

MINUTES

35th annual meeting of the Desjardins Group Pension Plan

Wednesday, April 1, 2026, 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 Priscilla April. She welcomed members of the Desjardins Group Pension Plan (“DGPP” or “Plan”).

Priscilla April then presented the agenda: opening remarks, financial health, value and experience, governance, 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”), and Frédéric Godbout, Vice-President, DGPP. They highlighted their pride in the Plan’s financial stability, the rigour with which it is managed, and its central role in providing peace of mind and financial security for plan members. A message from Denis Dubois, President and CEO of Desjardins Group, reaffirmed Desjardins’s commitment to maintaining a solid, sustainable defined benefit pension plan.

2. FINANCIAL HEALTH

Priscilla April then invited the speakers for this segment to join her: Frédéric Godbout, Vice-President, DGPP; François Hudon, Director, Risk Management and Public Markets, DGPP; and Alain Leprohon, Executive Vice-President, Finance and Chief Financial Officer, Desjardins. She then turned it over to François Hudon to discuss the Plan’s financial position.

He explained that the key indicators of the Plan’s financial health remained well above our targets. The funding ratio reached 119%, representing a margin of about \$3B, while the solvency ratio saw a 2% increase over the previous year to reach 107%. These results provide significant protection against financial shocks and help protect the plan’s benefits. Frédéric Godbout discussed the Plan’s resilience, which is due to a diligent risk management approach, good returns and financial efforts by both the employer and plan members. He also reminded them that it’s important to be vigilant.

Alain Leprohon said that the Plan’s strength rests on rigorous management, recognized expertise and a strong ability to adapt. He specified that the current level of funding ensures the Plan’s long-term viability and equity among plan members. He pointed out that significant measures had been put in place following previous crises, including increases in contributions and major employer injections. In the current context of financial adjustment environment, employee contributions, which have been reduced by 2.5% since 2023, will remain stable in 2026, and partial recovery of past employer injections will continue.

Priscilla April then invited François Hudon to present the main risks being monitored. He explained that there is constant attention paid to risks related to interest rate fluctuations, market volatility, longevity and liquidity, as well as to certain emerging risks, including climate-related risks. He also explained that the Plan uses a diversified asset allocation and regular stress tests to bolster its resilience and ability to absorb shocks.

Frédéric Godbout then presented the investment strategy, which focuses on balancing between return and risk over the short and very long term. The Plan’s assets are structured around a matching portfolio designed to protect liabilities—that’s primarily made up of bonds—and a performance portfolio designed to generate long-term returns. He noted that this approach helped record a 6.3% 10-year annualized return, which exceeded the return assumption. In 2025, the performance portfolio generated returns of 10.6%, contributing to the Plan’s overall return of 5.5%, surpassing its benchmark index.

As for results by asset class, Frédéric Godbout said that public equities were the main driver of returns in 2025, supported in particular by large US tech companies, and the strong performance of markets outside the United States. Private markets also had a positive impact on returns, particularly on private equities, while the real estate sector is showing signs of improvement after two more challenging years.

He also presented some key achievements from 2025, including a peer benchmarking exercise and an expanded partnership network. He announced the appointment of Frédéric Castonguay as Chief Investment Officer, effective April 6. He mentioned that, in 2026, the Plan will continue to implement its business plan and start developing the 2027–2030 strategic plan.

Alain Leprohon concluded by expressing his confidence in the teams and the alignment of decision-making bodies with established priorities. Priscilla April thanked the speakers and the plan members and mentioned that they would be joining the question period a little later.

3. VALUE AND EXPERIENCE

Priscilla April reiterated the employer's commitment to a defined benefit pension plan and noted that the Plan's financial strength had been confirmed at the beginning of the meeting. She then explained that the next discussions would focus on the Plan's distinctive features and its value for plan members, with fellow speakers Sylvie Lanoix, Vice-President, Specialized HR Services, and Julie Côte, Director, Operations, Communications and Governance.

Sylvie Lanoix said that the defined benefit pension plan is a key component of total compensation and is consistent with Desjardins's direction on financial well-being. She mentioned that a survey of employees showed that the Plan is meeting expectations, with 81% of respondents considering it a unique advantage. She noted that the Plan offers stable and predictable retirement income for life, less exposed to market fluctuations, and that it is an increasingly rare type of plan in Canada. She also noted that for every dollar contributed by an employee, Desjardins contributes \$1.85, and the Plan allows for partial indexation.

An interactive quiz showed that only one in six employers in the sector still offers a defined benefit plan. She also said that the Plan is still beneficial even if the employee leaves the organization.

Julie Côte illustrated a scenario in which a full career at Desjardins can lead to a large total pension during retirement. She noted that examples such as this one are regularly presented to employees in information sessions, with more than 4,500 attending in 2025.

Sylvie Lanoix also presented other group savings tools available to complement the Plan. These tools promote healthy savings habits while offering great flexibility.

Julie Côté concluded by presenting the improvements planned for 2026. These include an overhaul of the annual statement for retirees and the modernization of the Plan website, in order to continuously improve the experience, which posted a 97% satisfaction rate. Priscilla April thanked her fellow speakers and the participants.

4. GOVERNANCE

Priscilla April pointed out that Plan is in excellent financial position and its financial strength creates tangible value for plan members. She then explained the importance of governance and invited Denis Latulippe, Chair of the Desjardins Group Retirement Committee, to present the committee's role.

Denis Latulippe explained that the Committee acts as a trustee, independent of the Plan sponsor, and is responsible for protecting the interests of plan members, overseeing management, managing risk and ensuring assets are invested properly. He mentioned that, in 2025, the Committee asked for an analysis of economic scenarios and crises, including the potential impact of tariffs. He then 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 confirmed that, for 2025, transparency requirements were met and that conflict of interest situations were addressed in accordance with the rules.

Priscilla April presented the composition of the Committee, which was formed in 2025 and consisted of 11 members, of which seven were appointed by the Federation's Board of Directors and four were elected by the plan members and beneficiaries. Denis Latulippe pointed out that the Committee features a diversity of profiles and member expertise. He also noted their ongoing commitment, including for maintaining skills.

Denis Latulippe continued by extending his sincerest thanks to members of the DGRC who left the Committee in 2025, namely Luc Bachand and Claudia Champagne. He also thanked the teams and key partners who contributed to the Plan's success. Priscilla April thanked Denis Latulippe and mentioned that the meeting would now continue with the questions and comments period.

5. QUESTIONS, COMMENTS AND SUGGESTIONS

Priscilla April 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 to HR or the DGPP Member Services Team. She stated that they would be selecting the most frequently asked questions. Lastly, she invited participants to complete the survey at the end of the meeting.

Q1. Does the Plan's portfolio have exposure to private credit and, if so, has it been affected by the issues experienced by some Plan members in this segment in recent months?

A1: Yes, the Plan's portfolio is exposed to private credit and has not been impacted by recent market events. This asset class contributes to both diversification and returns, and investments are made with well-established managers selected through a rigorous process.

Private debt aims to improve the portfolio's risk-adjusted performance, particularly through private financing that primarily generates a current yield and offers a premium over public markets. The portfolio is diversified across corporate and real assets financing and specialized lending, predominantly at floating rates, which helps limit sensitivity to interest rate fluctuations.

- Q2. As at December 31, 2025, what is the outstanding balance of the \$1.3 billion advanced by Desjardins Group? Assuming financial ratios are maintained, when is the repayment expected to be completed?
- A2. Employers provided advances between 2012 and 2015 to improve the Plan's financial position. As at December 31, 2025, the balance stood at \$1.3 billion. In accordance with the provisions adopted in 2012 and since the solvency ratio is now over 100%, the recovery under the banker's clause began in 2025 with a \$144 million reduction in employer contributions. A similar repayment is expected in 2026, subject to the annual reassessment, and full repayment is currently projected by 2031.
- Q3. How can the Plan enhance support for participants in managing inflation after retirement, given that current rules limit indexation to 1% for a maximum of 10 years?
- A3. Pensions accumulated before 2013 are indexed to inflation up to a maximum of 3% per year, providing adequate protection. The pension accumulated from 2013 onwards is partially indexed at 1% per year starting at age 65 for a maximum period of 10 years. This measure was introduced to ensure the Plan's long-term viability. No changes are planned in the short term.
- The Plan remains advantageous, as it is among the limited number of employers offering a defined benefit plan with an indexing at retirement.
- Q4. Thank you for this meeting. My main question is: how can I access my detailed annual plan statement?
- A4. For details about your pension, please refer to your annual statement. Statements for retirees will be available shortly, while those for active and deferred plan members will be available in May. You can also access your secure account at any time or contact Member Services if you have any questions.
- Q5. It's encouraging to see that the Plan is in good financial health. The financial report shows a return of 5.5%, surpassing the benchmark index, with added value of 0.3%. However, many pension plans report higher returns (for example, CPDQ, AIMCo, and Ontario Teachers), while indicating underperformance relative to their benchmarks. My question is: Is the DGPP's benchmark target not ambitious enough?
- A5. The target is rigorously validated by independent teams and through benchmarking against comparable plans. The Plan's financial health is assessed using the funding ratio, to which asset returns contribute.
- Each plan differs in terms of objectives, liabilities and liquidity needs—factors that directly affect the overall portfolio composition, including the proportion of investments in stocks and bonds. While comparisons are still not perfect, the performance of the performance portfolio should be used to compare the Plan's performance with that of other major pension funds. In 2025, this portfolio posted a return of 10.6%, which is comparable to that of large plans.
- Q6. Do you expect the ratio of active to retired plan members to be an issue in the coming years as the population ages?
- A6. The increasing maturity of the Plan is anticipated and fully integrated into its management strategy. The ratio of approximately two active plan members per retiree is expected to gradually decrease, with the number of retirees potentially reaching nearly 37,000 over the next 10 years. Asset allocation is adjusted to ensure sufficient liquidity. Although a negative net cash flow was observed for the first time in 2025, benefits were fully covered by contributions and investment income in excess of \$450 million, with no impact on pension payments and no anticipated issues in the coming years.
- C7. Congratulations on your excellent performance, which was achieved in collaboration with all the Plan's partners. We are truly in very good hands.

6. **ADJOURNMENT**

At 12:51 p.m., Priscilla April thanked Plan members for attending the meeting. She reminded them that they can submit any comments or questions to the DGRC and to Member Services at any time.

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