MINUTES

34th annual meeting of the Desjardins Group Pension Plan

Tuesday, March 25, 2025, 12 p.m. – Live webcast and playback available at
www.rcd-dgp.com/en

---

1. CALL TO ORDER

The meeting was called to order by Karina Lehoux. She welcomed all members of the Desjardins Group Pension Plan ("DGPP" or "Plan"), then proceed to mention that 2025 is a very special year as it is Desjardins Group's 125th anniversary. Also, in 2024 it was the DGPP's 45th anniversary.

Ms. Lehoux then presented the agenda: opening remarks; governance; financial position and performance; Plan members support; acknowledgements; questions, comments and suggestions; and adjournment of the meeting.

Next, she introduced her fellow speakers: Denis Latulippe, Chair of the Desjardins Group Retirement Committee ("DGRC" or "Committee"); Frédéric Godbout, Vice-President, DGPP, Alain Leprohon, Executive Vice-President, Finance, and CFO of Desjardins Group; and Marie-Huguette Cormier, Executive Vice-President, Human Resources for Desjardins Group. She also introduced two other speakers who will join the meeting during its course: François Hudon, Director, Risk Management and Public Markets, DGPP; and Jolyane S. Pelletier, Manager, Plan Member Services and Communications, DGPP.

2. GOVERNANCE

Ms. Lehoux introduced Mr. Latulippe and outlined his wealth of actuarial and governance experience. After reminding everyone about the Committee's role in administering the Plan, Mr. Latulippe went on to introduce the other DGRC members. Then, in accordance with Section 159 of the *Supplemental Pension Plans Act*, he reminded Plan members that the Committee maintains a register of the interests and rights of Committee members, which is available for consultation at the DGPP Division's offices in Lévis. He mentioned that only one potential conflict of interest was added to the register for 2025: when the Committee adopted the target criteria to communicate to candidates and eligible voters, Committee members interested in running for the open seats left the meeting during the deliberations.

Mr. Latulippe continued by extending his sincerest thanks to members of the DGRC who left the Committee in 2024: namely Ms. Geneviève Côté, Ms. Patricia-Ann Sarrazin-Sullivan and Mr. Jacques Dignard.

Ms. Lehoux then asked Mr. Latulippe about the elections, with a voting period from March 10 to 14, 2025, that had been held to fill two vacancies. Ten applications were received for the position of voting member designated by retirees, beneficiaries and members entitled to a deferred pension. The president declared that Mr. Mario Lévesque had been elected. Sixteen applications were received for the position of non-voting member designated by active members. He said that Mr. Guillaume Monfette was elected.

The new members will carry out three-year mandates ending at the 2028 annual meeting.

3. FINANCIAL POSITION AND PERFORMANCE

Ms. Lehoux then invited Mr. Hudon to discuss the Plan's financial position and performance in 2024. He explained that the funding ratio had increased to 122%, while the solvency ratio saw a 2% increase over the previous year to reach an estimated 105%. These are record highs for these two key metrics. He explained that these results were achieved thanks to the risk management and investment strategies that were implemented over the years, combined with the ongoing financial efforts made by the Plan members and employers at Desjardins Group. He concluded by noting that the Plan's current financial position is highly favourable, offering valuable flexibility to navigate potential periods of volatility.

Mr. Godbout also confirmed that the Plan has proven to be resilient in the face of economic uncertainty. He referred back to two major economic disruptions over the past 20 years—the 2008 financial crisis and the sharp downturn in markets and interest rates in 2011. While these events adversely impacted the Plan, its financial health has since been fully restored and consistently maintained at a strong level. He then listed the main factors that contributed to this success: additional investments from employers, increased employee and employer contributions between 2012 and 2015, adjustments to certain provisions in 2013, numerous strategic innovations in the areas of risk and asset management, and good returns.

Mr. Leprohon went on to say that the Plan's financial situation has changed over the years and it is now in a very strong position thanks to the careful management and sound decisions made by the Committee and the various teams within the DGPP Division. He noted that by applying best practices and demonstrating professionalism, vigilance, and adaptability, the Committee and the teams successfully navigated challenging economic conditions, thereby safeguarding the Plan's growth and long-term viability.

Ms. Lehoux asked Mr. Leprohon for an update on the Plan's financing plan, which was approved by the Board of Directors of the Fédération des caisses Desjardins du Québec ("FCDQ Board") and discussed at this time last year. He indicated that, for 2025, the FCDQ Board had lowered the employee contribution rate and that a partial refund had been authorized for past employer injections. This resulted in a reduction in their contributions this year.

Ms. Cormier said that the Plan's improved financial situation allowed for employee contributions to be reduced by 1% in 2023 and another 1.5% in 2025. She explained that, despite these reductions, pension payment amounts and benefits remain unchanged for Plan members and retirees. She explained why a defined benefit pension plan offers a unique advantage and is aligned with the key principles of the organization's total compensation policy. She pointed out that only 20% of Canadian employers in the financial, banking and insurance sector offer defined benefit plans to new employees.

Ms. Lehoux then asked Mr. Hudon to identify the key risks involved in managing a defined benefit plan. He explained that interest rate fluctuations are the primary risk to monitor due to their direct impact on bond prices. Other risks include financial market volatility, Plan member longevity, liquidity and the increasingly significant threat of climate change. He then explained that the main mitigation measure is to establish a resilient asset allocation strategy and ensure strong portfolio diversification.

Ms. Lehoux then discussed the Plan's investment strategy with Mr. Godbout. The Vice-President began by reminding that the Plan's assets are invested in two distinct portfolios, each with very different objectives: the matching portfolio and the performance portfolio. He explained that the matching portfolio, which is mainly made up of bonds, aims to protect the Plan from interest rate fluctuations. He noted that, in 2024, the matching portfolio played a key role in preserving the Plan's strong financial position. He then explained that the performance portfolio, which consists of investments in public equity, private equity, private debt, infrastructure, and real estate, helps the Plan achieve long-term returns to keep contributions at a reasonable level. Mr. Godbout stated that the performance of these portfolios met their expectations, thereby enhancing the Plan's long-term return profile.

Mr. Godbout testified that the Plan recorded a 6.6% 10-year annualized return in 2024, which means the DGPP is in a good position to meet its commitments. Moreover, thanks to agile and innovative asset management, the Plan has generated cumulative added value exceeding $1.9 billion over the past 10 years. In 2024, the Plan achieved an overall annualized return of 7.8%, surpassing the DGPP benchmark index return of 7.5% and generating approximately $43 million in added value for the portfolio.

Mr. Godbout then highlighted the strong performance of the public equity portfolio, which delivered an absolute return of 24% in 2024. He noted that market conditions were less favourable for generating added value, primarily due to the Plan's underexposure to certain large US tech companies. The Plan posted a strong performance in private markets, exceeding its benchmarks in a segment that accounts for over one-third of the total portfolio. Mr. Godbout attributed this performance to effective investment strategies, skilled management and assets that have proven resilient in a highly volatile environment.

Ms. Lehoux proceeded to invite Plan members to consult the 2024 annual report to see the detailed results for each asset class. Mr. Godbout then highlighted the DGPP Division's hard work in implementing the 2024 strategic plan and described achievements in two performance levers: responsible investment and organizational culture.

4. PLAN MEMBER SUPPORT

Ms. Lehoux then called on Ms. Pelletier to discuss the various tools put in place to help Plan members understand the Plan better. Jolyane S. Pelletier explained that, before the end of June, Plan members will receive a new personalized annual statement in their secure online account. The initiative to improve statements for retirees is underway and will be delivered next year. She then presented the video, "Live in the present, build your future," which showcases testimonials from Plan members. These testimonials highlight the concrete benefits members get from the Plan.

Ms. Cormier continued by presenting new features designed to improve the user experience for current and future retirees. She mentioned the creation of the Desjardins Retirees Office, which is responsible for initiatives aimed at improving communication with retirees and the various associations of Desjardins retirees. She then announced the upcoming launch of "My Desjardins Retirement Portal", an online space with information for retirees. More specifically, retirees will be able to log into the portal to access the network of retiree associations based on the region or business sector in which they worked.

Ms. Lehoux asked Plan members to send their questions for the speakers to answer at the end of the meeting. She again encouraged them to read the 2024 annual report.

5. ACKNOWLEDGEMENTS

Mr. Latulippe extended his sincere thanks to everyone who made the meeting possible. On behalf of the Committee, he thanked everyone whose commitment is critical to the Plan's success: the DGPP Division team, the Finance Executive Division, the Human Resources Executive Division and Desjardins Financial Security.

6. QUESTIONS, COMMENTS AND SUGGESTIONS

Ms. Lehoux stated that they would focus on questions about the DGRC's responsibilities to manage the Plan's investments and ensure the proper administration of benefits. She asked Plan members to address any questions about the Plan's benefits and terms of payment to HR or DGPP Member Services. She stated that they would be selecting the most frequently asked questions.

Q: Is there a benchmark index against which we can measure the DGPP's financial results?

A: Actuaries have concluded that a long-term return of 6% to 7% is required to ensure the Plan can meet its pension benefit obligations over the next 100 years. In 2024, the Plan's return was 7.8%, which was higher than the actuarial requirement. There are also benchmark indexes for each asset class. Each year, the total of these benchmark indexes is used to calculate the portfolio's return. In 2024, these indexes provided a 7.5% return, adding $43 million in value. The Plan has generated $1.9 billion in added value over the past 10 years.

C: Congratulations on managing the plan so well! When I see the Desjardins logo, I see an helpful umbrella protecting us from unexpected storms.

Q: When will the DGRC reach gender parity, especially considering the number of women working for Desjardins?
A: Desjardins's senior management is determined to reach gender parity across the organization. With regard to the DGRC, we've taken concrete steps and identified increasing the number of women on the committee as a point that needs to be addressed. Information was sent to the FCDQ in advance of the nominations and to Plan members during the last election period.

Q: We experienced high inflation in 2022 and 2023. Instead of offering a contribution reduction, was the possibility of increasing the indexation of future pensions beyond 1% considered? Is this something that we could do in the future?
A: Pension amounts are indexed annually, based on the Consumer Price Index. The portion of the pension accumulated before 2013 is indexed annually by a maximum of 3%. The Bank of Canada's inflation target is around 2%. This means that pension amounts are well protected against inflation. The pension accumulated starting in 2013 is also indexed annually, but at a maximum of 1%, for a 10-year period, starting at age 65. This partial inflation adjustment allows our defined benefit pension plan to remain viable. We need to strike a balance between what we offer retirees and how much we ask active members to contribute. The Plan also needs to strike a balance between banker's clause repayments and beneficiary benefits.

C: Congratulations to the Member Services team for their outstanding expertise! Bravo!
Q: Thank you very much for the great conference. Given the current economic context, can we expect an increase in our contributions if the situation does not change in the short or medium term?
A: The Plan is well positioned to weather an economic shock. Contributions aren't expected to increase in the short or long terms. We have several tools in place to prevent increases.

Q: Does the plan still have amounts outstanding to the Federation?
A: As at December 31, 2024, the balance of advances was $1.4 billion. In 2025, $140 million will be repaid through a reduction in employer contributions. The situation will be reassessed annually to determine if this recovery of funds can continue, and if so, by how much.

C: Bravo to all the portfolio and oversight managers of the Pension Plan. Also, congratulations on the delivery of this assembly, in which we can feel the interest and kindness toward retirees from the invited participants. With all my gratitude to the Desjardins Group for allowing us to enjoy a financially fulfilling retirement. I'm so happy to have contributed for 30 years to this Quebec gem.

7. ADJOURNMENT

At 12:57 p.m., Ms. Lehoux thanked Plan members for attending the meeting. She reminded them that the DGRC and Member Services welcomed their questions and feedback.

There being no further business, she declared the meeting adjourned.