituted meeting, declare the Actualized NAV to be immediately due and payable. At any time after the holders have made such a declaration of acceleration with respect to the Notes of any series but before a judgment or decree for payment of money due has been obtained, the holders of a majority in principal amount of the outstanding Notes of that series, may, following a properly called and duly constituted meeting, rescind any such declaration of acceleration and its consequences, provided that all payments due, other than those due as a result of acceleration, have been made and all Events of Default with respect to the Notes of that series, other than the non-payment of the Actualized NAV which has become due solely by such declaration of acceleration, have been remedied or waived.

The holders of a majority in principal amount of the outstanding Notes of any series may waive an Event of Default, on behalf of the holders of all the Notes of such series, except a default:

- (a) in the payment of any amounts due and payable under the Notes of such series; or
- (b) in respect of an obligation of the Federation contained in, or a provision of, the Global Note or the Terms and Conditions (as the case may be) which cannot be modified under the terms of the Global Note or the Terms and Conditions, as applicable, without the consent of the holder of each outstanding Note of the series affected.

The holders of a majority in principal amount of the outstanding Notes of any series may, following a properly called and duly constituted meeting, direct the time, method and place of conducting any proceeding for any remedy or exercising any rights with respect to the Notes, provided that such direction does not conflict with any applicable law or the Global Note or the Terms and Conditions, as applicable.

The Notes will not have the benefit of any cross-default provisions with other indebtedness of the Federation.

The terms under which a holders' meeting may take place for the purposes of the foregoing rights are the following:

- (a) At any time and from time to time the Federation shall as soon as practicable after being served with a requisition signed by holders representing at least 25% of the aggregate principal amount of the outstanding Notes of a series, convene a meeting of the holders. In the event that the Federation fails within 30 days after receipt of such requisition to convene a meeting, such holders representing at least 25% of the aggregate principal amount of the outstanding Notes of a series may themselves convene such meeting and the notice calling such meeting may be signed by such person as such holders may specify. Such meeting shall be held at the City of Montreal or at such other place as the Federation, or such holders in the event such meeting is called by the holders, may in any case determine or approve;
- (b) At least 30 days' notice of any meeting shall be given to the holders. Such notice shall state the time when, and the place where, the meeting is to be held provided however that a meeting may be held solely using electronic communication facilities if all participants may communicate adequately using such facilities and shall specify in general terms the nature of the business to be transacted at such meeting, but it shall not be necessary to set out in the notice the text of any resolution to be proposed or any of the provisions of these procedures. Notices shall be sent to holders by ordinary surface or air mail postage prepaid addressed to such holders at their respective addresses appearing in the registers. It shall not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting. The accidental omission to give such notice to or non-receipt of any such notice by a holder shall not invalidate any resolution passed at such meeting;
- (c) To be entitled to vote at any meeting of holders, a person shall be (a) a holder of outstanding Notes of the series, or (b) a person appointed by an instrument in writing as proxy for a holder or holders of outstanding Notes of the series by such holder or holders. The only persons who shall be entitled to be present or speak at any meeting of holders shall be the persons entitled to vote at such meeting and their counsel. In addition, the Federation by its respective officers and directors and the legal advisers of the Federation may attend and speak at any meetings of the holders;
- (d) At any meetings, each holder of a Note of the series or a proxy thereof shall be entitled to one vote for each specified principal amount of denomination of Notes of the series held or represented by him. The Chairman of the meeting shall have no right to vote, except as a holder of a Note of the series or a proxy thereof;
- (e) At any meeting of the holders, a quorum shall consist of holders present in person or by proxy and representing not less than 10% or more of the aggregate principal amount of the outstanding Notes of the series. If a quorum is not reached at any meeting, that meeting must be adjourned to a later date not earlier than seven business days after the original meeting date, in which case the quorum required shall be the holders present at such adjourned meeting;
- (f) Some individual person, who need not to be a holder, nominated in writing by the Federation, shall be Chairman of the meeting but, if no person is so nominated or if the person so nominated is not present within 15 minutes after the time fixed for the holding of the meeting, the holders present in person or by proxy shall choose some person present to be Chairman. The Chairman of any meeting at which a quorum of the holders is present may, with the consent of the holders of a majority in principal amount of the Notes of the series represented at such meeting, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe;

- (g) Proposed rules of procedures (such as vote on a show of hands or secret ballot, scrutineers, declarations by Chairman, minutes of meeting, etc.) of any meetings will be submitted by the Federation at the meeting to the holders for their approval. Such approval will require the affirmative vote of a majority in principal amount of the Notes of the series present or represented at the meeting; and
- (h) All actions that may be taken and all powers that may be exercised by the holders at a meeting may also be taken and exercised by the holders of a majority in principal amount of Notes of the series by an instrument in writing signed in one or more counterparts.

The Global Note or the Terms and Conditions (as applicable) will contain the relevant terms under which a holders' meeting may take place for the purposes of the foregoing rights.

Extraordinary Events affecting Equity Linked Notes

Unless otherwise specified in the applicable pricing supplement, the Underlying of Equity Linked Notes will be subject to the adjustments provided hereunder.

Potential Adjustment Event

Following the declaration by a Company of the terms of any Potential Adjustment Event in respect of its Reference Share, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Share and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of the Initial Price of such Reference Share, the formula for calculating the return of such Reference Share or any other component or variable relevant to the determination of the price or return of the Reference Share or the Maturity Consideration as the Calculation Agent determines appropriate to account for such diluting or concentrative effect and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine any appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Share traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustments in respect of any distribution of cash.

“**Closing Price**” means, on any day, the closing price, the closing level or the official net asset value, as applicable, and reported and/or published by the applicable Price Source as specified in the applicable pricing supplement. If there is no closing price, no closing level or no official net asset value, as applicable, reported or published on that day, then the Closing Price will be the closing price, the closing level or the official net asset value, as applicable, on the immediately preceding day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source (except if this occurs on the Initial Valuation Date or the Valuation Date, in which case the closing price, the closing level or the official net asset value, as applicable, on the immediately following day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source will be used).

“**Company**” means the issuer of a Reference Share.

“**Initial Price**” means the Closing Price on the Initial Valuation Date, or as otherwise specified in the applicable pricing supplement.

“**Initial Valuation Date**” means the Issuance Date, provided that if such day is not a Trading Day for a Reference Share included in the Underlying, it will be postponed, for such Reference Share, to the next Trading Day which is a Trading Day for such Reference Share, subject to a postponement of a maximum of eight business days. If on the eighth business day following the date originally scheduled as the Initial Valuation Date, such date is not a Trading Day for such Reference Share, then despite this situation, such eighth business day will constitute the Initial Valuation

Date for such Reference Share and the Closing Price of such Reference Share as of such date (as per the definition of Closing Price) will be used. For greater certainty, it is possible that the Initial Valuation Date is postponed for up to eight business days and that on such eighth business day a Market Disruption Event or other circumstance described herein brings a further postponement of the Initial Valuation Date with respect to one or more Reference Shares affected by the Market Disruption Event or other circumstance for up to an additional eight business days.

“**Issuance Date**” means the date of closing of an offering of Notes as set forth in the applicable pricing supplement.

“**Potential Adjustment Event**” means, in respect of a Reference Share, the occurrence of any of the following events:

- (a) a subdivision, consolidation or reclassification of relevant Reference Shares (unless resulting from a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (i) such Reference Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the applicable Company equally or proportionately with such payments to holders of such Reference Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend or distribution in respect of such Reference Shares (where the characterization of a dividend or distribution as “extraordinary” will be determined by the Calculation Agent);
- (d) a call by the applicable Company in respect of the relevant Reference Shares that are not fully paid;
- (e) a repurchase by the applicable Company or any of its subsidiaries of the relevant Reference Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the applicable Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares.

“**Price Source**” means any price source as specified in the applicable pricing supplement. If such price source is discontinued or otherwise unavailable, the Price Source shall be any other price source deemed reliable and appropriate by the Calculation Agent acting in good faith.

“**Reference Share**” means a share or other equity security comprising the Underlying.

“**Trading Day**” means for each Reference Share, a day on which the Closing Price is scheduled to be calculated and reported or published for that day. The occurrence of a Market Disruption Event does not, by that reason alone, qualify a day as a non-Trading Day.

“**Valuation Date**” means the fifth business day preceding the maturity date of a Note, unless otherwise provided in the applicable pricing supplement. If such day is not a Trading Day for a Reference Share included in the Reference Portfolio, it will be postponed, for such Reference Share, to the next Trading Day which is a Trading Day for such Reference Share, subject to a postponement of a maximum of eight business days. If on the eighth business day following the date originally scheduled as the Valuation Date, such date is not a Trading Day for such Reference Share, then despite this situation, such eighth business day will constitute the Valuation Date for such Reference Share and the Closing Price of such Reference Share as of such date (as per the definition of Closing Price) will be used. For greater certainty, it is possible that the Valuation Date is postponed for up to eight business days and that on such eighth business day a Market Disruption Event or other circumstance described herein brings a further postponement of the Valuation Date with respect to one or more Reference Shares affected by the Market Disruption Event or other circumstance for up to an additional eight business days.

Merger Event and Tender Offer

On or after a Merger Date or Tender Offer Date (as defined below), the Calculation Agent will either (i) (A) make adjustment(s), if any, to any one or more of the Initial Price of the relevant Reference Share, the formula for calculating the return of such Reference Share, or any other component or variable relevant to the determination of the price or return of the Reference Share or the Maturity Consideration as the Calculation Agent determines appropriate to account for the economic effect on the Notes of the relevant Merger Event or Tender Offer, which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Reference Shares traded on such options exchange and (B) determine the effective date(s) of the adjustment(s), or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Calculation Agent may deem the relevant Merger Event or Tender Offer to be a Substitution Event subject to the provisions of “*Substitution Event*”.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means, in respect of a Reference Share, any (i) reclassification or change of the relevant Reference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Reference Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Reference Shares outstanding), (iii) takeover bid, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Reference Shares of such Company that results in a transfer of or an irrevocable commitment to transfer all such Reference Shares (other than such Reference Shares owned or controlled by such other entity or person immediately prior to such transfer or irrevocable commitment), , in each case if the Merger Date is on or before the date on which the return of such Reference Share in respect of such Reference Share is determined and excluding in any case, a Reverse Merger.

“**Reverse Merger**” means, in respect of a Reference Share, any reorganization, consolidation, amalgamation, merger or binding share exchange of such Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all such Reference Shares outstanding but results in the outstanding Reference Shares (other than Reference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Reference Shares immediately following such event.

“**Tender Offer**” means, in respect of a Reference Share, a takeover bid, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding relevant Reference Shares of the applicable Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which the relevant Reference Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

Substitution Event

Upon the Calculation Agent becoming aware of the occurrence of a Substitution Event (as defined below) in respect of a Reference Share (the “**Deleted Reference Share**”), the following will apply, effective on a date as determined by the Calculation Agent (the “**Substitution Date**”):

- (a) any adjustment(s) set out in “*Potential Adjustment Event*” above in respect of such Reference Share will not apply;
- (b) the Calculation Agent may choose a new share (the “**Replacement Reference Share**”) of a Comparable Company as a substitute for such Deleted Reference Share;
- (c) such Deleted Reference Share will be removed from the Underlying and will not be considered as a Reference Share for purposes of determining the price or return of the Reference Share on or after the Substitution Date;
- (d) the Replacement Reference Share will be a Reference Share, the issuer of such Replacement Reference Share will be the Company in respect of such Replacement Reference Share, and the primary exchange or market quotation system on which such Replacement Reference Share is listed will be the Exchange in respect of such Replacement Reference Share; and
- (e) the Calculation Agent will determine the price of such Replacement Reference Share by taking into account all market circumstances, including price of such Deleted Reference Share and the price or estimated value on the Substitution Date of the Deleted Reference Share and the price on the Substitution Date of the Replacement Reference Share, and will make adjustment(s), if any, to any one or more of the formula for calculating the price or return of such Replacement Reference Share, or any other component or variable relevant to the determination of the price or return of the Replacement Reference Share or the Maturity Consideration as the Calculation Agent determines appropriate to account for the economic effect on the Notes of the relevant Substitution Event (including adjustment to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing a Replacement Reference Share, the Calculation Agent will as soon as reasonably practicable under the circumstances provide details of such substitution to the holders of Notes or their agents, and the Federation. For greater certainty, the Replacement Reference Share chosen by the Calculation Agent may be any share of a Comparable Company, and may be a company that was the continuing entity in respect of a Merger Event. The Calculation Agent may elect not to choose a Replacement Reference Share as a substitute for a Deleted Reference Share if the Calculation Agent determines that there are no appropriate shares of a Comparable Company which offer sufficient liquidity in order for the Federation to place, maintain or modify hedges in respect of such shares; in that event, see “*Extraordinary Non Replacement Event*”.

“**Comparable Company**” means a company or other entity deemed by the Calculation Agent to have characteristics comparable to the issuer of the Deleted Reference Share.

“**Delisting**” means, in respect of a Reference Share, that the Exchange announces that pursuant to the rules of the Exchange, the Reference Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange.

“**Insolvency**” means, in respect of a Reference Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the applicable Company, (i) all the relevant Reference Shares of such Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Reference Shares of such Company become legally prohibited from transferring them.

“**Nationalization**” means, in respect of a Reference Share, that all such Reference Shares or all the assets or substantially all the assets of the applicable Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Substitution Event**” means, in respect of a Reference Share, any Nationalization, Insolvency or Delisting in respect of such Reference Share, or any Merger Event or Tender Offer in respect of such Reference Share that is deemed by the Calculation Agent to be a Substitution Event, or an occurrence and continuation for at least eight consecutive applicable business days of a Market Disruption Event in respect of such Reference Share.

Extraordinary Non-Replacement Event

If the Calculation Agent determines that a Substitution Event in respect of a Reference Share has occurred and the Calculation Agent, in its sole discretion, has decided not to choose a Replacement Reference Share as a substitute for such Reference Share whether because the Calculation Agent has determined that there are no appropriate replacement shares or equity securities which offer sufficient comparable attributes including, but not limited to, industry, size, markets and financial position of the issuer and currency, liquidity, dividend yield, volatility of such securities and ability for the Federation or its affiliates to place, maintain or modify hedges in respect of such securities or for any other reason (an “**Extraordinary Non Replacement Event**”), then the Calculation Agent may, in its sole discretion, (i) in the event where the Underlying is a reference portfolio comprising more than one Reference Share or comprising other securities, assets and/or reference items, decide to continue the reference portfolio or basket without such Deleted Reference Share and make the necessary adjustments such that thereafter, the reference portfolio return will be calculated on the basis of the remaining Reference Shares and other securities, assets and/or reference items, where the weighting of the Deleted Reference Share will be reallocated proportionally to the remaining Reference Shares and other securities, assets and/or reference items and make the necessary adjustments so that the return generated on such Deleted Reference Share up to the event leading to such Extraordinary Non Replacement Event is taken into account as at such date or (ii) otherwise (whether the Underlying is a reference portfolio or basket or not) decide to treat the Extraordinary Non Replacement Event as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “*Description of the Notes – Reimbursement Under Special Circumstances and Payment*”.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) in respect of a Reference Share has occurred or is continuing on any day that, but for that event, would be a Valuation Date then the price of such Reference Share will be determined on the basis that such Valuation Date will be postponed to the next business day on which there is no Market Disruption Event in effect for such Reference Share.

However, if on the eighth business day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event:

- (a) such eighth business day will be the Valuation Date in respect of such Reference Share, and
- (b) the price of such Reference Share for such Valuation Date used for determining the return of the Reference Share, the Maturity Consideration or any other payment based on the price of the Reference Share will be a value equal to the estimate of the Calculation Agent for the price of such Reference Share as at such Valuation Date reasonably taking into account all relevant market circumstances and subject to confirmation by a Calculation Expert as provided under “*Description of the Notes – Calculation Expert*”.

A Market Disruption Event may delay the determination of the price or return of the Reference Share and consequently the calculation of the Maturity Consideration for the particular Notes or other payment based on the price of the Reference Share that may be payable. Payment of the Maturity Consideration for the particular Notes or other payment based on the price of the Reference Share will be made on the eighth business day after the prices and returns of all Reference Shares and other securities, assets and/or reference items used in the calculation of the Maturity Consideration for the particular Notes or other payment based thereon have been determined.

In addition, if prior to the Valuation Date for the determination of the Maturity Consideration or other payment for the particular Notes a Market Disruption Event occurs and continues for at least eight consecutive business days, then (i) such occurrence could constitute a Substitution Event and lead to the adjustments set forth under “*Description of the Notes – Extraordinary Events affecting Equity Linked Notes – Substitution Event*”, or (ii) the Calculation Agent may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “*Description of the Notes – Reimbursement Under Special Circumstances*”.

“**Market Disruption Event**” means, in respect of a Reference Share, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Federation or any person that does not deal at arm’s length with the Federation which, in the determination of the Calculation Agent, has or will have a material adverse effect on the ability of the Federation or market participants generally to place, maintain or modify hedges of positions in respect of such Reference Share.

A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure of trading to commence or the permanent discontinuation of trading or any suspension of or limitation imposed on trading by the Exchange or any Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by such Exchange or Related Exchange or otherwise (i) relating to the Reference Shares, or (ii) in futures or options contracts relating to the Reference Shares on any relevant Related Exchange;
- (b) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Reference Share on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Share on any Related Exchange;
- (c) the closure on any Exchange Day of the Exchange or any Related Exchange after it has opened for trading but prior to its scheduled closing time unless such earlier closing time is announced by the Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Day and (ii) the submission deadline for orders to be submitted for entry in the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;

- (d) the failure on any Exchange Day of the Exchange or any Related Exchange to open for trading during its regular trading session;
- (e) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental or regulatory authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a holder of securities of the Company or on the Federation's ability to perform its obligations under the Notes, or for equity dealers generally to place, maintain or modify hedges of positions in respect of such Reference Share;
- (f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or of a country in which the Exchange or any Related Exchange is located;
- (g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities, pandemics including COVID-19, man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond the Federation's control) that has or would have a material adverse effect on the ability of the Federation to perform its obligations under the Notes or of dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Reference Shares or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Reference Shares or has or would have a material adverse effect on the economy of Canada or of a country in which the Exchange or any Related Exchange is located or the trading of securities generally on the Exchange or Related Exchange; or
- (h) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedge transaction in connection with the Reference Shares or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

For the purposes of determining whether a Market Disruption Event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange, and (2) a "suspension, absence or material limitation of trading" on any Exchange or Related Exchange will not include any time when such Exchange or Related Exchange itself is closed for trading under ordinary circumstances.

"Exchange" means, in respect of a Reference Share, the primary exchange or trading system on which that Reference Share is listed and traded from time to time, as determined by the Calculation Agent.

"Exchange Day" means, in respect of a Reference Share, any day on which the Exchange for that Reference Share is scheduled to be open for trading during the regular trading sessions.

"Related Exchange" means in respect of a Reference Share, the primary exchange or trading system on which futures or options on the Reference Share are listed and traded from time to time, as determined by the Calculation Agent.

Extraordinary Events affecting Index Linked Notes

Unless otherwise specified in the applicable pricing supplement, the Underlying of Index Linked Notes will be subject to the adjustments provided hereunder.

Index Adjustments

If the Reference Index is (i) not calculated and announced by the applicable index sponsor, as specified in the applicable pricing supplement, (the “**Reference Index Sponsor**”) existing on the applicable issue date but is calculated and announced by a succeeding entity that continues calculation and publication of the Reference Index (the “**Successor Source**”), or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Reference Index (the “**Successor Reference Index**”), then the Reference Index will be deemed to be the index so calculated and announced by the Successor Source or the Successor Reference Index, as the case may be, and from then any calculations will be determined by reference to the level of such Successor Reference Index.

If any of the following occurs in respect of the Reference Index (each, a “**Material Reference Index Change**”):

- (a) on or prior to the Valuation Date for the determination of the Maturity Consideration or other payment for the particular Notes, the Reference Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes to constituents, weightings and other routine events) or permanently cancels the Reference Index and no Successor Reference Index exists, or
- (b) on a Valuation Date, the Reference Index Sponsor fails to calculate and announce the Reference Index,

then the Calculation Agent may (A) determine if such Material Reference Index Change has a material effect on the calculation of the Maturity Consideration or any other payment under the particular Notes linked to the Reference Index and, if so, shall make all determinations using, in lieu of a published level for the Reference Index, the level for the Reference Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Reference Index immediately prior to the Material Reference Index Change, or (B) determine if another comparable index exists that (i) is reasonably representative of the market which was represented by the Reference Index and (ii) may be as efficiently and economically hedged by dealers in such market as the Reference Index was. If the Calculation Agent determines that such other comparable index exists, then such other comparable index (the “**New Reference Index**”) shall replace the Reference Index as of the date of such determination. Upon any such replacement (a “**Replacement Event**”), the New Reference Index shall be deemed to be the Reference Index for purposes of determining the Maturity Consideration or any other payment under the particular Notes linked to the Reference Index, and the Calculation Agent shall, as soon as practicable after such Replacement Event, make adjustments to any one or more of the initial reference index level of the New Reference Index, the formula for calculating the Maturity Consideration or any other payment under the particular Notes linked to the Reference Index. Adjustments will be made in such a way as the Calculation Agent determines appropriate to account in the calculation of the Maturity Consideration or any other payment under the particular Notes linked to the Reference Index for the performance of the Reference Index up to the occurrence of such Replacement Event and the subsequent performance of the New Reference Index in replacement thereof thereafter. Upon the occurrence of any Material Reference Index Change and the making of any such adjustment, the Calculation Agent shall promptly give notice and brief details to the Federation and the holders of Notes. If the Calculation Agent determines that no adjustment will produce a commercially reasonable result, the Calculation Agent may, in its sole discretion, deem the

relevant Material Reference Index Change to be a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “*Description of the Notes – Reimbursement Under Special Circumstances and Payment*”.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) in respect of the Reference Index has occurred or is continuing on a Valuation Date, then the level of such Reference Index will be calculated on the basis that such Valuation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect in respect of the Reference Index. For the purpose of this provision only, an Exchange Day shall be deemed to be a day that is both a business day and an Exchange Day with respect to the Reference Index.

However, if on the eighth Exchange Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event:

- (a) such eighth Exchange Day will be the Valuation Date in respect of the Reference Index, and
- (b) the level of the Reference Index used for determining the return of the Reference Index, the Maturity Consideration or other payment based on the level of the Reference Index will be a level equal to the Calculation Agent’s estimate of the level of the Reference Index as at such Valuation Date, reasonably taking into account relevant market circumstances and subject to confirmation by a Calculation Expert as provided under “*Description of the Notes – Calculation Expert*”.

A Market Disruption Event may delay the determination of the level or return of the Reference Index, and consequently the calculation of the Maturity Consideration for the particular Notes or other payment based on the level of the Reference Index that may be payable, but the Calculation Agent may delay such payment until the third business day after the levels and returns of all Reference Indices and other securities, assets and/or reference items used in the calculation of the Maturity Consideration for the particular Notes or other payment based thereon have been determined and no interest will be paid in respect of such delay.

In addition, if prior to the Valuation Date for the determination of the Maturity Consideration or other payment for the particular Notes a Market Disruption Event occurs and continues for at least eight consecutive business days, then the Calculation Agent may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “*Description of the Notes – Reimbursement Under Special Circumstances*”.

“**Market Disruption Event**” means, in respect of the Reference Index, any *bona fide* event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Calculation Agent or any person that does not deal at arm’s length with the Calculation Agent which, in the determination of the Calculation Agent, has or will have a material adverse effect on the ability of the Federation or market participants generally to place, maintain or modify hedges of positions in respect of the Reference Index.

A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure of trading to commence or the permanent discontinuation of trading or any suspension of or limitation imposed on trading by any Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by any Exchange or Related Exchange or otherwise (i) relating to securities that comprise 20% or more of the value of the Reference Index, or (ii) in futures or options contracts relating to the Index on any Related Exchange;
- (b) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, securities that

comprise 20% or more of the value of the Reference Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the index on any Related Exchange;

- (c) the closure on any Exchange Day of any Exchange relating to securities that comprise 20% or more of the value of the Reference Index or any Related Exchange after it has opened for trading but prior to its scheduled closing time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Day and (ii) the submission deadline for orders to be submitted for entry in the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;
- (d) the failure on any Exchange Day of any Exchange relating to securities that comprise 20% or more of the value of the Reference Index or any Related Exchange to open for trading during its regular trading session;
- (e) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental or regulatory authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which would make it unlawful or impracticable for the Federation to perform its obligations under the Notes or for equity dealers generally to place, maintain or modify hedges of positions in respect of the Reference Index;
- (f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or of a country in which the Exchange or any Related Exchange is located; or
- (g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities, pandemics including COVID-19, man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond the Federation's control) that has or would have a material adverse effect on the ability of the Federation to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to the Reference Index or a material and adverse effect on the economy of Canada or of a country in which the Exchange or any Related Exchange is located or the trading of securities generally on the Exchange or Related Exchange.

The terms “**Exchange**”, “**Exchange Day**”, “**Related Exchange**” and “**Valuation Date**” have the meaning ascribed thereto under “*Extraordinary Events affecting Equity Linked Notes*”, with the relevant adjustments to reflect their application to Reference Indices and Underlyings and other securities, assets and/or reference items used in the calculation of the Maturity Consideration for the particular Notes or other payment based thereon have been determined and no interest will be paid in respect of such delay instead of Reference Shares.

For the purposes of determining whether a Market Disruption Event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange, and (2) a “a suspension, absence or material limitation of trading” on any Exchange or Related Exchange will not include any time when such Exchange or Related Exchange itself is closed for trading under ordinary circumstances.

Extraordinary Events affecting Fund Linked Notes

Unless otherwise specified in the applicable pricing supplement, the Underlying of Fund Linked Notes will be subject to the adjustments provided hereunder.

Fund Reallocation Event

Following the occurrence of a Fund Reallocation Event (as defined below), the Federation may, in its sole discretion, substitute units, shares or other securities of another mutual fund or investment fund or, for Reference Funds seeking to replicate an index, the relevant reference index to be replicated, if applicable, for the Reference Units as provided below. To do this, the Calculation Agent will notionally sell or redeem the Reference Units and reallocate the notional proceeds to: (i) as applicable, a notional investment in the reference index; or (ii) a notional subscription of units, shares or other securities of one or more mutual funds managed by the Reference Fund manager (or, if the Federation determines, in its discretion, that there is no such replacement fund managed by the Reference Fund manager that is suitable, managed by another fund manager) having similar investment objectives and strategies in order to replace the Reference Fund as a result of the occurrence of a Fund Reallocation Event. If units, shares or other securities of a replacement fund or a reference index, if applicable, is selected by the Federation, such successor securities or reference index (the “**Successor Reference Asset**”), as the case may be, will be used as a substitute for the Reference Units for all purposes, including, without limitation, for purposes of calculating amounts payable under the particular Notes and for determining whether a Market Disruption Event exists and the Calculation Agent will make all necessary adjustments to determine and calculate the Maturity Consideration and any other payment under the particular Notes.

Upon any selection by the Federation of a Successor Reference Asset, holders will be advised of any such replacement through a notice given in the manner described under “*Description of the Notes – Notice to Holders*”.

If the Calculation Agent determines that a Fund Reallocation Event has occurred and the Federation, in its sole discretion, has decided not to choose a Successor Reference Asset as a substitute for such Reference Unit whether because the Federation has determined that there is no appropriate Successor Reference Asset which offer sufficient comparable attributes including, but not limited to, management, investment objectives, underlying assets, currency, liquidity, dividend or distribution yield, volatility of the units, index or underlying securities and ability for the Federation or its affiliates to place, maintain or modify hedges in respect of such assets or for any other reason (a “**Fund Non Replacement Event**”), then the Federation may, in its sole discretion, (i) in the event where the Underlying is a reference portfolio or basket comprising more than one Reference Fund or comprising other securities, assets and/or reference items, decide to continue the reference portfolio or basket without such deleted Reference Unit and have the Calculation Agent make the necessary adjustments such that thereafter, the reference portfolio return will be calculated on the basis of the remaining Reference Units and other securities, assets and/or reference items, where the weighting of the deleted Reference Unit will be reallocated proportionally to the remaining Reference Units and other securities, assets and/or reference items and make the necessary adjustments so that the return generated on such deleted Reference Unit up to the event leading to such Fund Non Replacement Event is taken into account as at such date or (ii) otherwise (whether the Underlying is a reference portfolio or basket or not) decide to treat the Fund Non Replacement Event as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “*Description of the Notes – Reimbursement Under Special Circumstances and Payment*”.

As determined by the Calculation Agent, the occurrence of any of the following events may constitute a “**Fund Reallocation Event**”:

- (a) for a Reference Fund that is an exchange-traded fund, a Fund Substitution Event (as defined below);
- (b) the bankruptcy, insolvency, winding-up, dissolution, liquidation or analogous procedure of the Reference Fund;

- (c) the Reference Fund manager ceases to act as the manager of the Reference Fund;
- (d) the investment objective, investment restrictions or investment policies of the Reference Fund are modified (except where such modification is of a formal, minor or technical nature);
- (e) a material modification (other than any modifications referred to in (d) above) of the terms and conditions relating to the Reference Units (including but not limited to a material modification of the constating documents of the Reference Fund) or the occurrence of any event or change having a material adverse effect on the Reference Units (including, but not limited to, the interruption, breakdown or suspension for a significant period of time of the calculation or publication of the net asset value per unit);
- (f) the non-execution or partial-execution by the Reference Fund of a subscription or redemption order given by an investor in any securities of the Reference Fund or a refusal to transfer any securities of the Reference Fund to an eligible transferee except where such non-execution, partial execution or refusal is the result of circumstances beyond the control of the Reference Fund;
- (g) any mandatory redemption or other reduction (actual or potential as determined by the Calculation Agent in its sole discretion) in the number of securities of the Reference Fund held by any holder of such securities for any reason beyond the control of such holder;
- (h) any failure by the Reference Fund manager to calculate or publish the daily or weekly official net asset value per Reference Unit of the Reference Fund for at least eight (ten in the case of a net asset value calculated weekly) consecutive business days except as provided in the case of a suspension of determination of the net asset value per unit in accordance with the provisions set out in the constating documents of the Reference Fund;
- (i) the Reference Fund imposes in whole or part any restriction, charge or fee in respect of a redemption or subscription of any Reference Units of the Reference Fund by any holder thereof (other than any fee applicable to a holder of Reference Units of the Reference Fund as at the date of issuance of the particular Notes);
- (j) any relevant activities of or in relation to the Reference Fund or the Reference Fund manager are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; or
- (k) a relevant authorization or license is revoked or is under review by a competent authority in respect of the Reference Fund or the Reference Fund manager.

“**Fund Substitution Event**” means, in respect of a Reference Fund that is an exchange-traded fund, any Nationalization, Insolvency, Delisting or Index Event in respect of such Reference Fund, or any Merger Event or Tender Offer in respect of such Reference Fund that is deemed by the Calculation Agent to be a Fund Substitution Event, or the occurrence and continuation for at least eight consecutive applicable business days of a Market Disruption Event in respect of Reference Units of such Reference Fund. The terms “**Nationalization**”, “**Insolvency**” and “**Delisting**” have the meaning ascribed thereto above under “*Extraordinary Events affecting Equity Linked Notes*”, with the relevant adjustments to reflect their application to Reference Units and Reference Funds instead of Reference Shares and issuers thereof.

“**Index Event**” means, in respect of a Reference Unit, (i) the sponsor for the index that is replicated by the Reference Fund (the “**ETF Reference Index**”) announces that it will make a material change in the formula for or the method of calculating the ETF Reference Index or in any other way materially modifies the ETF Reference Index

(other than a modification prescribed in that formula or method to maintain the ETF Reference Index in the event of changes to the constituents and other routine events) or permanently cancels the ETF Reference Index and no successor index exists, or (ii) the sponsor for the ETF Reference Index fails to determine and announce the official closing level or value of the ETF Reference Index, and, in either case, the Calculation Agent determines that such event has a material effect on the calculation of the Maturity Consideration or any other payment under the particular Notes linked to the Reference Units of the Reference Fund.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event in respect of a Reference Unit has occurred and is continuing on the applicable Valuation Date, then the price or value of such Reference Unit will be calculated on the basis that the Valuation Date will be postponed for the purpose of such affected Reference Unit only (and not other Reference Units or other securities, assets and/or reference items that may be included in the Underlying) to the next business day on which there is no Market Disruption Event with respect to such Reference Unit.

However, there will be a limit for postponement of the Valuation Date. If on the eighth business day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence or continuance of a Market Disruption Event in respect of such Reference Unit on or after such business day: (a) such eighth business day shall be the Valuation Date in respect of the Reference Unit; and (b) the price or value of the Reference Units used for determining the return of the Reference Units, the Maturity Consideration or other payment based on the price or value of such Reference Unit will be a price or value equal to the Calculation Agent's estimate of the price or value of the Reference Unit as at such Valuation Date, reasonably taking into account relevant market circumstances and subject to confirmation by a Calculation Expert as provided under "*Description of the Notes – Calculation Expert*".

A Market Disruption Event may delay the determination of the return of a Reference Unit and consequently, in addition, if prior to the Valuation Date for the determination of the Maturity Consideration or other payment for the particular Note a Market Disruption Event occurs and continues for at least eight consecutive business days, then the Federation may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See "*Description of the Notes – Reimbursement Under Special Circumstances and Payment*".

"**Market Disruption Event**" means, in respect of a Reference Unit, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Calculation Agent or any person that does not deal at arm's length with the Calculation Agent which has or could have a material adverse effect on the ability of the Federation and/or its affiliates generally to place, maintain, substitute, unwind or modify hedge positions in respect of the particular Notes and/or the Reference Units and/or a material number of securities, contracts of other reference items in which the Reference Fund assets are invested (the "**Reference Fund Assets**"). A Market Disruption Event may include, without limitation, any of the following events:

- (a) a suspension or absence of or material limitation on subscriptions and/or redemptions of Reference Units;
- (b) a suspension of or limitation imposed on trading by the relevant Exchanges or Related Exchanges for the Reference Units or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchanges or Related Exchanges or otherwise (i) relating to the Reference Units, or (ii) in futures or options contracts or relating to the Reference Units;
- (c) the closure on any Exchange Day of the relevant Exchange(s) or any Related Exchange for the Reference Units prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual

closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;

- (d) any event other than an event referred to in paragraph (c) that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Reference Units, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Units;
- (e) the failure on any Exchange Day of the relevant Exchanges of the Reference Units or any Related Exchanges to open for trading during regular trading sessions;
- (f) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental or regulatory authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a holder of securities of the Reference Fund or on the Federation's ability to perform its obligations under the Notes, or for equity dealers generally to place, maintain or modify hedges of positions in respect of the Reference Units;
- (g) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada;
- (h) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities, pandemics including COVID-19, man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond the Federation's control) that has or would have a material adverse effect on the ability of the Federation to perform its obligations under the Notes or of dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Reference Units or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Reference Units or has or would have a material adverse effect on the economy or the trading of securities generally; or
- (i) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedge transaction in connection with the Notes or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction; or
- (j) in any other event, if the Calculation Agent determines that the event materially affects the ability of the Federation and/or its affiliates to hedge or unwind all or a material portion of a hedge with respect to the particular Notes that has been effected or may come into effect as described under "Use of Proceeds and Hedging".

The terms "**Exchange**", "**Exchange Day**", "**Related Exchange**" and "**Valuation Date**" have the meaning ascribed thereto above under "*Extraordinary Events affecting Equity Linked Notes*", with the relevant adjustments to reflect their application to Reference Units and/or Reference Fund Assets instead of Reference Shares.

For the purposes of determining whether a Market Disruption Event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange, and (2) a "suspension, absence or material

limitation of trading” on any Exchange or Related Exchange will not include any time when such Exchange or Related Exchange itself is closed for trading under ordinary circumstances.

Special Adjustment Events for Exchange-Traded Funds

The Underlying comprised of units, shares or other securities of exchange-traded funds will be subject to the following adjustments:

Following the declaration by the Reference Fund of the terms of any Potential Adjustment Event in respect of its Reference Units, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Unit and, if so, may (i) make the corresponding adjustments, if any, to any one or more of the initial price of the Reference Units, the formula for calculating the return of the Reference Units, or any other component or variable relevant to the determination of the Maturity Consideration for the particular Notes as the Calculation Agent determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the Reference Units traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash.

A “**Potential Adjustment Event**” means, as determined by the Calculation Agent acting in good faith, any event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Units, including a subdivision, consolidation or reclassification of the Reference Units, an extraordinary dividend and shareholder right distribution.

On or after the closing of a Merger Event, the Calculation Agent, acting in its sole and entire discretion, will either (i) (A) make adjustment(s), if any, to any one or more of the initial price of the Reference Units, the formula for calculating the return of the Reference Units, or any other component or variable relevant to the determination of the Maturity Consideration for the particular Notes as the Calculation Agent determines appropriate to account for the economic effect on the particular Notes of the relevant Merger Event, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event by an options exchange to options on the Reference Units traded on such options exchange, and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, the Calculation Agent may deem the relevant Merger Event to be a Fund Reallocation Event, subject to the provisions of “*Fund Reallocation Event*” above. The term “**Merger Event**” has the same meaning ascribed thereto above under “*Extraordinary Events affecting Equity Linked Notes*” with the relevant adjustments to reflect its application to Reference Units instead of Reference Shares.

Extraordinary Events affecting Interest Rate Linked Notes

Unless otherwise specified in the applicable pricing supplement, the Underlying of Interest Rate Linked Notes will be subject to the adjustments provided hereunder.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event in respect of a Reference Rate has occurred and is continuing on the applicable Valuation Date, then the level of the Reference Rate will be calculated on the basis that the Valuation Date will be postponed for the purposes of the affected Reference Rate only (and not other Reference Rates or other securities, assets and/or reference items that may be included in the Underlying) to the next business day on which there is no Market Disruption Event in respect of such Reference Rate.

However, there will be a limit for postponement of the Valuation Date. If on the eighth business day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence or continuance of a Market Disruption Event in respect of such Reference Rate on or after such eighth business day: (a) such eighth business day will be the Valuation Date in respect of such Reference Rate; and (b) the level of the Reference Rate will be a value equal to the Calculation Agent's estimate of the level thereof as at such Valuation Date, reasonably taking into account relevant market circumstances and subject to confirmation by a Calculation Expert as provided under "*Description of the Notes – Calculation Expert*".

A Market Disruption Event may delay the determination of the level of the Reference Rate and consequently the calculation of the Maturity Consideration for the particular Notes or other payment based on the level of the Reference Rate that may be payable. Payment of the Maturity Consideration for the particular Notes or other payment based on the level of the Reference Rate will be made on the eighth business day after the price and/or level of all Reference Rates and other securities, assets and/or reference items used in the calculation of the Maturity Consideration for the particular Notes or other payment based thereon have been determined.

In addition, if prior to the Valuation Date for the determination of the Maturity Consideration or other payment for the particular Notes, a Market Disruption Event occurs and continues for at least eight consecutive business days, then the Federation may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See "*Description of the Notes – Reimbursement Under Special Circumstances*".

"Market Disruption Event" means, in respect to a Reference Rate, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Calculation Agent or any person that does not deal at arm's length with the Calculation Agent which has or could have a material adverse effect on the ability of the Federation and/or its affiliates generally to place, maintain, substitute, unwind or modify hedge positions in respect of the particular Notes and such Reference Rate. A Market Disruption Event may include, without limitation, any of the following events:

- (a) the absence or suspension of or limitation on trading either imposed by a primary exchange or trading system on which futures or options on the Reference Rate are listed and traded from time to time, as determined by the Calculation Agent or otherwise;
- (b) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Reference Rate, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Rate;
- (c) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental or regulatory authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a holder of securities of the Reference Rate or on the Federation's ability to perform its obligations under the Notes, or for equity dealers generally to place, maintain or modify hedges of positions in respect of the Reference Rate;
- (d) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada;

- (e) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities, pandemics including COVID-19, man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond the Federation's control) that has or would have a material adverse effect on the ability of the Federation to perform its obligations under the Notes or of a party generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Reference Rate or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Reference Rate or has or would have a material adverse effect on the economy or the trading of securities generally; or
- (f) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedge transaction in connection with the Notes or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction; or
- (g) in any other event, if the Calculation Agent determines that the event materially affects the ability of the Federation and/or its affiliates to hedge or unwind all or a material portion of a hedge with respect to the Notes that has been effected or may come into effect.

Credit Ratings

The Notes have not been rated by any rating agencies. Reference is made to the Annual Information Form, incorporated by reference herein, under "*Capital Structure – Credit Ratings*" for a description of the ratings assigned to the outstanding securities of the Federation, Desjardins Capital Inc. and to the Desjardins Group. There can be no assurance that, if the Notes were specifically rated by a rating agency, they would have the same ratings as the ratings of the Federation for its long-term senior debt or any other securities.

Ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating agency at any time if in its judgment circumstances so warrant. Prospective investors should consult the rating agencies with respect to the interpretation and implications of ratings.

The Federation made payments to DBRS, Fitch, Moody's and Standard & Poor's (S&P) (as such rating agencies are defined in the Annual Information Form incorporated by reference herein) in connection with the assignment of ratings on its rated instruments. In addition, the Federation has or may have made payments in respect of certain other services provided to the Federation by each of such rating agencies during the last two years.

Notice to Holders

All notices to the holders of Notes regarding the Notes will be validly given if (i) given through CDS to CDS participants, in the case of Global Notes only, or (ii) given through Fundserv, in the case of Uncertificated Notes or Fundserv Notes only, or (iii) published once in a widely circulated edition of a French language Québec newspaper and in the national edition of a widely circulated edition of an English language Canadian newspaper, or (iv) sent by mail or electronic mail to holders of Notes or (v) posted on the web site www.desjardinsstructurednotes.com, a dedicated web site containing information on the Notes.

USE OF PROCEEDS AND HEDGING

Unless otherwise specified in a pricing supplement, the Federation will use the net proceeds received from the sale of Notes for the purpose of carrying out its functions as treasurer and financial agent of Desjardins Group

and offering financing, banking and international services to its clients and members, including institutions and organizations (governments, municipalities, school districts, etc.), large and medium size businesses and the various entities of Desjardins Group and to hedge the Federation's obligations under the Notes as described below.

In anticipation of the sale of Notes of a series, the Federation and/or its affiliates expect to enter into hedging transactions involving purchases and/or sales of securities, property, contracts or other elements comprising or relating to the Underlying ("Underlying Constituents") and/or listed and/or over-the-counter options or futures on the Underlying Constituents prior to or on or after the date of issuance of the particular Notes. Unless otherwise specified in a pricing supplement, from time to time, the Federation and/or its affiliates may enter into additional hedging transactions or unwind those they have entered into.

In this regard, the Federation and/or its affiliates may, among other things:

- (a) acquire or dispose of Underlying Constituents;
- (b) acquire or dispose of long or short positions in listed or over-the-counter options, futures, exchange-traded funds or other instruments based on the level or price of Underlying Constituents;
- (c) acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments based on the level or price of other securities, property, contracts or elements similar to the Underlying Constituents; or
- (d) any combination of the above.

The Federation and/or its affiliates may issue or acquire a long or short position in securities similar to the Notes of any series from time to time and may, in their sole discretion, hold or resell those securities. The Federation and/or its affiliates may close out their hedge on or before any Valuation Date. That step may involve sales or purchases of an Underlying, listed or over-the-counter options or futures on the Underlying or listed or over-the-counter options, futures or other instruments based on the price or level of the Underlying Constituents or other instrument designed to hedge the Federation's obligations under the particular Notes.

The hedging activity discussed above may adversely affect the market value of the Notes of any series from time to time. See "*Risk Factors – Hedging Transactions may affect the Underlying*" herein and in the applicable pricing supplement for a discussion of these adverse effects. The Federation may also benefit from the difference between the amount it is obligated to pay under the particular Notes, net of related expenses, and the returns it may generate in hedging such obligation.

Governing Law

The Notes will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein and the courts of the Canadian Provinces will have exclusive jurisdiction with respect to any matters arising out of this Prospectus or any matter related to the Notes.

RISK FACTORS

Investment in the Notes involves risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in the Notes, prospective purchasers should consider carefully, in light of their own financial circumstances (i) the risk factors described in the documents incorporated by reference in this Prospectus, (ii) all of the other information contained in this Prospectus, and (iii) the risks described in a prospectus supplement relating to a specific offering of Notes.

The risks described herein and in the documents incorporated by reference into this Prospectus and/or the applicable prospectus supplement are not the only risks facing the Federation and Desjardins Group. Additional risks and uncertainties not currently known to the Federation, or that the Federation currently deems immaterial, may also materially and adversely affect its business. The Federation cannot assure purchasers that any of the events discussed in the risk factors below will not occur.

Suitability of the Notes for investment

A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of investment objectives and the information set out in this Prospectus and any applicable pricing supplement. An investment in the Notes is suitable only for investors prepared to assume risks with respect to a return linked to the performance of the Underlying and that less than and even possibly none of the principal amount invested may be returned (other than a minimum of 1%). The Notes are designed for investors who are prepared to hold the Notes to maturity. An investment in the Notes is not suitable for an investor looking for a guaranteed return. The Federation and the Dealers make no recommendation as to the suitability of the Notes for investment.

The Notes do not guarantee return of the principal amount at maturity and investors could lose substantially all their investment in the Notes

Unless otherwise specified in a pricing supplement, the principal amount of the Notes will not be guaranteed (other than a minimum of 1%) and the Notes may return less than and possibly even none of the principal amount invested (other than a minimum of 1%). The fluctuations in the price or level of the Underlying are unpredictable and will be influenced by factors that are beyond the control of the Federation and as a result, the value of the Notes, and the Maturity Consideration to be received at maturity, will fluctuate with the level of the Underlying and may be less than the principal amount depending on the performance of the Underlying. Historical performance levels of the Underlying should not be considered as any indication of the future performance thereof.

The value of the Notes may be affected by the general creditworthiness of Desjardins Group

The value of the Notes may be affected by the general creditworthiness of Desjardins Group and of the financial services cooperatives network consisting of the Caisses and the Federation. Accordingly, conditions adversely affecting the Caisses and the other members of Desjardins Group could impair the Federation's ability to satisfy its obligations, and the Federation's financial position or results of operations may be adversely affected by business risks affecting those entities. For more information, please refer to, among others, the Desjardins Group's most recent annual and interim management's discussion and analysis and to other documents incorporated by reference herein.

Notes are subject to the credit risk of the Federation

The obligation to make payments under the Notes is an obligation of the Federation. The likelihood that holders of Notes will receive payments owing to them under the Notes will depend on the financial health and creditworthiness of the Federation.

The Notes will be direct unsecured and unsubordinated obligations of the Federation that will rank *pari passu* and *pro rata* with all unsecured and unsubordinated deposits, borrowings and obligations of the Federation, whether now outstanding or hereafter incurred, except as may be provided by law. In the event of winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of entities of the Groupe coopératif Desjardins, except as may be provided by law.

We refer you to the risks described in the Federation's most recent annual report and the Federation's latest quarterly report available at www.sedar.com. These reports disclose known material trends and events, and risks or uncertainties, that are reasonably expected to have a material effect on the Federation's business, financial condition, results of operation and hence, on its general creditworthiness.

The Notes will not be insured under the Deposit Institutions Act, the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime

The Notes will not constitute deposits that are insured under the Deposit Institutions Act, the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit taking institution.

The Federation is the Sole Obligor under the Notes

The Notes are obligations of the Federation only and are not obligations of the other members of Desjardins Group. The fact that the Caisses are required to provide capital to the Federation by way of assessments made by the Federation is not in any way a guarantee of the Notes, and purchasers of Notes will not have any rights as third party beneficiaries or otherwise in connection therewith and will not have any right to benefit from any guarantee or any other form of credit support or receive any other payment in respect of the Notes from, in each case, any member of Desjardins Group other than the Federation. The Federation is the sole obligor of the Notes and will be solely responsible for payments of principal and interest on the Notes. The Federation's right to receive any assets of its subsidiaries upon their insolvency, bankruptcy, liquidation or dissolution, and therefore the right of the holders of Notes to participate in those assets, is subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if the Federation is the creditor of its subsidiaries, its right as a creditor is subordinate to any security interest in such assets of its subsidiaries and any indebtedness of its subsidiaries senior in right of payment to that held by it.

Further, the Federation's subsidiaries are separate and distinct legal entities from it. The Federation's subsidiaries have no obligation to pay any amounts due under the Notes or to provide it with funds to meet its payment obligations under the Notes, whether in the form of dividends, distributions, loans or other payments.

The Federation is dependent upon the Caisses and other members of Desjardins Group

A significant portion of the Federation's cash flow and income is derived from its lending and other relationships with other members of Desjardins Group, including on interest and other payments from the Caisses and the other members of Desjardins Group. Accordingly, conditions adversely affecting the Caisses and the other members of Desjardins Group could impair the Federation's ability to satisfy its obligations, including with respect to the Notes.

Principal at risk; Structural risks of Notes

The Notes are not conventional notes or debt instruments. Notes are linked to Underlyings and will carry significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation in the price or level of the Underlyings and the possibility (depending on the terms of the particular Notes) that a holder will receive a lower amount of principal and a lower, or no, amount of premium or interest, or that a holder may receive such payments at different times than expected. The Federation has no control over a number of matters, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an Underlying used to determine any amounts payable in respect of the Notes contains a multiplier or leverage factor, the effect of any change in that Underlying will be magnified. In recent years, values of certain Underlyings have been volatile, and volatility in those and other underlying interests may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future.

There is no prior public market for the Notes

It is not currently anticipated that the Notes will be listed on any stock exchange or quotation system and, consequently, there may be no market through which the Notes may be sold and purchasers may therefore be unable to resell such Notes. This may affect the pricing of the Notes in any secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation.

Many factors affect the trading value of the Notes; Offer prices for Notes may not reflect the return of the Underlying

Investors should be willing to hold their Notes to maturity. There can be no assurance that a trading market for the Notes will ever develop or be maintained. Unless otherwise specified in the applicable pricing supplement, the Notes will not be listed on any exchange.

If the secondary market for the particular Notes is limited, there may be fewer buyers when an investor decides to sell his or her Notes prior to the maturity date, affecting the bid price such a holder will receive. Moreover, the Market Makers (as defined below) will reserve the right not to maintain such a secondary market in the future in their sole discretion, without providing prior notice to holders. **DSI is a wholly-owned subsidiary of the Federation. Under the Notes, the interests of the holders and the Federation may be different. Whenever acting as Market Maker, DSI will carry out its market making activities in good faith and in accordance with applicable regulations governing its business.**

Furthermore, the sale of Notes using the Fundserv network is not like standard over-the-counter markets for debt instruments maintained by registered dealers and carries certain restrictions, including selling procedures that require the initiation of an irrevocable sale order at a bid price that will not be known prior to placing such sale order. See “*Fundserv – Sale of Notes using the Fundserv Network*”.

Many factors independent of the Federation’s creditworthiness may affect the trading in the particular Notes. These factors include:

- the complexity and volatility of the underlying interest rate or other Underlying applicable to the particular Notes if they are linked to one or more interest rates or other Underlying;
- the method of calculating the principal, premium, interest and any other amount due;
- the time remaining to the maturity;
- the outstanding amount of the particular Notes;
- the redemption features, if any;
- the amount of other securities linked to the Underlying applicable to the particular Notes;
- the supply and demand for the particular Notes;
- the inventory positions with the Market Makers;
- the creditworthiness of the Federation; and
- the level, direction and volatility of market interest rates generally. The effect of any one factor may be offset or magnified by the effect of another factor.

In addition, because some Notes are designed for specific investment objectives or strategies, these Notes will have a more limited trading market and may experience more price volatility. There may be a more limited number of buyers for these Notes. This may affect the price a holder receives for these Notes or a holder's ability to sell these Notes at all.

Holder's choosing to sell their Notes prior to maturity will receive an amount which may not necessarily reflect the return of the Underlying up to the date of such sale. The price at which a holder will be able to sell the particular Notes prior to maturity may be at a discount, which could be substantial, from the Maturity Consideration that would be payable if the particular Notes were maturing on such day, based upon one or more factors. The value of the Notes in the secondary market will be affected by a number of complex and inter-related factors.

The estimated initial value of Notes will be less than the issue price and will not reflect the secondary market price, if any

The estimated initial value set forth on the cover page of the relevant pricing supplement will not represent a minimum price at which the Federation, DSI or any of the Federation's other affiliates would be willing to purchase the Notes in any secondary market (if any exists) at any time. If investors attempt to sell the Notes prior to maturity, their market value may be lower than the issue price and lower than the estimated initial value. This is due to, among other things, changes in the price, level or value of the Underlyings and the inclusion in the issue price of fees and expenses such as selling commissions and independent dealer fees, the Federation's expected profit (which may or may not be realized) for structuring the Notes and the estimated costs that may be incurred by the Federation in creating, issuing, maintaining and hedging its obligations under the Notes. At any time, the Federation may decide not to hedge or partially hedge its obligations under the Notes. Various market and economic factors over the term of the Notes will impact the price at which investors may be able to sell the Notes in any secondary market and will affect the value of the Notes in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which investors may be able to sell their Notes prior to maturity will likely be less than their original purchase price. The Notes are not designed to be short-term trading instruments. Accordingly, investors should be able and willing to hold their Notes to their stated maturity.

The estimated initial value of Notes will be an estimate only, calculated as of the time the terms of the Notes were set

The estimated initial value of Notes is based on the value of the Federation's obligation to make the payments on the Notes. The Federation's estimate will be based on internal models and on a variety of assumptions, including expectations as to dividends, interest rates and volatility of the Underlyings, and the expected term of the Notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Notes or similar securities at a price that is significantly different. The value of the Linked Notes at any time after the date of the relevant pricing supplement will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value investors would receive if they sold the Notes in the secondary market, if any, should be expected to differ materially from the estimated initial value of the Notes.

Redemption may adversely affect the return on the Notes

If Notes are redeemable or are otherwise subject to mandatory redemption, such Notes may be redeemed at times when prevailing interest rates may be relatively low. In such case, a holder generally would not be able to reinvest the redemption proceeds at a comparable effective interest rate. Moreover, upon redemption prior to maturity, a holder may not be able to participate fully in the return that might have occurred over the full term of the Notes.

The Notes could be redeemed prior to maturity under a Reimbursement Under Special Circumstances

Upon the occurrence of a Special Circumstance, the Federation may redeem the Notes pursuant to a Reimbursement Under Special Circumstances. Under such circumstances, the investor may not be able to participate fully in the return of the Underlying that might have occurred up to the payment date pursuant to a Reimbursement Under Special Circumstances.

Risks relating to Notes in foreign currencies

Notes denominated or payable in foreign currencies may entail significant risks. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary markets. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable pricing supplement.

Reliance on the Calculation Agent

Unless otherwise specified in a pricing supplement, Desjardins Investments, a FCDQ Affiliate (as defined below), will be the Calculation Agent for the Notes. Subject to confirmation by the Calculation Expert as applicable, the Calculation Agent will be solely responsible for the determination and calculation of the Maturity Consideration, the Actualized NAV and any other determinations and calculations with respect to any payment in connection with the Notes, as well as for determining whether a Market Disruption Event for each of a Reference Share, a Reference Index, a Reference Unit and a Reference Rate has occurred and for making certain other determinations with regard to the Notes. All determinations and calculations made by the Calculation Agent, as confirmed by the Calculation Expert, when required, will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding upon the holders. As such, investors in the Notes will rely on and be exposed to the determinations of the Calculation Agent. The Calculation Agent will carry out its duties and functions in good faith and using its reasonable judgment.

Conflicts of interest may affect the Calculation Agent

Unless otherwise specified in the applicable pricing supplement, Desjardins Investments, a FCDQ Affiliate, will be the Calculation Agent. The Calculation Agent may have economic interests adverse to those of the holders, including with respect to certain determinations that the Calculation Agent must make in determining the amounts payable under the terms of the Notes and in making certain other determinations with regard to the Notes. However, the Calculation Agent will carry out its duties and functions in good faith and using its reasonable judgment.

Moreover, as noted above, the Federation and/or its affiliates expect to engage in trading activities related to the Underlyings that are not for the account of holders or on their behalf. These trading activities may present a conflict between the holders' interest in the Notes and the interests the Federation and/or its affiliates will have in their proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the price or the level of the Underlyings, could be adverse to the interests of the holders. Moreover, subsidiaries of the Federation, including DSI, may have published, and in the future are likely to publish, research reports with respect to the Underlyings. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities by the Federation, DSI and/or other affiliates thereof may affect the market price and/or the level of the Underlying and, therefore, the market value of the particular Notes.

Conflicts of interest may affect DSI

DSI, which may act as Market Maker for the Notes as described herein, is a wholly-owned subsidiary of the Federation. Under the Notes, the interests of the holders and the Federation may be different. DSI will carry out its market making activities in good faith and in accordance with applicable regulations governing its business.

Hedging transactions may affect the Underlyings

As described above under “Use of Proceeds and Hedging”, the Federation and/or its affiliates may hedge the Federation’s obligations under the particular Notes by doing one or a combination of the following: purchasing or selling the Underlying (or Underlying Constituents) and/or futures or options on the Underlying (or Underlying Constituents), or other derivative instruments with returns linked or related to changes in the performance of the Underlying (or Underlying Constituents), and the Federation and/or its affiliates are likely to adjust these hedges by, among other things, purchasing or selling the Underlying (or Underlying Constituents) and/or futures, options, or other derivative instruments with returns linked or related to changes in the performance of the Underlying (or Underlying Constituents), from time to time. Any of these hedging activities may, but are not expected to, impact the market price and/or the level of the Underlying (or Underlying Constituents), and, therefore, increase or decrease the market value of the particular Notes. It is possible that the Federation and/or its affiliates could receive substantial returns from these hedging activities while the market value of the particular Notes declines. The Federation may benefit from the difference between the amount it is obligated to pay under the particular Notes, net of related expenses, and the returns it may generate in hedging such obligation. The Federation and/or its affiliates may also engage in trading in the Underlying (or Underlying Constituents) and other investments relating to the Underlying (or Underlying Constituents) on a regular basis as part of their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities, among others, could impact the market price and/or the level of the Underlying (or Underlying Constituents) and, therefore, may increase or decrease the market value of the Notes. The Federation and/or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the Underlying (or Underlying Constituents). By introducing competing products into the marketplace in this manner, the Federation and/or its affiliates could adversely affect the market value of the Notes.

The Valuation Date or the date on which the Maturity Consideration is payable may be postponed if a Market Disruption Event occurs on the Valuation Date

The determination of the price or return of the Underlying may be postponed if the Calculation Agent determines that a Market Disruption Event has occurred or is continuing on the Valuation Date. If such a postponement occurs, the Calculation Agent will only be able to calculate the price or return of the Underlying on the first business day immediately after that day on which no Market Disruption Event occurs or is continuing. In no event, however, will the Valuation Date be postponed by more than eight business days. As a result, the date on which the Maturity Consideration for the particular Notes is due could also be postponed, although not by more than eight business days. If the Valuation Date is postponed to the last possible day, but a Market Disruption Event occurs or is continuing on that day, that day will nevertheless be the Valuation Date. In such an event, the Calculation Agent will make a good faith estimate of the price or return of the Underlying that would have prevailed in the absence of the Market Disruption Event.

Holders have no ownership interest in the Underlying or the Underlying Constituents

An investment in the Notes does not constitute an investment in the Underlying or the Underlying Constituents. A holder will not be a beneficial owner of the Underlying or Underlying Constituents during the term of the particular Notes and therefore will not be entitled to receive any dividends or similar amounts paid on the constituents of the Underlying, nor will the holders be entitled to any recourse to the Underlying or the Underlying Constituents to satisfy amounts owing under the particular Notes or to acquire the Underlying or Underlying

Constituents by virtue of their ownership of the particular Notes. Moreover, holders will not be entitled to any voting rights or to other control rights that holders of constituents comprising the Underlying may have.

Concentration risk; the Notes are linked only to the Underlyings

Notes linked to Underlyings are linked only to such Underlyings. As a result, an investment in the Notes may offer less diversification than an investment in other Underlyings, and may, as a result, be subject to greater volatility.

Deferred payment

If the payment of the full amount of the Maturity Consideration of the particular Notes when due would result in payment of “interest”, as defined in *Criminal Code* (Canada), at a “criminal rate” (defined as an effective annual rate exceeding 60%), such payment would be prohibited by the *Criminal Code*. Accordingly, each holder agrees that if payment of the full amount of the Maturity Consideration of the Notes would cause the holder to receive payment of interest at a criminal rate for the purpose of the *Criminal Code*, the Federation may defer payment of a portion of such amount until the earliest time that it may be lawfully be paid, with interest on the unpaid portion at the Federation’s equivalent term deposit rate.

Regulatory change

There can be no assurance that income tax, securities and other laws will not be changed in a manner that will adversely affect investors in the Notes.

Bail-in Regime

The Deposit Institutions Act, the *Regulation respecting the Classes of Negotiable and Transferable Unsecured Debts and the Issuance of such Debts and of Shares* (Québec) (the “**Prescribed Debt Regulations**”), other regulations under the Deposit Institutions Act and certain other laws, regulations and guidelines collectively provide for a resolution process and internal recapitalization regime (the “**Bail-in Regime**”) for deposit institutions that are domestic systemically important financial institutions belonging to a cooperative group such as the Federation, which Bail-in Regime is substantially similar to the regime to which Canadian domestic systemically important banks are subject to under Canadian federal law.

The objective of resolution operations, including the Bail-in Regime, is to ensure the sustainability of the operations of deposit institutions belonging to a cooperative group despite their failure, without resorting to public funds, and to have holders of contributed capital securities and creditors absorb losses, thereby minimizing taxpayer exposure to the losses.

Among other resolution operations, the AMF may, in particular, (i) amalgamate the Groupe coopératif Desjardins and have it continued as one Québec savings company, (ii) establish a bridge institution in order to have it assume the liabilities, in relation to deposits of money, of deposit-taking institutions belonging to the Groupe coopératif Desjardins, (iii) establish an asset management company with a view to transferring any part of the assets or liabilities of a legal entity belonging to the Groupe coopératif Desjardins to such asset management company, except liabilities in relation to deposits of money, and/or (iv) transfer the assets and liabilities of a legal entity belonging to the Groupe coopératif Desjardins to any acquirer.

In addition, in the event any deposit institution belonging to the Groupe coopératif Desjardins becomes non-viable, the AMF may convert any part of the capital shares issued by the deposit-taking institution belonging to the Groupe coopératif Desjardins (such as Class F capital shares) and/or of certain other debt securities prescribed by regulation issued by the Federation into contributed capital securities of the Federation, of a deposit-taking institution belonging to the Groupe coopératif Desjardins, or of another legal entity constituted for such purpose or resulting

from the resolution process of the Groupe coopératif Desjardins. Covered bonds, certain derivatives and structured notes, senior unsubordinated debt instruments that (i) have a maturity of less than 400 days (including explicit or embedded extension options) or (ii) are not assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and subordinated notes that are non-viability contingent capital instruments are all excluded from the application of the bail-in regime. Holders of converted capital shares or debt instruments may be eligible for indemnification, as set forth under applicable regulations.

The AMF released, on March 21, 2019, the Notice *relating to the bail-in power set out in the second paragraph of section 40.50 of the Deposit Insurance Act*, which specifies the AMF's current intention with respect to the application of the Bail-in Regime. In this context, the AMF plans to propose to the resolution board that it convert negotiable and transferable unsecured debt into capital shares of the Federation in accordance with the conversion measures set out in the regulations. The AMF would then propose to the resolution board that it carry out an amalgamation/continuance operation, the purpose of which would be to amalgamate the entities belonging to the Groupe coopératif Desjardins and have them continued as one Québec savings company. In addition, Bill 3, *An Act to amend various legislative provisions mainly with respect to the financial sector*, was assented to on December 8, 2021. It amends, in particular, the *Deposit Institutions Act* in order to remove the AMF's write-off and cancellation powers from its bail-in power. As a result, the AMF's power to write off any part of the negotiable and transferable unsecured debts and to cancel any part of the capital shares issued by the Federation has been removed.

In addition, the Bail-in Regime is not retroactive in respect of debt instruments and does not apply to any debt instruments issued prior to March 31, 2019.

Furthermore, the AMF's *Total Loss Absorbing Capacity Guideline* (the TLAC Guideline) applies to and establishes standards for Desjardins Group in this regard. As a result, since April 1, 2022, Desjardins Group has been required to maintain at all times a minimum loss absorbing capacity composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support its recapitalization in the event of a failure.

We refer you to the description of the Bail-in Regime included in the section entitled "*Regulatory Environment - Internal recapitalization (bail-in) regime and total loss absorbing capacity*" of the Annual MD&A.

The Notes fall within the definition of "structured notes" under the Prescribed Debt Regulations, they would accordingly not be subject to a bail-in conversion unless specified in the relevant pricing supplement (subject to certain exceptions, a "structured note" is defined as a debt obligation that (1) specifies that the obligation's stated term to maturity, or a payment to be made by its issuer, is determined in whole or principally by reference to an index or reference point, including: (a) the performance or value of an entity or asset; (b) the market price of a security, commodity, investment fund or financial instrument; (c) an interest rate; and (d) the exchange rate applicable between two currencies; or (2) contains any other type of embedded derivative or similar feature).

Certain Risks Relating to Currency

Holders of Notes linked to Underlings that may trade or be expressed in a currency other than the Canadian dollar may be exposed to the risks relating to currencies.

Factors impacting currencies

Historical levels of exchange rates between the Canadian dollar and other currencies are not necessarily indicative of their future levels or returns. The value of currencies will fluctuate. It is impossible to predict whether the values of any currency will increase or decrease relative to another currency. Holders should be aware of the possibility of significant changes in exchange rates. The value of currencies is affected by various factors, including interest rates under a country's monetary policy, fiscal policy, inflation, unemployment rates, trade deficits/surpluses, government surpluses/deficits and geopolitical events.

Traditionally, if a country raises its interest rates, the currency of that country will strengthen in relation to other countries, as investors shift assets to that country to gain a higher return. Increases in a country's interest rates, however, generally have a negative impact on that country's stock markets. Historically, money moves out of a country's stock market when interest rates are increased, since higher borrowing costs are expected to affect balance sheets negatively and result in devalued stock. Movement away from a country's stock market historically has resulted in weakening of its currency. The unemployment rate is regarded as a strong indicator of a country's economic strength. When unemployment is high, the economy may be weak and, as a result, its currency may fall in value. A trade deficit or an increase therein may cause a devaluation of a country's currency. Currency markets are affected by events occurring worldwide. Key political events around the world or in a particular country can have a significant impact on an economy and the value of its currency.

Certain Risk Factors related to the Equity Linked Notes

Trading prices

Historical returns of the Reference Shares should not be taken as an indication of their future returns. The trading prices of the Reference Shares will fluctuate and will determine their return, and it is impossible to predict whether such price or return will increase or decrease. Trading prices of the Reference Shares will be influenced by the interrelated political, economic, financial and other factors that can affect the capital markets generally and the equities markets on which the Reference Shares are traded, and by various circumstances that can influence the value of a particular security.

Exposure to equities

Holders of Notes linked to an Underlying composed of equity securities will be exposed to equities. The value of most investments and, in particular, equity securities, is affected by changes in general market conditions and by changes in investors' perception of inflation expectations and the condition of the issuers of equity securities. These changes may be caused by actual or anticipated corporate developments, changes in interest rates, changes in the level of inflation, global or regional, political, economic or credit crises, and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability.

Potential replacement of the Reference Shares

A Reference Share may be replaced with a Replacement Reference Share upon the occurrence of a Substitution Event. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Replacement Reference Share is designated, information regarding certain Replacement Reference Shares may not be readily available to holders, which may adversely affect the secondary market for trading in the particular Notes. Moreover, the return generated on such Replacement Reference Share may not be as good as the return that would have been generated by the Deleted Reference Share if it had not been replaced. Moreover, certain other adjustments events may occur in certain limited circumstances. See "*Description of the Notes – Extraordinary Events affecting Equity Linked Notes*".

Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Shares

All information regarding the Reference Shares and the issuers thereof contained in a pricing supplement will be obtained from publicly available information, without independent verification. Unless otherwise specified in the applicable pricing supplement, neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of such information. Each holder, as an investor in the particular Notes, should make its own investigation regarding the issuers of the Reference Shares. Unless otherwise specified in the applicable pricing supplement, the Federation and/or its affiliates are not affiliated with the issuers of the Reference Shares and

have no ability to control or predict their actions. Unless otherwise specified in the applicable pricing supplement, the issuers of the Reference Shares will not be involved in the offering of the Notes in any way and have no obligation to consider any interests of an owner of Notes in taking any actions that might affect the value of the Notes.

Certain Risk Factors related to the Index Linked Notes

Trading prices

Historical returns of any Reference Index should not be taken as an indication of its future returns. The trading prices of the constituents comprising any Reference Index will fluctuate and will determine its return, and it is impossible to predict whether the return of any Reference Index will increase or decrease. Trading prices of the securities making up any Reference Index will be influenced by the interrelated political, economic, financial and other factors that can affect the capital and financial markets generally and the markets on which the underlying securities are traded, and by various circumstances that can influence the value of a particular security. The composition of any Reference Index may also change from time to time.

Potential modifications of a Reference Index

Any Reference Index may be discontinued or replaced with a Successor Reference Index. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Successor Reference Index is designated, information regarding certain Successor Reference Indices may not be readily available to holders, which may adversely affect the secondary market for trading in the particular Notes. Moreover, the return generated on such Successor Reference Index may not be as good as the return that would have been generated by the discontinued reference index if it had not been discontinued or replaced.

Adjustments to a Reference Index could adversely affect the value of the Notes

The Federation is not responsible for calculating and maintaining any Reference Index which is maintained by third parties. These third parties can add, delete or substitute the securities, contracts or other components underlying any Reference Index or make other methodological changes that could change the value of any Reference Index. Any of these actions could adversely affect the value of the particular Notes.

Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Index

All information regarding any Reference Index contained in a pricing supplement will be obtained from publicly available information, without independent verification. Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of such information. Each holder, as an investor in the particular Notes, should make its own investigation regarding any Reference Index. The Federation and/or its affiliates are not affiliated with any index sponsor of any Reference Index and have no ability to control or predict its actions. The index sponsor of any Reference Index and its constituents will not be involved in the offering of the Notes in any way and have no obligation to consider any interests as an owner of Notes in taking any actions that might affect the value of the Notes.

Exposure to certain types of investments

A Reference Index could be composed of equity securities, fixed income securities, commodities, currencies or interest rates. In such instances, the risk factors described herein under “Risk Factors – Certain Risk Factors related to Equity Linked Notes”, under “Risk Factors – Certain Risk Factors related to Currency”, under “Risk Factors – Certain Risk Factors related to Interest Rate Linked Notes” will be applicable and reference should be made thereto.

Certain Risk Factors related to the Fund Linked Notes

Trading prices

Historical returns of any Reference Fund should not be taken as an indication of its future returns. The trading prices of any Reference Units and the securities comprising any Reference Fund will fluctuate and will determine the return of any Reference Fund, and it is impossible to predict whether the return of any Reference Fund will increase or decrease. Trading prices of any Reference Units and the securities making up any Reference Fund will be influenced by the interrelated political, economic, financial and other factors that can affect the capital markets generally and the equities markets on which the underlying securities are traded, and by various circumstances that can influence the value of a particular security.

Exposure to certain types of investments

A Reference Fund could be composed of equity securities, fixed income securities, commodities, currencies or interest rates. In such instances, the risk factors described herein under “Risk Factors – Certain Risk Factors related to Equity Linked Notes”, under “Risk Factors – Certain Risk Factors related to Currency”, under “Risk Factors – Certain Risk Factors related to Interest Rate Linked Notes” will be applicable and reference should be made thereto.

Passive investment risk and replication risk

The objective of a Reference Fund could be to replicate any tracked index with no active management. In such cases, the Reference Fund will not be actively managed by traditional methods, and the manager of such Reference Fund will not attempt to take defensive positions in declining markets. Therefore, the adverse financial condition of an issuer represented in the tracked index will not necessarily result in the elimination of its securities held by such Reference Fund unless the securities are removed from the tracked index.

Counterparty credit risk and borrowing risk

Any Reference Fund may from time to time lend securities and enter into derivatives transactions as permitted by applicable regulations and in furtherance of its investment objectives. Such transactions expose the Reference Fund to the credit risk that the counterparty may be unable to meet its obligations, resulting in a loss for the Reference Fund.

In addition, the Reference Fund may borrow cash to fund dividends and/or distributions to its unitholders of amounts not yet received by the Reference Fund. Under these circumstances, if the Reference Fund does not receive such amounts from the applicable issuer, it would be required to repay the borrowed amount by disposing of portfolio assets.

Issuer concentration risk

The Reference Fund may invest more of its net assets in one or more issuers than is permitted for actively managed mutual funds. This may lower diversification and may make the general risk of equity investments and the volatility of the Reference Units relatively greater.

The performance of any Reference Fund will differ from the performance of the tracked index

With respect to a Note linked to a Reference Fund seeking to replicate an index, investors should recognize that there are a number of important differences between the Reference Fund and the tracked index, including the differences set forth below.

The Reference Fund will not replicate exactly the performance of the tracked index. The total return generated by the securities held by the Reference Fund will be reduced by transaction costs, including transaction costs incurred in adjusting the actual balance of the securities held by the Reference Fund, whereas such transaction costs and expenses are not included in the calculation of the returns of the tracked index. It is also possible that, for a short period of time, the Reference Fund may not fully replicate the performance of the tracked index due to the temporary unavailability of certain securities in the secondary market or otherwise or due to other extraordinary circumstances. It is also possible that the Reference Fund will not fully replicate the performance of the tracked index where the Reference Fund's expenses exceed income received from the underlying securities. A deviation could also occur in the tracking of the Reference Fund with the tracked index due to transaction costs, corporate actions (such as mergers and spin-offs) and timing variances. A deviation could occur in the tracking of the tracked index level for a variety of reasons including, for example, where the Reference Fund tenders under a successful takeover bid for less than all tracked index securities where the tracked index constituent is not taken out of the tracked index and the Reference Fund buys replacement tracked index securities for more than the takeover bid proceeds. The Reference Fund may include securities not included in the tracked index. The Reference Fund may invest in futures contracts in order to provide market exposure for cash held by the Reference Fund and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. The Reference Fund may lend securities or invest in or use derivative instruments, including futures contracts, provided that such securities lending and use of such derivative instruments is in compliance with applicable regulations and is consistent with the investment objective and strategy of the Reference Fund.

Moreover, adjustments to the Reference Fund portfolio necessitated by adjustments to the tracked index will depend on the ability the manager and third parties on which it relies for transactions to perform their respective obligations. Failure to perform their obligations could result in some deviation in the tracking of the tracked index by the Reference Units.

In addition, investors should recognize that there are differences between the trading price of the Reference Units and the net asset value of the Reference Units. The Reference Units may trade below, at, or above their net asset value per unit. The net asset value per unit will fluctuate with changes in the market value of the Reference Fund's holdings. The trading prices of the Reference Units will fluctuate in accordance with changes in the Reference Fund's net asset value per unit, as well as market supply and demand on the Exchange and other factors.

Calculation and termination of the tracked index

The tracked index is maintained and calculated by the tracked index provider. The tracked index provider has reserved the right to make adjustments to the tracked index or to cease calculating the tracked index without regard to the particular interests of the Reference Fund, its manager or its unitholders, but rather solely with a view to the original purpose of the tracked index. Trading in the Reference Units may be suspended for a period of time if, for whatever reason, the calculation of the tracked index is delayed. In the event the tracked index ceases to be calculated or is discontinued, the Reference Fund manager may terminate the Reference Fund, change the investment objective of the Reference Fund to invest in underlying securities or to seek to replicate an alternative index, or make such other arrangements as it considers appropriate and in the best interests of unitholders in the circumstances.

Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Fund

All information regarding any Reference Fund contained in a pricing supplement will be obtained from publicly available information, without independent verification. Neither the Federation nor the Dealers make any representation or warranty as to the accuracy or completeness of such information. Each holder, as an investor in the particular Notes, should make its own investigation regarding any Reference Fund. The Federation and/or its affiliates are not affiliated with any Reference Fund or their manager and have no ability to control or predict its actions. The Reference Fund will not be involved in the offering of the Notes in any way and has no obligation to consider any interests as an owner of Notes in taking any actions that might affect the value of the Notes.

Certain Risk Factors related to Interest Rate Linked Notes

Risks relating to interest rates

Interest rates are subject to volatility due to a variety of factors, including:

- sentiment regarding underlying strength in the Canadian economy, the US economy and global economies;
- expectation regarding the level of price inflation;
- sentiment regarding credit quality in the Canadian, US and global credit markets;
- central bank policy regarding interest rates; and
- performance of capital markets.

Historical interest rates are not necessarily indicative of their future levels or returns. Interest rates will fluctuate. It is impossible to predict whether interest rates will increase or decrease. As indicated above, investors should be aware of the possibility of significant changes in interest rates. Interest rates are affected by various factors, including a country's monetary policy, fiscal policy, inflation, unemployment rates, trade deficits/surpluses and geopolitical events.

EARNINGS COVERAGE

The following earning coverage ratios do not reflect the issuance of Notes under the Prospectus.

The following consolidated earnings coverage ratios are calculated for the 12 months ended December 31, 2022.

Earnings coverage on subordinated notes⁽¹⁾	Desjardins Group
12-month period ended December 31, 2022	33.55

(1) The subordinated notes of the Federation, which are also subordinated notes of Desjardins Group (see "*Fédération des Caisses Desjardins du Québec - Desjardins Group*"), are the Federation's Non-Viability Contingent Capital (NVCC) (Subordinated Indebtedness) Notes.

The interest expense of Desjardins Group on subordinated notes amounted to \$78 million for the 12 months ended December 31, 2022. Desjardins Group's operating surplus earnings before income taxes and interest expense on subordinated notes for the 12 months ended December 31, 2022, were \$2,625 million after deducting non-controlling interests, being 33.55 times Desjardins Group's aggregate interest expense on subordinated notes for the period. The earnings coverage ratios and associated financial information presented above do not give effect to the issuance of Notes that may be issued pursuant to any pricing supplement since the aggregate principal amounts and the terms of such Notes are not presently known, and do not purport to be indicative of earnings coverage ratios for any future periods.

All amounts appearing under this heading for the 12 months ended December 31, 2022 are derived from financial information which is audited and prepared in accordance with *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") and the accounting requirements of the AMF in Québec.

COMBINED CAPITALIZATION

The following sets forth the combined capitalization of Desjardins Group as at December 31, 2022 and does not reflect the issuance of Notes under the Prospectus. The following table should be read in conjunction with the Annual Financial Statements and the Annual MD&A.

<i>(in millions of Canadian dollars)</i>	As at December 31, 2022
Subordinated notes	2,928
Equity	
Capital stock	4,786
Undistributed surplus earnings	8,429
Accumulated other comprehensive income	(2,166)
Reserves	20,552
Equity – Group’s share	31,601
Non-controlling interests	847
Total equity	32,448
Total capitalization	35,376

PLAN OF DISTRIBUTION

The Notes may be offered by one or more Dealers as may be selected from time to time by the Federation under an agreement (the “**Dealer Agreement**”) dated as of March 16, 2023, as the same may be amended and supplemented from time to time, between the Federation and the Dealers. The Dealers shall act as agents, underwriters or principals, as the case may be, subject to confirmation by the Federation pursuant to the Dealer Agreement. The rate of commission payable in connection with sales of the Notes by the Federation through the Dealers will be determined between the Federation and the Dealers and will be set out in the applicable pricing supplement. The Notes may be offered at a discount or a premium.

The Federation may also sell Notes to any Dealer, as principal, at such prices and with such commissions as may be agreed upon by the Federation and such Dealer, for resale to the public at prices to be negotiated by the Dealer with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. A Dealer’s compensation for such transactions will vary by the amount by which the aggregate price paid for the Notes by purchasers exceeds or is less than the gross proceeds paid to the Federation by the Dealer, acting as principal, for such Notes.

The Notes may also be offered directly by the Federation to purchasers pursuant to applicable securities laws at such prices and on such terms as may be negotiated with any purchaser.

The Federation may also pay a commission to representatives, including representatives employed by the Dealers, in connection with the sale of Notes to their clients. The Federation may further pay a trailer fee to representatives, including representatives employed by the Dealers, in connection with the continued holding of Notes

by their clients. Moreover, the Federation may also pay a structuring fee to a Dealer in connection with the offering of a particular issue of Notes. Any such commission, trailer fee and structuring fee will be set forth in the applicable pricing supplement.

The obligation of a Dealer, with respect to any particular offering of Notes and its obligation to purchase any Notes as principal, under the Dealer Agreement may be terminated upon the written notice to the Federation at any time prior to the completion of such offering or purchase on occurrence of certain stated events. In connection with any offering of Notes, and in compliance with all applicable securities regulations, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in an open market. Such transactions may be commenced, interrupted or discontinued at any time.

There is no established trading market for the Notes. Any Dealers to or through whom Notes are sold by the Federation for public offering and sale may make a market in the Notes, but such Dealers will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in the Notes will develop or as to the liquidity of any trading market for the Notes. See “*Secondary Market for the Notes*”.

The Federation and, if applicable, each of the Dealers reserve the right to reject any offer to purchase Notes in whole or in part. The Federation also reserves the right to withdraw, cancel or modify the offering of Notes under this Prospectus without notice.

It is expected that DSI will be involved in decisions to distribute Notes hereunder and in the determination of the terms of each particular offering of Notes. DSI is a wholly-owned subsidiary of the Federation. Consequently, the Federation is a “related issuer” and a “connected issuer” of DSI within the meaning of applicable securities legislation in connection with any offering of Notes under this Prospectus. The pricing supplement for a particular offering of Notes will identify the specific Dealers offering the particular Notes and will specify at least one Dealer other than DSI that will have performed due diligence in connection with, but may not have participated in structuring and pricing of, the offering of Notes under such pricing supplement. DSI may receive a commission in connection with its acting as a Dealer for the distribution of the Notes under this Prospectus, such commission to be specified in the applicable pricing supplement. In addition, DSI may receive payment of a structuring fee in connection with the structuring of a particular Notes issue, such fee to be specified in the applicable pricing supplement.

SECONDARY MARKET FOR THE NOTES

Unless otherwise specified in a pricing supplement, the Notes will not be listed on any securities exchange or quotation system. The applicable pricing supplement will specify if DSI and/or any other Dealer or registered dealer (a “**Market Maker**”) intends to maintain, until the Valuation Date, under normal market conditions, a secondary market for the Notes.

Any Market Maker may, in its sole discretion, stop maintaining a market for the Notes at any time without any prior notice to holders. There can be no assurance that a secondary market will develop or, if one develops, that it will be liquid.

If the relevant pricing supplement specifies that early trading charges are payable by holders upon a sale prior to maturity, holders should be aware that any valuation price for the Notes appearing in a holder’s periodic investment account statement, as well as any bid price quoted to the holder to sell Notes, will be before the application of the applicable early trading charge.

Holders who have purchased Notes using the Fundserv network will be limited to the Fundserv network to sell Notes. The sale of Notes using the Fundserv network is not like standard over-the-counter markets for debt instruments maintained by registered dealers and carries certain restrictions, including selling procedures that require

the initiation of an irrevocable sale order at a bid price that will not be known prior to placing such sale order. See “*Fundserv – Sale of Notes using the Fundserv Network*”.

Unless otherwise specified in a pricing supplement, a holder wishing to sell Notes through the secondary market maintained by the Market Maker on the Fundserv network will be subject to certain procedures and limitations. A holder wishing to sell Notes on the Fundserv network will need to initiate an irrevocable request to sell the Notes to the Market Maker. Provided the order is received before 1:00 p.m. (Toronto time) or such other time as may be established by the Market Maker (the “**Sale Deadline Time**”) on any business day, the request will be treated on the same day. Any request received after such time or on a day that is not a business day will be deemed to be a request sent and received before the Sale Deadline Time on the following business day.

Unless otherwise specified in a pricing supplement, there will not be any secondary market for the Notes other than the market described above. Investors who cannot accept that the secondary market is limited in this way or who must have access to a secondary market at all times should not invest in the Notes.

Holders should consult and rely on their own advisors as to whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until maturity. Holders should also consult and rely on their own tax advisors as to the tax consequences arising from a sale of a Note prior to the maturity date as compared to holding the Notes until the maturity date.

Unless otherwise specified in a pricing supplement, the price at which a holder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the Maturity Consideration that would be payable if the Notes were maturing on such day, based upon one or more factors. The bid price for the Notes on the secondary market will be established solely by the Market Maker taking into account all relevant circumstances. Such bid price will be affected by a number of complex and inter related factors, including supply and demand for the particular Notes; inventory positions with the Market Maker; interest rates in the market; the time remaining to the maturity of the particular Notes; the creditworthiness of the Federation; economic, financial, political, regulatory, judicial or, if applicable, other events that affect the Underlying and the price or level of the Underlying. The effect of any one factor may be offset or magnified by the effect of another factor.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Where appropriate, the applicable pricing supplement will describe certain Canadian federal income tax considerations relevant to the Notes being offered.

FUNDSERV

Unless otherwise specified in the applicable pricing supplement, some holders of Notes may purchase Notes through dealers and other firms that facilitate purchase and related settlement using the Fundserv network (“**Fundserv**”). The following information about the Fundserv network is pertinent for such holders. Holders should consult with their financial advisors as to whether their Notes have been purchased using the Fundserv network and to obtain further information on Fundserv procedures applicable to those holders.

General Information

Fundserv is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with online order access to such financial products. The Fundserv network was originally designed and is operated as a mutual fund communications network facilitating members in electronically placing, clearing and settling mutual fund orders. In addition, the Fundserv network is currently used in respect of other financial products that may be sold by authorized representatives, such as the Notes. The Fundserv network enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

Fundserv Notes Held Through Desjardins Investments

Unless otherwise specified in the applicable pricing supplement, all Notes will initially be issued in the form of a fully registered Global Note that will be deposited with the Federation. Notes purchased through Fundserv (the “**Fundserv Notes**”) will also be evidenced by that Global Note, as are all other Notes. See “Description of the Notes – Form, Registration and Transfer of Notes – Uncertificated Notes” above for further details on the Federation as a depository and related matters with respect to the Global Note. Holders of Notes holding Fundserv Notes will therefore have an indirect beneficial interest in the Global Note. That beneficial interest will be recorded by the Federation as being owned by Desjardins Investments. Desjardins Investments in turn will record in its records respective beneficial interests in the Fundserv Notes. A holder of Notes should understand that Desjardins Investments will make such recordings as instructed through Fundserv by the holder’s financial advisor.

Notes Purchased using the Fundserv Network

In order to purchase Notes using the Fundserv network, unless otherwise specified in the applicable pricing supplement, the subscription price must be delivered to the Desjardins Investments in immediately available funds at least four days prior to the issuance date. Despite delivery of such funds, the Desjardins Investments reserves the right not to accept any offer to purchase Notes using the Fundserv network. If Notes purchased using the Fundserv network are not issued to the holder for any reason, such funds will be returned forthwith to the holder. In any case, whether or not the Notes purchased using the Fundserv network are issued, no interest or other compensation will be paid to the holder on such funds unless otherwise provided in the applicable pricing supplement.

A dealer or other firm that places and clears its purchase orders using the Fundserv network may not accommodate a purchase of Notes through certain registered plans. Generally, purchasers who wish to purchase Notes using the Fundserv network for registered accounts such as RRSPs will need to have their own self-directed registered accounts. Holders of Notes should consult their financial advisors as to any limitations on their ability to purchase Notes using the Fundserv network through registered plans.

Generally, a dealer or firm may effect a purchase of Notes for a client in Fundserv either through (a) a client account (a “client-name” purchase) or (b) a nominee or trust account held by the dealer or firm on behalf of the client (a “nominee” purchase).

In the case of Uncertificated Notes, the registered holder of Notes purchased through a client-name purchase will be the client for whom the applicable client account is maintained. The registered holder of Notes purchased through a nominee purchase will be the dealer or firm that effected the purchase on behalf of its client. Registration of a holder’s interest in Notes will be made by the Federation as instructed by the holder’s financial advisor using the Fundserv network. A holder that purchases Notes through a nominee purchase will have an indirect beneficial ownership interest in the Notes. This beneficial ownership interest will be recorded by the registrar as being held by the holder’s dealer and participating member of Fundserv (the “**Fundserv Participant**”). According to Fundserv procedures, each such Fundserv Participant in turn will record in its books respective beneficial ownership interests in the Notes purchased using the Fundserv network. See “Description of the Notes – Form, Registration and Transfer of Notes – Uncertificated Notes”.

In the case of certificated Notes, if Notes are represented by a Global Note that will be deposited with CDS, Notes purchased using the Fundserv network will also be evidenced by the Global Note. See “Description of the Notes – Form, Registration and Transfer of Notes – Global Notes” above for further details on CDS as a depository and related matters with respect to the Global Notes. Holders holding Notes purchased using the Fundserv network will therefore have an indirect beneficial interest in the Global Note. That beneficial interest will be recorded in CDS as being owned by an affiliate of the Federation (the “**FCDQ Affiliate**”). This FCDQ Affiliate in turn will record in its books respective beneficial interests in the Notes purchased using the Fundserv network. A holder of Notes should understand that the FCDQ Affiliate will make such recordings using the Fundserv network as instructed by the holder’s financial advisor.

Sale of Notes using the Fundserv Network

A holder wishing to sell Notes purchased using the Fundserv network prior to the maturity date is subject to certain procedures and limitations to which a holder holding Notes purchased outside the Fundserv network may not be subject. Any holder wishing to sell a Note purchased using the Fundserv network should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. A holder must sell Notes purchased using the Fundserv network by using the “sale” procedures of Fundserv; any other sale is not possible. Accordingly, a holder will not be able to negotiate a sale price for Notes purchased using the Fundserv network. Instead, the financial advisor for the holder will need to initiate an irrevocable request to sell the Notes purchased using the Fundserv network in accordance with the then established procedures of Fundserv. Generally, this will mean the financial advisor will need to initiate the sale request by the Sale Deadline Time on any business day for the request to be treated the same day. Any request received after such time or on a day that is not a business day will be deemed to be a request sent and received before the Sale Deadline Time on the following business day. Sale of the Notes purchased using the Fundserv network will be effected at a sale price established after the close of market on the day the request is treated and this price will be transferred by Desjardins Investments to the dealers through the Fundserv network as the “net asset value” of a Note on the applicable day.

Holders should also be aware that from time to time such “redemption” mechanism to sell Notes purchased using the Fundserv network may be suspended for any reason without notice, thus effectively preventing holders from selling their Notes using the Fundserv network. Potential holders requiring liquidity should carefully consider this possibility before purchasing Notes using the Fundserv network.

Desjardins Investments will be the fund sponsor for the Notes within the Fundserv network. If the applicable pricing supplement specifies that a secondary market for the Notes will be maintained using the Fundserv network, DSI, on behalf of the Dealers, will provide Desjardins Investments for posting, under normal market conditions, a bid price (which will appear on the Fundserv network as a “net asset value” for the Notes) on a daily basis, which value may also be used for valuation purposes in any statement sent to holders. The bid price will actually represent the Dealers’ bid price for the Notes (i.e., the price they are offering to purchase Notes in the secondary market) for the applicable day. There is no guarantee that the bid price for any day is the highest bid price possible in any secondary market for the Notes, but will represent the Dealers’ bid price generally available to all holders, including clients of the Dealers. Such bid price will reflect the amount of Notes offered for sale in the secondary market.

A holder holding Notes purchased using the Fundserv network should realize that the Notes purchased using the Fundserv network may not be transferable to certain other dealers, if the holder were to decide to move his or her investment accounts to such other dealer. In that event, the holder would have to sell the Notes purchased using the Fundserv network pursuant to the procedures outlined above.

AUDITOR

The independent auditor of Desjardins Group is PricewaterhouseCoopers LLP, 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec H3B 4Y1. PricewaterhouseCoopers LLP advised Desjardins Group that it is independent with respect to Desjardins Group within the meaning of the *Code of ethics of chartered professional accountants* (Québec).

EXEMPTIONS

Short Form Issuer

In order for the Federation to be permitted to file a prospectus in the form of a short form prospectus, pursuant to Part 8 of NI 44-101 and Part 11 of NI 44-102, the Federation has obtained, from and on behalf of the securities regulatory authorities in each of the provinces of Canada in accordance with National Policy 11-203 – Process for *Exemptive Relief Applications in Multiple Jurisdictions* (“NP 11-203”) exemptive relief from the application of the

requirement under section 2.2(e) of NI 44-101, and subsections 2.2(1) and 2.2(2) and subparagraph 2.2(3)(b)(iii) of NI 44-102, to have its equity securities listed and posted for trading on a short form eligible exchange.

Financial Statements of the Federation

The Federation has also obtained, from or on behalf of the securities regulatory authorities in each of the provinces of Canada in accordance with NP 11-203, exemptive relief from, among others, (i) the requirements set forth in Parts 4 and 5 of NI 51-102 relating to the filing of annual and interim financial statements, along with the accompanying annual or interim management's discussion and analysis, (ii) the requirements of Part 2 of NI 44-101 for the Federation to have, in at least one jurisdiction in which it is a reporting issuer, current annual financial statements, in order to meet one of the qualifications criteria for use of the short form prospectus regime under NI 44-101, and (iii) the requirements of Part 2 of NI 44-102 which, by reference to the requirements of NI 41-101, require the Federation to have, in at least one jurisdiction in which it is a reporting issuer, current annual financial statements, in order to meet one of the qualification criteria for use of the shelf prospectus regime under NI 44-102 (collectively, the "**Financial Statements Exemptions**").

The Financial Statements Exemptions provide for certain conditions to be fulfilled by the Federation, including that (i) the Federation must use the financial statements and accompanying management's discussion and analysis of Desjardins Group in lieu and place of the financial statements and accompanying management's discussion and analysis of the Federation for all relevant purposes under applicable Canadian securities laws, (ii) entities that are not part of Groupe coopératif Desjardins but are otherwise included in the financial statements of Desjardins Group are (and continue to be) subject to contractual arrangements allowing the Federation to exercise supervisory powers over these entities, (iii) the combined total income, total assets and total liabilities of an entity that is not part of Groupe coopératif Desjardins but is otherwise included in the interim or annual financial statements of Desjardins Group do not represent more than 10% of the corresponding combined elements of Desjardins Group's interim or annual financial statements over a given period, (iv) the Federation provides, in each management's discussion and analysis of Desjardins Group, summary quarterly or annual financial information (as applicable) on various financial metrics, and (v) Desjardins Group continues to be designated as a domestic systemically important financial institution by the AMF, its principal regulator.

Therefore, effective for periods following the year ended December 31, 2020, the Federation has ceased preparing stand-alone financial statements and accompanying management's discussion and analysis, and financial statements and accompanying management's discussion and analysis of Desjardins Group have been incorporated in this Prospectus by reference and used as a basis for all disclosure required by applicable Canadian securities laws in this Prospectus, unless otherwise noted.

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon on behalf of the Federation by McCarthy Tétrault LLP and on behalf of the Dealers by Fasken Martineau DuMoulin LLP. Designated professionals of each of McCarthy Tétrault LLP and Fasken Martineau DuMoulin LLP, as a group, own beneficially, directly and indirectly, less than 1% of securities of the same class of the Federation and its affiliates and associates.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable

provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE FEDERATION

Dated: March 16, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

(s) Guy Cormier
GUY CORMIER
President and Chief Executive Officer, Desjardins
Group

(s) Alain Leprohon
ALAIN LEPROHON
Executive Vice-President, Finance
and Chief Financial Officer, Desjardins Group

On behalf of the Board of Directors

(s) Johanne Charbonneau
JOHANNE CHARBONNEAU
Director

(s) Michel Magnan
MICHEL MAGNAN
Director

CERTIFICATE OF THE DEALERS

Dated: March 16, 2023

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

DESJARDINS SECURITIES INC.

(s) Ryan Godfrey

Per: RYAN GODFREY

IA PRIVATE WEALTH INC.

(s) Richard Kassabian

Per: RICHARD KASSABIAN

LAURENTIAN BANK SECURITIES INC.

(s) Shavayiz Mohammad Malik

Per: SHAVAYIZ MOHAMMAD MALIK

NATIONAL BANK FINANCIAL INC.

(s) Jean-François Tessier

Per: JEAN-FRANÇOIS TESSIER

BMO NESBITT BURNS INC.

(s) Matthew Soegtrop

Per: MATTHEW SOEGTROP

WELLINGTON-ALTUS PRIVATE WEALTH INC.

(s) Dominic d'Aoust

Per: DOMINIC D'AOUST

