IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW).

IMPORTANT: You must read the following before continuing. The following applies to the base prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the base prospectus. In accessing the base prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON (WITHIN THE MEANING OF REGULATION S OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) OR TO ANY U.S. ADDRESS OTHER THAN AS PROVIDED HEREIN. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This base prospectus has been delivered to you on the basis that you are a person into whose possession this base prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this base prospectus to any other person. By accepting this email and accessing the base prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the base prospectus by electronic transmission and (c) you are either (i) not a U.S. person (within the meaning of Regulation S under the Securities Act) nor acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia or (ii) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act.

This base prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Fédération des caisses Desjardins du Québec (the "**Issuer**" or the "**Federation**"), the dealers, any person who controls any of them or any director, officer, employee, agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the base prospectus distributed to you in electronic format and the hard copy version available to you on request from the dealers.

BASE PROSPECTUS Dated 25 February 2020

Fédération des caisses Desjardins du Québec

(Incorporated under the laws of the Province of Québec, Canada)

€7,000,000,000
Global Medium Term Note Programme

for the issue of
Senior Notes with maturities of between three months and 30 years
and Subordinated Notes

On 15 April 1992, La Caisse centrale Desjardins du Québec ("**CCDQ**") entered into a Euro Medium Term Note Programme. This Base Prospectus supersedes any previous offering circulars and supplements thereto prepared in connection with that programme. CCDQ amended the programme on 18 January 2011 so that it became a Global Medium Term Note Programme (the "**Programme**"). On 1 January 2017 (the "**Amalgamation Date**"), the Fédération des caisses Desjardins du Québec (the "**Federation**" or the "**Issuer**") amalgamated with, and by operation of law absorbed, CCDQ (the "**Amalgamation**") and, as the absorbing federation, assumed all the outstanding obligations of CCDQ, including those in respect of notes issued under the Programme. As a result, on 1 January 2017, the Federation also replaced CCDQ as issuer under the Programme. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. This Base Prospectus is valid until 24 February 2021. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. This Base Prospectus does not affect any Notes already issued by CCDQ or the Issuer under the Programme.

Under the Programme, the Federation may from time to time, subject to compliance with all relevant laws, regulations and directives, issue Global Medium Term Notes (the "**Notes**") payable in any currency agreed by the Federation and the relevant Dealer (as defined herein). Notes to be issued under the Programme may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") and may comprise (i) unsubordinated Notes ("**Senior Notes**") or (ii) subordinated Notes ("**Subordinated Notes**"). Senior Notes will have maturities of between three months and 30 years, and the maximum aggregate nominal amount of all Notes from time to time outstanding, when aggregated at any time with the outstanding principal amount of notes previously issued by CCDQ under its global medium term note programme (or any predecessor) prior to the Amalgamation Date, will not exceed €7,000,000,000 (or its equivalent in other currencies) calculated as summarised herein and described in more detail in the Programme Agreement (as defined below).

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation, under the Deposit Institutions and Deposit Protection Act (Québec) (the "Deposit Institutions Act") or the Canada Deposit Insurance Corporation Act or by any governmental agency. In accordance with the Prescribed Debt Regulations (as defined below), Senior Notes that are perpetual or have a maturity of more than 400 days (including explicit or embedded extension options) and that are assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement and that are specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) as Bail-inable Notes (the "Bail-inable Notes"), will be subject to the resolution powers (the "Resolution Powers") of the Autorité des marchés financiers (Québec) (the "AMF") in the event of the resolution of the Federation, which may result in, among other things, the write-off of all or part of such Bail-inable Notes, or the conversion of all or part of such Bail-inable Notes into contributed capital securities of the Federation (such as Class Z-Contingent Capital shares), of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purposes of the resolution of the Federation ("Bail-in Conversion") pursuant to Section 40.50 of the Deposit Institutions Act and the regulations promulgated thereunder (including, among others, the Regulation respecting the Classes of Negotiable and Transferable Unsecured Debts and the Issuance of such Debts and of Shares (Québec)) which came into force on 31 March 2019 (the "Prescribed Debt Regulations") (the Bail-in Conversion and the write-off powers being hereinafter referred to as "Bail-in Powers"). The Notes constitute unconditional liabilities of the Federation, subject in the case of Bail-inable Notes to the exercise of the Bail-in Powers. All Notes issued prior to 31 March 2019 are not Bail-inable Notes. See statements and discussions under "*Important – Investors in Bail-inable Notes*" on page viii, the risk factor entitled "*Changes in regulations and related matters (including recapitalization regime for domestic*

***systemically important banks and deposit-taking institutions)*" on page 11 and the risk factors relating to Bail-inable Notes under "*Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus for further information.**

Subordinated Notes to be issued under the Programme will be NVCC Subordinated Notes (as defined in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus) that will automatically and immediately convert ("**Automatic Conversion**") into Class Z Shares of the Federation upon the occurrence of a Non-Viability Trigger Event. For the definition of Class Z Shares and Non-Viability Trigger Event and, in addition, detailed information on Automatic Conversion, see Condition 3(b) and Condition 6 of the "*Terms and Conditions of the Bearer Notes*" on pages 93 and 129 of this Base Prospectus and Condition 4(b) and Condition 7 of the "*Terms and Conditions of the Registered Notes*" on pages 201 and 247 of this Base Prospectus. See the risk factors related to NVCC Subordinated Notes under "*Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus.

The Notes will be issued to one or more of the Dealers specified under "Overview of the Programme and the Notes" (each a "**Dealer**" and together the "**Dealers**", which expression shall include any additional entity appointed as a Dealer under the Programme from time to time either in respect of the Programme or for a specific issue) on a continuing basis.

The minimum denomination of the Notes other than Exempt Notes (as defined below) shall be €100,000 (or its equivalent in any other currency). Unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, the minimum denomination for (i) Registered Notes offered in reliance on the exemption from registration provided by Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") only shall be not less than US$200,000 (or its equivalent in any other currency), and (ii) Registered Notes offered under Rule 144A and Regulation S ("**Regulation S**") under the Securities Act shall be not less than US$200,000 (or an amount in a Specified Currency that is not U.S. dollars, which is not less than €100,000 or the equivalent thereof at the date of issue of the Notes).

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for purposes of Directive 2014/65/EU (as amended, "**MiFID II**") (a "**Regulated Market**") and/or which are offered to the public in any Member State of the European Economic Area or the United Kingdom in circumstances where there is an exemption from the obligation under the Prospectus Regulation to publish a prospectus for offers of securities to the public in Member States of the European Economic Area or the United Kingdom. This Base Prospectus constitutes a base prospectus for the purposes of the Prospectus Regulation and has been prepared for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months from the date of its publication.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme (other than Exempt Notes) to be admitted to the Official List of Euronext Dublin (the "**Official List**") and trading on its regulated market.

References in this Base Prospectus to Notes (other than Exempt Notes) being "**listed**" (and all related references) shall mean such Notes have been admitted to the Official List and to trading on its regulated market. The regulated market of Euronext Dublin is a Regulated Market for the purposes of MiFID II. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation or will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation options as may be agreed with the Issuer.

Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (as amended, the "Benchmarks Regulation"). In this case, a statement will be included in the relevant Final Terms (as defined below) as to whether or not the relevant administrator of the "benchmark" is included in the European Securities and Markets Authority's ("ESMA") register of administrators under Article 36 of the Benchmarks Regulation. Certain "benchmarks" may not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation and transitional provisions in Article 51 of the Benchmarks Regulation may apply to certain other "benchmarks", such that at the date of the relevant Final Terms the administrator of the "benchmark" is not required to be included in the register of administrators.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area or the United Kingdom and/or offered to the public in the European Economic Area or the United Kingdom other than in circumstances where an exemption is available under the Prospectus Regulation. References in this Base Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The Central Bank has neither approved nor reviewed information contained in this Base Prospectus pertaining to Exempt Notes.

See "Risk Factors" on pages 1 through 48 for a discussion of certain risks that should be considered in connection with an investment in certain types of Notes which may be offered under the Programme.

The Notes have not been and will not be registered under the Securities Act. The Notes offered in accordance with Rule 144A (the "**Rule 144A Notes**") and Regulation S (the "**Regulation S Notes**") may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, (i) the Regulation S Notes are being offered only in offshore transactions to non-U.S. persons in reliance upon Regulation S under the Securities Act and (ii) the Rule 144A Notes are being offered only to "qualified institutional buyers" in reliance upon Rule 144A under the Securities Act. See *"Form of the Notes"* for a description of the manner in which Notes will be issued. The Notes are subject to certain restrictions on transfer: see *"Subscription and Sale and Transfer and Selling Restrictions"*. The Bearer Notes may also be subject to U.S. tax law requirements.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), the securities commission of any State or other jurisdiction in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

Arranger

BNP PARIBAS

Dealers

Barclays
BofA Securities
Commerzbank
Credit Suisse
DZ BANK AG
J.P. Morgan
NATIXIS
RBC Capital Markets
BNP PARIBAS
Citigroup
Crédit Agricole CIB
Deutsche Bank
HSBC
Morgan Stanley
NatWest Markets
Société Générale Corporate & Investment Banking
UBS Investment Bank

Notice of the aggregate nominal amount of, interest payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Tranche (as defined herein) of Notes will be set forth in one or more final terms documents (the "**Final Terms**") or in a drawdown prospectus specific to such Notes (the "**Drawdown Prospectus**"), or, in the case of Exempt Notes, a pricing supplement (the "**Pricing Supplement**") as described under "*Final Terms, Pricing Supplement or Drawdown Prospectus*". The Final Terms with respect to Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be delivered to the Central Bank and Euronext Dublin on or before the date of issue of the Notes of such Tranche and, if required, a Drawdown Prospectus will be approved by the Central Bank and published by the Issuer on or before the date of admission of trading of such Notes to the regulated market of Euronext Dublin.

This Base Prospectus (including the documents incorporated by reference) and copies of each Final Terms for Notes (i) can be viewed on the website of Euronext Dublin at *http://www.ise.ie* (under the name of the Issuer) and (ii) will be available for inspection at the specified office of the Bearer Fiscal Agent (as defined herein) and the Registered Fiscal Agent (as defined herein) during normal business hours and upon reasonable notice and for collection free of charge from the head office of the Federation in Lévis, Québec.

The credit ratings of the Programme have been assigned by Moody's Canada Inc. ("**Moody's Canada**"), by S&P Global Ratings, acting through S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. ("**S&P Canada**"), by DBRS Limited ("**DBRS**") and by Fitch Ratings, Inc. ("**Fitch**") and the credit ratings of the Issuer's debt referred to on page xiv have been assigned by Moody's Canada, S&P Canada, DBRS and Fitch. None of these rating agencies is established in the EU or the United Kingdom or is registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"). However, Moody's Investors Service Ltd., S&P Global Ratings Europe Limited, DBRS Ratings Limited and Fitch Ratings Limited, which are established and registered in the EU or the United Kingdom, have endorsed the ratings of Moody's Canada, S&P Canada, DBRS and Fitch, respectively. See "*Important Notices – Credit Ratings*" and "*The Federation - Ratings*".

The Bearer Notes of each issue will either initially be represented by a temporary global Note or, if agreed between the Issuer and the relevant Dealer (only in the cases where otherwise permitted by applicable United States law), be represented, as at the issue date thereof, by a permanent global Note which will be deposited with (a) if the global Note is intended to be issued in new global note ("**NGN**") form, a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and (b) if the global Note is intended to be issued in classic global note ("**CGN**") form, a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or such other clearing system as otherwise agreed, as further described under "*Form of the Notes*". Interests in a temporary global Note will be exchangeable for interests in a permanent global Note upon customary certification as to non-U.S. beneficial ownership. Interests in a permanent global Note will be exchangeable in limited circumstances specified therein for definitive Notes only in the manner and upon compliance with the procedures described in "*Form of the Notes*" or as specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Registered Notes sold in reliance on Regulation S under the Securities Act will be issued in the form of "**Regulation S Global Notes**", while Registered Notes sold in reliance on Rule 144A under the Securities Act will be issued in the form of "**Rule 144A Global Notes**" (together, the "**Global Registered Notes**"). If a Regulation S Global Note is held under the new safekeeping structure for registered global

securities (the "**NSS**"), the Regulation S Global Note will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and registered in the name of a nominee for the Common Safekeeper (a "**Euro Regulation S Global Note**"). Rule 144A Global Notes and any Regulation S Global Notes not held under the NSS (a "**DTC Regulation S Global Note**") will be deposited with a custodian for, and registered in the name of a nominee for, The Depositary Trust Company ("**DTC**"). Alternatively, Regulation S Global Notes not held under the NSS may be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear or Clearstream, Luxembourg, as the case may be. Registered Notes will be exchangeable for Definitive Registered Notes in the limited circumstances specified under "*Terms and Conditions of the Notes*".

The Federation may agree with any Dealer (as defined herein) that Notes may be issued in a form and with terms and conditions not contemplated by the Terms and Conditions of the Notes herein, in which event a Drawdown Prospectus, if appropriate, or, in the case of Exempt Notes, a Pricing Supplement which sets out such revised and terms and conditions as aforesaid will be made available which will describe the effect of the agreement reached in relation to such Notes.

IMPORTANT NOTICES

This document does not constitute a prospectus for purposes of Section 12(a)(2) of, or any other provision of or rule under, the Securities Act.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or Pricing Supplement for each relevant Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus contains no omission likely to affect its import.

This Base Prospectus is to be read in conjunction with any Supplements (as defined below) hereto as may be approved by the Central Bank from time to time and with all documents which are incorporated herein or therein by reference (see "*Documents Incorporated by Reference*") and, in relation to any particular Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement. This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

This document supersedes the prospectus of the Federation dated 4 April 2019, except that Notes issued on or after the date of this document which are to be consolidated and form a single series with Notes of the Federation or CCDQ issued prior to the date hereof will be subject to the Terms and Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Those Terms and Conditions are incorporated by reference in, and form part of, this Base Prospectus. See "*Documents Incorporated by Reference*". The Issuer does not intend to re-open a Series of Notes where such re-opening would have the effect of making the relevant Notes of such Series subject to the exercise of Bail-in Powers.

Save for the Federation, no other party has separately verified all of the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of all of the information contained in this Base Prospectus or any other information provided by the Federation in connection with this Base Prospectus or the Notes. The Dealers accept no liability in relation to the information contained in this Base Prospectus or any other information provided by the Federation in connection with this Base Prospectus or the Notes. The Dealers expressly do not undertake to review the financial condition or affairs of the Federation and its subsidiaries during the life of the Programme.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with this Base Prospectus or the Notes. None of the Federation, the Arranger or any Dealer takes any responsibility for, or provides any assurance as to the reliability of, any information supplied or represented by any other person in connection with the Base Prospectus or any Notes.

Neither this Base Prospectus, nor any information incorporated herein by reference nor any other information supplied in connection with this Base Prospectus or the Notes should be considered as recommendations by the Federation or any of the Dealers that any recipient of this Base Prospectus, or any information incorporated herein by reference or any other information

supplied in connection with this Base Prospectus or the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Federation. Neither this Base Prospectus, nor any information incorporated herein by reference nor any other information supplied in connection with this Base Prospectus or the Notes constitutes an offer or invitation by or on behalf of the Federation or any of the Dealers to any person to purchase any of the Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Federation is correct at any time subsequent to the date hereof or that any other information supplied in connection with this Base Prospectus or the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms or Pricing Supplement and the offer or sale of the Notes may be restricted by law in certain jurisdictions. In particular, no action has been taken by the Federation or any Dealer that would permit a public offering of the Notes. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the Prospectus Regulation and any other applicable laws and regulations and the Dealers have represented that all offers and sales by them will be on the same terms. Persons into whose possession this Base Prospectus, any Notes or any other offering material come must inform themselves about, and respect, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus, Final Terms, Pricing Supplements and other offering material in relation to the Notes in Canada, the United States, the European Economic Area (including Belgium, France, Italy and the Netherlands), the United Kingdom, Hong Kong, Japan and Singapore see "*Subscription and Sale and Transfer and Selling Restrictions*" below. Neither the Base Prospectus nor any Final Terms nor, in the case of Exempt Notes, any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized nor to any person to whom it is unlawful to make such offer or solicitation.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (the "EEA") or the United Kingdom (each a "Relevant State") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in a Relevant State of any Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of any Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – INVESTORS IN BAIL-INABLE NOTES

The Prescribed Debt Regulations require the Federation to caution investors in Bail-inable Notes as follows:

"Cancellation, Write-off and Conversion Measures

In the event of the resolution of a cooperative group, the AMF may exercise several powers, including those conferred upon it under section 40.50 of the Deposit Institutions Act.

The AMF is responsible for resolution operations. In accordance with section 40.9 of the Deposit Institutions Act, the objective of such operations is to ensure the sustainability of a cooperative group's deposit institution activities despite its failure and without recourse to public funds.

Based on the circumstances and the situation, the AMF will use its best efforts, when it exercises the powers conferred upon it under section 40.50 of the Deposit Institutions Act, to ensure fair treatment among the holders of debts and shares referred to in that section. In this regard, measures such as the following may be implemented by the AMF:

(i) respect the respective ranks of the debts and shares referred to in section 40.50 of the Deposit Institutions Act that are still in existence, which ranks may be determined as if the cooperative group were the subject of an amalgamation/winding-up in accordance with the provisions of the Chapter XIII.1 of the Act respecting financial services cooperatives (chapter C-67.3) (Québec);

(ii) ensure that such debts and shares are treated on a pro rata basis when they are of the same rank; and

(iii) ensure that an instrument subject to the powers set out in section 40.50 of the Deposit Institutions Act is treated more advantageously than another instrument subject to those powers that is subordinated to it."

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes, or the Pricing Supplement in respect of any Exempt Notes, may, in each case, include a legend entitled "MIFID II PRODUCT GOVERNANCE" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the "MiFID II Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in

respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

IMPORTANT – EEA AND UNITED KINGDOM RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes, or the applicable Pricing Supplement in the case of Exempt Notes, includes a legend entitled "PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS", the Notes or Exempt Notes, as the case may be, are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or Exempt Notes, as the case may be, or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or Exempt Notes, as the case may be, or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE

With respect to each issuance of Notes, the Issuer may make a determination about the classification of such Notes for purposes of Section 309B(1)(a) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"). The Final Terms in respect of any Notes or the Pricing Supplement in respect of any Exempt Notes may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore" that will state the product classification of the applicable Notes pursuant to Section 309B(1) of the SFA; however, unless otherwise stated in the applicable Final Terms or Pricing Supplement, all Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the relevant Final Terms or, as the case may be, Pricing Supplement will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale and Transfer and Selling Restrictions*").

In this Base Prospectus, the expression "Federation" refers, where the context requires, to the Fédération des caisses Desjardins du Québec and its direct and indirect subsidiaries, its predecessor entities and the other entities controlled by it, the expression "Groupe coopératif Desjardins" refers to, together, the Federation, the member caisses in Québec and the Fonds de sécurité Desjardins, the expression "Desjardins Group" refers to the institutional network of financial services cooperatives described under "Desjardins Group" below, and references to "C$" or "$" or "dollars" are to Canadian dollars, references to "US$" or "U.S. dollars" are to United States dollars, references to "euro" and "€" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "yen" are to Japanese yen, and references to "sterling" and "£" are to United Kingdom pounds sterling. References herein to the "European Economic Area" or to "EEA" are to the Member States of the European Union (the "EU") together with Iceland, Norway and Liechtenstein.

In this Base Prospectus, all references to "relevant Condition(s)" are, unless the context otherwise requires, to the Conditions described under "Terms and Conditions of the Bearer Notes" in the case of the Bearer Notes and "Terms and Conditions of the Registered Notes" in the case of the Registered Notes. The expressions "Terms and Conditions of the Notes" and "terms and conditions of the Notes" shall, unless expressly provided otherwise, mean the Terms and Conditions of the Bearer Notes and the Terms and Conditions of the Registered Notes.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILIZATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILIZATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS OR, IN THE CASE OF EXEMPT NOTES, PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF THE RELEVANT STABILIZATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine (at the time of the initial investment and on an on-going basis) the suitability of that investment in light of its own circumstances. In particular, each potential investor, either on its own or with the help of its financial or other professional advisers, should consider whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable Supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including (A) Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency, (B) Bail-inable Notes which the AMF may in the event of the resolution of the Federation, in whole or in part, write-off or convert into contributed capital securities of the Federation, of a deposit-institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purpose of the resolution of the Federation, in each case, pursuant to the Bail-in Powers or (C) NVCC Subordinated Notes that will automatically and immediately be converted into fully paid Class Z Shares upon the occurrence of a Non-Viability Trigger Event;

(iv) understands thoroughly the terms of the Notes and be familiar with the behavior of any relevant financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, (3) Notes can be used as repo-eligible securities, and (4) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Obligations under the Notes

The Notes will not represent an obligation or be the responsibility of any of the Dealers, the Arranger or any other person involved in or associated with the Programme, or their officers, directors, employees, security holders or incorporators, other than the Federation. The Federation will be liable solely in its corporate capacity solely to the extent of its respective obligations in respect of the Notes and such obligations will not be the obligations of any of its respective officers, directors, employees, security holders, affiliates or incorporators, as the case may be. Moreover, Bail-inable Notes will be subject to the Resolution Powers conferred on the AMF, including the Bail-in Powers under Section 40.50 of the Deposit Institutions Act and the Prescribed Debt Regulations, which may be exercised in the event of the resolution of the Federation. Pursuant to such Bail-in Powers, the AMF may, among other things, in whole or in part, write-off Bail-inable Notes or convert them into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purpose of the resolution of the Federation. In the case of NVCC Subordinated Notes, such Notes will

automatically and immediately be converted into fully paid Class Z Shares upon the occurrence of a Non-Viability Trigger Event.

The Notes are not insured under the Deposit Institutions Act, the Canada Deposit Insurance Corporation Act or by any governmental agency and are not guaranteed by Desjardins Group or any affiliate of the Federation. The capital call arrangement (the "**CCA**") described under "*Desjardins Group*" on page 330 hereof is not in any way a guarantee of the Notes, and investors in the Notes will not have any rights as third party beneficiaries or otherwise under the CCA and will have no right to receive any guarantee or other payments in respect of the Notes from any affiliate of the Federation; however, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of the Groupe coopératif Desjardins except as may be provided by law and subject to the exercise of Resolution Powers, if applicable, and the NVCC Subordinated Notes will rank in the manner described in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus. See further *"Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)"* and *"The Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions"* on pages 11 and 316, respectively, of this Base Prospectus for complete disclosure of resolution mechanisms under the Deposit Institutions Act and the Prescribed Debt Regulations. See also the risk factors relating to Bail-inable Notes and the risk factors related to NVCC Subordinated Notes under *"Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus for further information on Bail-inable Notes and NVCC Subordinated Notes.

U.S. INFORMATION

The Notes have not been approved or disapproved by the SEC or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

This Base Prospectus is being provided on a confidential basis in the United States to a limited number of persons reasonably believed to be "qualified institutional buyers" within the meaning of Rule 144A ("**QIBs**") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted. Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act. Each purchaser or holder of Registered Notes (whether in definitive form or represented by a Global Registered Note) sold in transactions to QIBs in accordance with the requirements of Rule 144A will be deemed, by its acceptance or purchase of any such Registered Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Terms and Conditions of the Registered Notes*" and "*Subscription and Sale and Transfer and Selling Restrictions*".

CREDIT RATINGS

The Programme has been rated Aa2 (for legacy long-term senior debt), A2 (for bail-inable long-term senior debt) and P-1 (for short-term debt) by Moody's Canada, A+ (for legacy long-term senior debt), A- (for bail-inable long term senior debt) and A-1 (for short-term debt) by S&P Canada, AA (for legacy long-term senior debt), AA (low) (for bail-inable long-term senior debt) and R-1 (high) (for short-term debt) by DBRS and AA- (for legacy long-term and medium-term senior debt), AA- (for bail-inable long-term and medium-term senior debt) and F1+ (for short-term debt) by Fitch. The Programme has been rated A2 by Moody's Canada, BBB+ by S&P Canada, A (low) by DBRS and A+ by Fitch in respect of NVCC Subordinated Notes. Legacy long-term senior debt includes Senior Notes issued prior to 31 March 2019 and Senior Notes issued on or after 31 March 2019, in each case which are not Bail-inable Notes. Tranches of Notes issued under the Programme may be rated or unrated (in each case, as specified in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement). Where a Tranche is rated, such rating will not necessarily be the same as the rating assigned to the Programme. **A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.**

The ratings of each Series of Notes to be issued under the Programme may be specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-United Kingdom credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or United Kingdom-registered credit rating agency or the relevant non-EU and non-United Kingdom credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). In addition to the Programme ratings provided by Moody's Canada, S&P Canada, DBRS and Fitch, each of Moody's Canada, S&P Canada, DBRS and Fitch has provided issuer ratings for the Federation as specified under "*Description of the Issuer – Issuer Credit Ratings*".

None of Moody's Canada, S&P Canada, DBRS or Fitch is established in the EU or the United Kingdom. However, ratings issued by Moody's Canada are endorsed by Moody's Investors Service Ltd., which is established in the United Kingdom and registered under the CRA Regulation. Ratings issued by S&P Canada are endorsed by S&P Global Ratings Europe Limited which is established in the EU and registered under the CRA Regulation. Ratings issued by Fitch are endorsed by Fitch Ratings Limited, which is established in the United Kingdom and registered under the CRA Regulation. Ratings issued by DBRS are endorsed by DBRS Ratings Limited, which is established in the United Kingdom and registered under the CRA Regulation.

PRESENTATION OF FINANCIAL INFORMATION

The Federation and Desjardins Group prepare their consolidated financial statements and combined financial statements, respectively, in Canadian dollars. Such financial statements incorporated by reference herein are presented in Canadian dollars, unless otherwise expressly indicated in this Base Prospectus and/or the documents incorporated by reference herein. The Federation's consolidated financial statements and Desjardins Group's combined financial statements for the year ended 31 December 2018 and comparative information for the year ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board ("**IFRS**"). IFRS differs in certain respects from U.S. generally accepted accounting principles.

Furthermore, unless otherwise indicated, any reference in this Base Prospectus to financial statements of the Federation or Desjardins Group refers to such financial statements as filed on the System for Electronic Document Analysis and Retrieval (SEDAR) maintained by the Canadian Securities Administrators. In the case of Desjardins Group, the information is filed on SEDAR under the SEDAR profile of Capital Desjardins inc.

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RISK FACTORS

The Federation believes that the factors described below represent the principal categories and subcategories of risks inherent in investing in Notes issued under the Programme, but the inability of the Federation to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Federation do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to the Federation or that it currently believes to be immaterial could individually or cumulatively also have a material impact on its business operations or that of Desjardins Group or affect the ability of the Federation to pay interest, principal or other amounts on or in connection with any Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including information incorporated by reference) and any applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement to reach their own views prior to making any investment decision.

The Federation is a cooperative entity which, among other things, assumes the strategic policy, oversight, coordination, treasury and development activities for Desjardins Group, manages Desjardins Group's risks, capital, assets and liquidity, ensures the financial health and sustainability of the Groupe coopératif Desjardins, and acts as financial agent on Canadian and international capital markets transactions. The Federation enables the caisses and other Desjardins Group components to accelerate their development and better respond to the needs of their members and clients. The Federation's structure has been designed to accommodate the needs of Desjardins Group's members and clients, as well as the markets in which it operates, and the Federation's cash flow, income and capital base is also dependent on Desjardins Group. Accordingly, risk factors set out below which relate to Desjardins Group will also be applicable to the Federation and its subsidiaries and the occurrence of any such risks could have a material adverse effect on the Federation's business, reputation, results of operation, financial condition and/or cash flows.

1. PRINCIPAL RISKS RELATING TO THE FEDERATION AND DESJARDINS GROUP

The Desjardins Group, including the Federation, is exposed to different types of principal risks in the normal course of operations.

Principal risks are those to which senior management pay particular attention and which could cause the delivery of the Federation’s strategy, results of operations, financial condition and/or prospects to differ materially from current expectations. These risks are outlined below.

(i) Credit risk

(a) General credit risk of borrower’s, issuer’s or counterparty’s failure to honour contractual obligations

Credit risk is the risk of losses resulting from a borrower's, guarantor's, issuer's or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Federation's consolidated balance sheets.

The Federation is exposed to credit risk first through its direct personal, business and government loans, including through its loans to member caisses, which accounted for 39.2% of assets on the Federation's consolidated balance sheets as at 31 December 2018, compared to 40.3% as at 31 December 2017. It is also exposed through various other commitments, including letters of credit, and transactions involving derivative financial instruments as well as securities transactions.

Each unit and component of Desjardins Group and the Federation has specific frameworks to manage credit risk, developed around their respective product and customer base. To provide assistance in this area to these units and components, Desjardins Group has, in addition, set up centralized structures and procedures to ensure that its Integrated Risk Management Framework allows for effective credit risk management that remains sound and prudent. The Risk Management Executive Division of Desjardins Group has been structured with the intention that it effectively manage credit risk and provide credit approval, support, quantification and monitoring, and report on credit matters.

Notwithstanding the above, the Federation sets aside significant provisions to absorb potential losses across its loans and other commitments. For example, as at 31 December 2018, the Federation's provisions for credit losses totalled $719 million as set out in Note 7 *(Loans and allowance for credit losses*) of the DFG 2018 Annual Report incorporated by reference into this Base Prospectus up $281 million compared to 31 December 2017.

There can, however, be no guarantee that the credit procedures put in place by the Federation and Desjardins Group can assess accurately and mitigate all of the risks of exposure to borrowers, guarantors, issuers or other counterparty's failure to honour contractual obligations, and increased defaults of these borrowers and/or inadequate loans provisioning may negatively impact the Federation's and Desjardins Group's financial condition and results of operation.

(b) Credit risk related to default of counterparties pursuant to securities, derivative financial instruments and securities lending transactions

Counterparty and issuer risk is a credit risk related to different types of securities, derivative financial instruments and securities lending transactions and includes the credit risk that a counterparty will fail to honour its contractual obligations towards the Federation, in particular at a time when the market price of the securities or the fair market value of the derivative instruments is positive for the Federation.

A large proportion of the Federation's risk exposure is to securities of the government in Canada, Quebec public and parapublic entities and major Canadian banks. The credit rating of most of these counterparties and issuers is A- or higher and the Federation's exposure to U.S. and European financial institutions is low. Despite this fact, tensions within the government and general securities markets and volatility of such securities could have a negative effect on the Federation's and Desjardins Group's business and their financial condition, results of operations and cash flow.

In its derivative financial instrument and securities lending transactions, which include repurchase agreements and reverse repurchase agreements and securities borrowing and lending, the Desjardins Group, including the Federation, is exposed to counterparty risk. As at 31 December 2018, the Federation had a total notional exposure of $397,611,000 to derivative financial instruments after adjustment for master netting agreements – see Note 19 (*Derivative Financial Instruments and Hedging*

Activities) of the DFG 2018 Annual Report incorporated by reference into this Base Prospectus for further information.

A worsening of the credit rating of counterparties or a material failure to hedge exposures to them could, accordingly, negatively impact the Federation's and Desjardins Group's financial condition and results of operation.

(c) Risks related to EU Bank Recovery and Resolution Directive

A number of the Issuer's counterparties are EU and United Kingdom credit institutions and investment firms, including the Dealers under the Programme (collectively, "**EU Firms**") which are subject to Directive 2014/59/EU, as amended by Directive (EU) 2019/879 (the "**BRRD**"), which is intended to enable a range of actions to be taken in relation to EU Firms considered to be at risk of failing. The BRRD is designed to provide resolution authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity such as an EU bank or other EU financial institution, so as to ensure the continuity of the relevant entity's critical financial and economic functions, whilst minimising the impact of the relevant entity's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) any of the Issuer's EU Firm counterparties is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent such failure within a reasonable timeframe, and (c) a resolution action is in the public interest. Such resolution tools and powers are: (i) sale of business; (ii) bridge institution; (iii) asset separation; and (iv) bail-in. The bail-in tool gives the resolution authority the ability to write-down or convert certain unsecured debt instruments of any of the Issuer's EU Firm counterparties into shares (or other instruments of ownership), to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero) or to cancel, modify or vary the terms of such debt instruments (including varying the maturity of such instruments) and other contractual arrangements.

The powers set out in the BRRD will impact how the Issuer's EU Firm counterparties are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. The Issuer and its debtholders may suffer loss if obligations owed to them by an EU Firm counterparty subject to the BRRD are subject to the bail-in powers of the BRRD, which may result in a partial reduction of such obligation or, in a worst case scenario, a reduction to zero or may suffer disruption if an EU Firm counterparty subject to the BRRD fails to perform services that it customarily provides to the Issuer as the result of the exercise of any powers under the BRRD. See "Subscription and Sale and Transfer and Selling Restrictions" on page 332 of this Base Prospectus for further information on the relationship between the Issuer and the Dealers.

(ii) Market risk

(a) Risk of changes in the fair market value of financial instruments

Market risk refers to the risk of changes in the fair value of financial instruments resulting from fluctuations in the parameters affecting this value, in particular, interest rates, exchange rates, credit spreads and their volatility.

The Federation and Desjardins Group are primarily exposed to market risk through their trading activities, which result primarily from short-term transactions conducted with the intention of profiting from current price movements or to provide arbitrage revenue. The market risk of trading portfolios is managed on a daily basis by the Federation, with "Value at Risk" (VaR) being the main tool used to measure this risk. See Table 31 under "Market risk" on page 71 of the Management's Discussion and Analysis set out in the Federation 2018 Annual Report, incorporated by reference into this Base Prospectus, for a presentation of aggregate VaR for trading activities of the Federation by risk category as at 31 December 2018 and 31 December 2017.

Desjardins Group and the Federation are also exposed to market risk through their non-trading activities, which group together mainly asset/liability management transactions in the course of their traditional banking activities as well as investment portfolios related to their insurance operations– see the section entitled "Fédération des caisses Desjardins du Québec - Principal Business" on pages 320 - 322 of this Base Prospectus for a description of the traditional banking activities of the Federation.

Desjardins Group and its components have adopted policies and procedures that set out the principles, limits and procedures to use in managing market risk which are outlined on pages 71 - 72 of the Management's Discussion and Analysis set out in the Federation 2018 Annual Report as incorporated by reference into this Base Prospectus.

Despite these policies and procedures, the Federation and Desjardins Group remain exposed to the risk of loss as a result of market risk and, principally, the risks of interest rate and exchange rate volatility, as described in more detail below.

(b) Structural interest rate risk

The Federation and Desjardins Group are exposed to structural interest rate risk, which represents the potential impact of interest rate fluctuations on net interest income and economic value of equity. This risk is the main component of market risk for the Federation's and Desjardins Group's traditional banking activities other than trading, such as accepting deposits and granting loans, as well as for its securities portfolios used for long-term investment purposes and as liquidity reserves.

This risk is reflected in the table below which presents the potential impact before income taxes on the net interest income and economic value of equity for the Federation of a sudden and sustained 100 basis point increase or decrease in interest rates:

Interest rate sensitivity (before income taxes)[1]*

As at December 31

(in millions of dollars)	2018		2017	
	Net interest income[2]	Economic value of equity[3]	Net interest income[2]	Economic value of equity[3]
Impact of a 100-basis-point increase in interest rates	$ (21)	$ 51	$ (8)	$ -
Impact of a 100-basis-point decrease in interest rates[4]	19	(54)	9	-

[1] Interest rate sensitivity related to insurance activities is not reflected in the amounts above. For these activities, a 100-basis-point increase in interest rates would result in a $215 million decrease in the economic value of equity before taxes as at December 31, 2018, and a $226 million decrease as at December 31, 2017. A 100-basis-point decrease in interest rates would result in an increase of $222 million in the economic value of equity before taxes as at December 31, 2018, and an increase of $205 million as at December 31, 2017. Additional information is provided in the "Interest rate risk management" section of Note 15, "Insurance contract liabilities", to the Federation 2018 Annual Report.

[2] Represents the interest rate sensitivity of net interest income for the next 12 months.

[3] Represents the sensitivity of the present value of assets, liabilities and off-balance sheet instruments.

[4] The results of the impact of a decrease in interest rates takes into consideration the use of a floor to avoid negative interest rates.

In general, the Federation is exposed to the risk that market volatility, shifts in customers' preferences towards determined product types and a reduction in net interest income caused by interest rate fluctuations may have a negative impact on the business, financial condition and/or results of operations of the Federation.

(c) Foreign exchange risk

Foreign exchange risk arises when the actual or expected value of assets denominated in a foreign currency is higher or lower than that of liabilities denominated in the same currency. In certain specific situations, Desjardins Group and its components, including the Federation, may become exposed to foreign exchange risk, particularly with respect to the U.S. dollar and the euro. This exposure mainly arises from their intermediation activities with members and clients, and their financing and investment activities.

A Desjardins Group policy on market risk has set foreign exchange risk exposure limits, which are monitored by Desjardins Group's Risk Management Executive Division. In an effort to ensure that this risk is properly controlled, Desjardins Group and its components also use, among other things, derivative financial instruments such as forward exchange contracts and currency swaps. Desjardins Group's and the Federation's residual exposure to this risk tends to be low because it reduces its foreign exchange risk by using derivative financial instruments. As at 31 December 2018, Note 19 (*Derivative Financial Instruments and Hedging Activities*) of the DFG 2018 Annual Report indicates a notional amount of over-the-counter currency swaps of $13,434,000 entered into to hedge foreign exchange risk. For further information, see Note 19 (*Derivative Financial Instruments and Hedging Activities*) of the DFG 2018 Annual Report as incorporated by reference into this Base Prospectus.

Despite Desjardins Group policy on market risk and the monitoring of the associated foreign exchange risk exposure limits described above, fluctuations in currency may adversely impact the

financial position and future surplus earnings of Desjardins Group and the Federation and may not be entirely offset by Desjardins Group's and the Federation's hedging arrangements.

(d) Price risk

In its non-trading activities, Desjardins Group is exposed to price risk, related mainly to components that operate in insurance and their investment portfolios.

Price risk is the risk of potential loss resulting from a change in the market value of assets (shares, commodities, real estate properties, index-based assets) but not resulting from a change in interest rates or foreign exchange rates, or in the credit quality of a counterparty.

The insurance components described under "Principal Business" on page 322 of this Base Prospectus may be exposed to changes in the real estate market through the properties they own, whose market value may fluctuate. The insurance components may also be exposed to price risk related to stock markets, particularly through the equity securities and derivative financial instruments they hold as well as the minimum guarantees provided under segregated fund contracts, whose value may be affected by market fluctuations. For additional information, see the description of "Investment return" set out in Note 15 (*Insurance contract liabilities*) on page 191 of the DFG 2018 Annual Report which is incorporated by reference into this Base Prospectus.

(iii) Liquidity risk

Liquidity risk refers to Desjardins Group's and the Federation's capacity to raise the necessary funds (by increasing liabilities or converting assets) to meet a financial obligation, whether or not it appears on Desjardins Group's combined balance sheets or the Federation's consolidated balance sheets.

The implementation of Basel III (as defined below) strengthens international minimum liquidity requirements through the application of, amongst other items, a liquidity coverage ratio ("**LCR**"). Under its liquidity risk management policy, the Federation produces this ratio and reports it on a regular basis to the AMF.

Applying the calculation rules established by the Basel Committee on Banking Supervision and incorporated in the AMF's Liquidity Adequacy Guideline, Desjardins Group's average LCR was 125.6% for the quarter ended 30 September 2019, compared to 122.4% for the previous quarter. The AMF requires that the ratio be greater than or equal to 100% in the absence of stressed conditions. This ratio is proactively managed by Desjardins Group's Treasury, and an appropriate level of high-quality liquid assets is maintained for adequate coverage of the theoretical cash outflows associated with the standardized crisis scenario within the Basel III framework. For additional information, see page 41 of Desjardins Group's Management's Discussion and Analysis as set out in the DFG Q3 Report as incorporated by reference into this Base Prospectus.

Given Desjardins Group's loan to deposit ratio (which stood at 135% as at 30 September 2019), Desjardins Group's main sources of theoretical cash outflows are a potential serious run on deposits (and, in particular, a run on wholesale deposits which tend to fluctuate more than core customer deposits) by members of Desjardins caisses and a sudden lack of availability of the short-term institutional funding sources used on a day-to-day basis by Desjardins Group to fund its lending activities.

Despite Desjardins Group's liquidity risk management policy, any significant deterioration in Desjardins Group's liquidity position may lead to an increase in funding costs of Desjardins Group and the Federation or constrain the volume of new lending. These factors may adversely impact their profitability and financial performance and position.

(iv) Operational risk

Operational risk is the risk of inadequacy or failure attributable to processes, people, internal systems or external events and resulting in losses, failure to achieve objectives or a negative impact on reputation.

Operational risk is inherent to all of Desjardins Group's activities as described on pages 330 - 331 of this Base Prospectus, including management and control activities in other risk areas (credit, market, liquidity, etc.) as well as outsourced activities.

The Federation calculates risk-weighted assets against credit risk, market risk and operational risk, applying, in the case of operational risk, a standardised approach for calculating operational risk as authorised by the AMF. As at 30 September 2019, risk weighted assets of the Federation amounted to $67.9 billion, $8.7 billion of which was for operational risk.

Failure to adequately manage this risk may result in increased losses stemming from theft, fraud, damages to tangible assets, non-compliance with legislation or regulations, systems failures, unauthorized access to computer systems, cyber threats, or problems or errors in process management and may ultimately impact the Federation's financial performance and result in reputational damage for the Federation and Desjardins Group.

(v) Insurance risk

Insurance risk refers to the risk that events may turn out differently from the assumptions used when designing, pricing or measuring actuarial reserves for insurance products, and that profitability of these products may be affected.

Desjardins Group is exposed to insurance risk in the course of its life and health and property and casualty ("**P&C**") insurance operations, each as described on page 321 of this Base Prospectus. These risks include the impact of catastrophes (such as storms and fires), the incidence and severity of which are inherently unpredictable and the losses for P&C from such catastrophes could be substantial. For example, in 2018, the insurance industry in Canada was particularly affected by violent winds and tornadoes. According to Insurance Bureau of Canada, the violent winds on May 4, 2018 in southern Ontario and some regions of Québec caused $410 million in property damage, with $380 million of this damage in Ontario. More than 13,000 claims related to this event were filed with Desjardins General Insurance Group Inc., for a net cost of reinsurance of about $54 million, of which $48 million was principally for Ontario. In addition, more than 2,000 claims were filed for the tornadoes and high winds that hit the Ottawa–Gatineau region on September 21, 2018, for a net cost of reinsurance of $38 million for Desjardins General Insurance Group Inc. The occurrence of large claims from such events could have a negative impact on Desjardins Group's performance and results.

Further details as to the elements of this insurance risk for each of these operations is set out on page 83 of the Federation's Management's Discussion and Analysis in the Federation 2018 Annual Report which is incorporated by reference into this Base Prospectus.

(vi) Strategic risk

Strategic risk is the risk of possible loss attributable to an inability to adapt to a changing environment because of failure to act, an inappropriate strategic choice or the inability to effectively implement strategies.

Initially, it is the responsibility of senior management and the board of directors of the Federation to address, define and monitor developments in the strategic orientations of Desjardins Group according to its risk appetite and the consultation processes specific to Desjardins Group. Events that could compromise the achievement of the Desjardins Group's strategic objectives are systematically and periodically monitored by the board of directors and senior management. Additionally, business segments and support functions identify and periodically assess events and risks that could prevent the achievement of strategic objectives, and report thereon to the appropriate bodies.

Organizational development plans are assessed in light of Desjardins Group's risk appetite framework to ensure that such initiatives are in line with Desjardins Group's strategic plan. Furthermore, the strategic plan is updated annually to take market developments into account, in particular major industry trends and action taken by competitors.

Despite the processes in place to manage strategic risk, the inherent uncertainty associated with business planning in the rapidly changing business environment in which the Federation operates, as further described under "Principal Business" on pages 320 - 322 of this Base Prospectus, could have an adverse effect on the Federation's and Desjardins Group's results, relevant financial condition and prospects.

(vii) Pension plan risk

Pension plan risk is the risk of loss resulting from pension plan commitments made by Desjardins Group for the benefit of its employees. This risk arises from rate, price, foreign exchange rate and/or longevity risks.

Desjardins Group's main pension plan is the Desjardins Group Pension Plan ("**DGPP**"). To properly manage DGPP risks, the Desjardins Group Retirement Committee has set up a Risk Management Advisory Committee. This committee, under the responsibility of the Desjardins Group Retirement Committee, is tasked with analyzing the main risks associated with management of DGPP operations. In this regard, it examines the integrated risk profile and the asset allocation strategy every year. It also issues opinions on new investments which are submitted to the Investment Committee. In addition, a risk management dashboard for the DGPP, made up of risk indicators identified in the risk profile, is updated quarterly.

Defined benefit pension plans are, for example, plans for which Desjardins Group has formally committed to a level of benefits and therefore assumes actuarial and, when the plans are funded, investment risks. Since the terms of the pension plans are such that changes in salary levels will have an

impact on the amount of future benefits, the cost of the benefits and the value of the defined benefit plan obligation are generally actuarially determined using various assumptions. Although the Risk Management Advisory Committee believes that the assumptions used in the actuarial valuation process are reasonable, there remains a degree of risk and uncertainty that may cause future actual results to materially differ from these assumptions, which could give rise to actuarial gains or losses.

Despite therefore the processes in place to manage pension plan risk (as described above), should the actuarial assumptions described above prove materially deficient or there arises other failures to manage pension plan risk (in whole or in part), these events may require Desjardins Group to make substantial additional contributions to the DGPP and/or could lead to a substantial deterioration in Desjardins Group's results, financial condition and prospects.

(viii) Environmental or social risk and climate change

Environmental or social risk results from an environmental event or social issue during Desjardins Group's or the Federation's operations or their financing, investment or insurance activities, which could lead to financial loss or harm its reputation.

Regarding environmental risk, potential financial losses could be incurred as a result of higher costs or the impairment of an asset because of an internal risk, namely a risk generated by an entity and having a negative impact on the environment, or an external risk, namely an event caused by the environment and having a detrimental effect on the entity (such as climate change).

In addition, business relations with entities whose operations could involve social, environmental or governance issues could lead to reputation risk.

Climate change is an external risk factor that is part of environmental risk. It is defined as an entity's vulnerability to the negative effects of climate change, which could lead to financial losses. It includes (a) physical risks, namely the risks resulting from damage caused by extreme weather events and (b) transition risks, namely the risks related to implementation of measures to ensure environmental transition.

Catastrophes resulting from extreme weather events are unforeseeable and their frequency seems to be growing. The severity of their effects means that they could have a material impact on Desjardins Group's results. Given the nature of their operations, Desjardins Group's property and casualty insurance subsidiaries are particularly affected by climate change, especially through the catastrophe risk that is an integral part of insurance risk. Therefore, the occurrence of any of the foregoing environmental or climate disasters may negatively affect Desjardins Group's financial condition and results of operations. See "Fédération des caisses Desjardins du Québec – Competition – Property and Casualty Insurance" on page 323 of this Base Prospectus for further information.

(ix) Legal and regulatory risk

(a) Risk of non-compliance with laws, regulations or contractual commitments

Legal and regulatory risk refers to the risk associated with Desjardins Group's and the Federation's, non-compliance with the obligations arising from the interpretation or application of legislative and

regulatory provisions or contractual commitments, which could affect Desjardins Group's and the Federation's operations, reputation, strategies and financial objectives.

Legal and regulatory risk entails, *inter alia*, effectively preventing and handling possible disputes and claims that may lead in particular to judgments or decisions by a court of law or regulatory body that could result in orders to pay damages, financial penalties or sanctions. Moreover, the legal and regulatory environment is evolving quickly and could increase Desjardins Group's and the Federation's exposure to new types of litigation. In addition, some lawsuits against Desjardins Group may be very complex and be based on legal theories that are new or have never been verified. The outcome of such lawsuits may be difficult to predict or estimate until the proceedings have reached an advanced stage, which may take several years. Class action lawsuits or multi-party litigation may feature an additional risk of judgments with substantial monetary, non-monetary or punitive damages. Plaintiffs who bring a class action or other lawsuit sometimes claim very large amounts and it is impossible to determine Desjardins Group's liability, if any, for some time. Legal liability or an important regulatory measure could have an adverse effect on the current activities of Desjardins Group, its results of operations and its financial position, in addition to damaging its reputation. Even if Desjardins Group won its court case or was no longer the subject of measures imposed by regulatory bodies, these situations could harm its reputation and have an adverse impact on its financial position, due in particular to the costs associated with such proceedings, and its brand image.

The financial services industry is one of the most strictly regulated and monitored sectors. In recent years, the regulations governing the industry have expanded significantly in response to numerous socio-economic phenomena such as the development of new, increasingly complex financial products, the continuing volatility in the securities industry, financial fraud, and the fight against money laundering and terrorist financing and against tax evasion, compliance with economic sanctions and protection of personal information, to mention but a few. In addition to federal (Canada and the U.S.) and provincial government requirements, the regulatory environment also includes organizations such as the AMF, Canadian securities authorities, the Office of the Superintendent of Financial Institutions (the "**OSFI**"), the Financial Transactions and Reports Analysis Centre of Canada, the Mutual Fund Dealers Association of Canada, the Investment Industry Regulatory Organization of Canada and, in the U.S., the Office of the Comptroller of the Currency, the SEC, the Financial Industry Regulatory Authority and the Board of Governors of the Federal Reserve System. See "Fédération des caisses Desjardins du Québec – Regulation and Control" on page 315 of this Base Prospectus for further information. Complying with important legislative and regulatory provisions, such as those for the protection of personal information, laws and regulations governing insurance, the Foreign Account Tax Compliance Act, the Standard for Automatic Exchange of Financial Information in Tax Matters, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Basel accords, the new legislative framework surrounding financial services cooperatives in Québec, Canada (including the comprehensively updated and revised *Act respecting financial services cooperatives (Québec)* (the "**Cooperatives Act**"), the new provisions of the Deposit Institutions Act and the new Prescribed Debt Regulations, among others) requires considerable technical, human and financial resources and also affects the way Desjardins Group manages its current operations and implements its business strategies.

Although Desjardins Group actively monitors and manages regulatory risk, changes in regulation, its complexity and uncertainty could have an impact on the performance of its operations, its reputation, its strategies and its financial objectives.

(b) Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)

In June 2013, the AMF determined that Desjardins Group met the criteria to be designated a domestic systemically important financial institution ("**D-SIFI**") (see "*Fédération des caisses Desjardins du Québec – Regulation and Control*" on page 315 of this Base Prospectus for additional information), which subjects Desjardins Group to, among other things, greater capital adequacy requirements as well as enhanced disclosure requirements in accordance with the guidelines of the AMF. As a D-SIFI, since 1 January 2016, Desjardins Group has been subject to an additional Tier 1A capital requirement corresponding to 1% of risk-weighted assets. Therefore, since 1 January 2016, Desjardins Group's Tier 1A capital target has been 8%. In addition, the Tier 1 capital ratio and total capital ratio must exceed 9.5% and 11.5%, respectively. These minimum ratios include a 2.5% capital conservation buffer and a supplement of 1% applying to D-SIFIs. Other major obligations include that based on the recommendations issued by the Enhanced Disclosure Task Force (EDTF) of the Financial Stability Board and contained in the document "Enhancing the Risk Disclosures of Banks", Desjardins Group is continuing to integrate all these recommendations into its risk management disclosure framework. Desjardins Group also continues to adapt its disclosure to comply with the principles of risk data aggregation and risk reporting (RDARR), which will strengthen governance as well as risk data aggregation and risk reporting capabilities. Furthermore, Desjardins Group has developed a resolution plan that details the actions to be taken to restore its financial position in the event of a crisis. Although Desjardins Group has disclosed its capitalization ratios in accordance with the rules of the Basel Committee (Basel III) and as prescribed by the AMF's guidelines for financial services cooperatives regarding standards for the adequacy of the capital base since the first quarter of 2013, the regulatory environment is evolving in particular as regards non-viability contingent capital, liquidity standards, credit risk, market risk, counterparty risk and with respect to bail-in provisions.

On 13 June 2018, the Québec National Assembly passed "**Bill 141**" (*An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions*), which applies to all institutions and intermediaries operating in Québec's financial sector. Bill 141 amends a series of laws, including the Cooperatives Act and the Deposit Institutions Act. The Cooperatives Act has been amended to, among other things, prescribe the rules for organizing a network of financial services cooperatives and a financial group, and the rules for issuing capital shares and investment shares. Bill 141 also adds a chapter concerning the Groupe coopératif Desjardins, comprising the Québec caisses, the Federation and the Fonds de sécurité Desjardins, and repeals the *Act respecting the Mouvement Desjardins* which previously governed Desjardins Group. The provisions of Bill 141 applicable to financial services cooperatives came into force on 13 July 2018 (one month after assent), but there are several exceptions. In particular, the new chapter concerning the Groupe coopératif Desjardins came into force on 7 December 2018. The significant amendments to the Deposit Institutions Act came into force on 13 July 2018. Such amendments provide for the Resolution Powers in the event of the failure of a deposit-taking institution. Under the amendments to the Deposit Institutions Act, the AMF must establish a resolution plan to implement resolution operations in the event of failure of authorized deposit institutions forming part of the Groupe coopératif Desjardins in order to ensure the Groupe coopératif Desjardins' sustainability without recourse to public funds. A resolution board must be formed to implement the AMF's resolution plan, notably, to approve the plan and order the implementation and closure of resolution operations. The resolution plan may provide for the amalgamation and continuation of the Groupe coopératif Desjardins as a single Québec savings company, or its amalgamation and

winding-up, the establishment of a bridge institution and an asset management company, the transfer of assets and liabilities including shares and subordinated debt obligations, the cancellation and/or conversion of shares or, pursuant to Section 40.50 of the Deposit Institutions Act and the Prescribed Debt Regulations, the write-off and/or conversion of unsecured, negotiable and transferable debt falling into a category prescribed by the Prescribed Debt Regulations (which includes Bail-inable Notes). More specifically, among other things, Section 40.50 of the Deposit Institutions Act provides that the AMF, as the resolution authority for financial services cooperatives in Québec, has the power (in the event of the resolution of the Federation) to, in whole or in part, write-off Bail-inable Notes or convert them into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purpose of the resolution of the Federation. The Deposit Institutions Act, together with the Prescribed Debt Regulations and certain other regulations promulgated under the Deposit Institution Act which came into force on 31 March 2019, govern, among other things, the exercise of the Bail-in Powers by the AMF and provide for a regime that is substantially similar to the Canadian federal regime to which Canadian banks are subject, save that the Québec regime also provides for full or partial write-off of prescribed debt. See "*Fédération des caisses Desjardins du Québec – New Bail-in Regime*" on page 318 of this Base Prospectus for additional information.

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 clarifies the current intention of the AMF with respect to the application of the Bail-in Powers. The AMF currently intends to propose to the resolution board to convert negotiable and transferable unsecured debts, such as the Bail-inable Notes, into capital shares of the Federation in accordance with the conversion measures set out in the Prescribed Debt Regulations, and subsequently 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. This operation would result in the capital shares issued by the amalgamating entities being converted into common shares of the savings company.

If action were to be taken by the AMF under the Resolution Powers (including the Bail-in Powers) in respect of the Issuer, Noteholders could be exposed to significant losses. See the risk factors relating to Bail-inable Notes under *"Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24 below, respectively, of this Base Prospectus for further information on Bail-inable Notes.

2. PRINCIPAL EMERGING RISKS

Principal emerging risks are risks that could have a significant impact on Desjardins Group's and the Federation's financial condition and would likely affect its reputation, the volatility of its results and/or the adequacy of its capitalization or liquidities in the event they were to fully materialize. These risks are outlined below.

(i) Cyber threats

Risks related to cyber threats have been on the rise for a number of years. Both the aggregation of new services for members and clients and the exposure of online services are becoming increasingly complex and gradually extending to more and more areas and products. In addition, the authors of cyber threats are using increasingly sophisticated methods and strategies for criminal purposes. Consequently,

Desjardins Group has been investing for many years in technology to strengthen its cyber defence capabilities in order to detect cyber security incidents as quickly as possible; in its processes, by optimizing them to respond efficiently to incidents; and in its employees, by attracting and training them in order to continue developing its defence methods.

Desjardins Group has also optimized its cyber risk transfer strategies by refining its own assurance policies in recent years. Despite these developments, there is no indication that Desjardins Group would be less at risk than other Canadian financial institutions. In the event of a successful cyber attack, Desjardins Group would be exposed to financial loss, reputational loss, the risk of not achieving its business objectives as well as major disruption in its operations.

(ii) Household indebtedness, changes in the housing market and concentration risk

An economic slowdown, which is felt more acutely in times of geopolitical uncertainty, could substantially affect households whose debt levels remain high.

This economic situation could lead to a decline in the housing market, which has experienced solid growth in 2019, despite higher interest rates and the tighter mortgage granting rules imposed since the start of 2018.

Even though Desjardins Group has sound practices in granting and managing mortgage financing, including a stress test involving interest rates for mortgage financing, the size of its portfolio and its concentration in Québec make it vulnerable to a decline in the housing market.

The Federation's operations are heavily concentrated in Québec. See “Fédération des caisses Desjardins du Québec” on page 314 of this Base Prospectus for additional information. As at 31 December 2018, Desjardins Group’s loans to Quebec members and clients accounted for 69.2% of its aggregated loan portfolio. As a result of this significant geographic concentration, the Federation's results largely depend on economic conditions in Québec. Any deterioration in economic conditions in this market could adversely impact:

(i) past due loans;

(ii) problem assets and foreclosed property;

(iii) claims and lawsuits;

(iv) demand for products and services; and

(v) the value of the collateral available for loans, especially mortgages and by extension clients' and members' borrowing capacity, the value of assets associated with impaired loans and collateral coverage.

Adverse developments in the Quebec economy could, accordingly, have negative effects on the Federation’s and Desjardins Group’s business and on their respective financial performance and position.

(iii) Technological developments

Innovative technologies are being increasingly taken into consideration and adopted by financial institutions in the context of their digital transformation, as they represent a crucial vector for transforming business processes and models. See "Fédération des caisses Desjardins du Québec – Competition" on page 322 of this Base Prospectus for additional information. In addition to the cyber threats risks, use of these technologies exposes financial institutions to other risks relating to system stability, the modernizing of infrastructure, complex environments and system interdependence.

Regulators' expectations and the regulatory environment will be increasingly demanding, and financial sector requirements will continue to grow in terms of managing technology risk. The growing presence of FinTech and InsurTech, which offer simple, innovative technology solutions that meet the expectations of members and clients, puts more pressure on traditional financial institutions to adapt.

Desjardins Group has been no exception and remains active in managing this operational and strategic risk, among others, by investing in technology and by reviewing and diversifying its products, services and distribution channels to meet the needs of its members and clients.

(iv) Interest rate development

The turbulence seen in capital markets at the end of 2019 has lowered bond rates. Furthermore, lower interest rates globally are now expected in 2020 as the global economy continues to show signs of weakness (though the Bank of Canada has kept its key interest rates unchanged in the third quarter of 2019 as the sharp decline in bond yields has prompted a revival in the Canadian housing market). This global rates environment puts pressure on financial intermediation margins, resulting in lower interest income and fiercer competition for deposits as a number of investors abandon investment funds for high interest savings accounts and guaranteed capital investment vehicles.

This situation also affects Desjardins Group's insurer and pension plan matching activities while liability valuations increase and return on assets decreases. Desjardins Group is still actively involved in its matching strategies and effectively manages these risks. The highly-volatile interest rate environment continues to result in the widening of credit spreads and a considerable reduction in the general level of interest rates. These elements have very negative repercussions on portfolios intended for long-term strategies aimed at ensuring the stability of these market parameters.

(v) Geopolitical uncertainties

(a) General geopolitical uncertainties

The adoption of protectionist measures by the U.S. administration increased global uncertainty in 2019. New protectionist measures could be decreed in 2020, particularly if the current negotiations between China and the U.S. are not conclusive. For Canada more specifically, there could be some new developments in respect of the United States–Mexico–Canada (USMC) Agreement, which has not yet been accepted by the legislatures concerned. Some of the articles of the agreement could be contested, which would start the negotiating process all over again. The situation in Europe is one of greater political uncertainty. In addition to Brexit, which remains unresolved at the date of this Base Prospectus, there is the yellow vest crisis in France and the rise of populism. The European economy may slow again in 2020

(with certain European countries already in, or close to entering, a recessionary period). The likelihood of a recession has also increased. Aware of the strength of global economic integration, Desjardins Group remains vigilant and continues to rely on its robust risk management framework to identify, measure and mitigate risk. These geopolitical risks may adversely impact macro-economic and financial market conditions relevant to the Federation and Desjardins Group and, consequently, adversely impact their respective financial performance and position.

(b) United Kingdom political uncertainty after the United Kingdom referendum

On 23 June 2016, the United Kingdom held a referendum to decide on its membership in the EU. The resulting vote was to leave the EU. On 29 March 2017, the United Kingdom government invoked Article 50 of the Lisbon Treaty by giving the European Council official notice of the United Kingdom's intention to leave the EU (such process being termed colloquially as "**Brexit**"). There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the EU. On 25 November 2018, the European Counsel and the United Kingdom government endorsed a withdrawal agreement and a political declaration on the future relationship between the United Kingdom and the EU and at 11:00pm (London time) on 31 January 2020 the United Kingdom ceased to be a Member State of the EU pursuant to the withdrawal agreement.

The withdrawal agreement between the United Kingdom and EU Commission includes a transition or implementation period to avoid a "cliff edge" Brexit, allowing the United Kingdom to remain a non-voting EU Member State, subject to all EU legislation, with restricted powers until the end of 2020. This transition or implementation period is intended to enable the EU and the United Kingdom to negotiate, in line with the political declaration described above, a trade agreement for the post-Brexit relationship between the United Kingdom and the EU and can, pursuant to the withdrawal agreement, be extended beyond the end of 2020 with the consent of the United Kingdom and the EU. However, the United Kingdom government added a new clause to the United Kingdom Withdrawal Agreement Bill in its passage through the United Kingdom Parliament that has made it illegal for the United Kingdom Parliament to seek an extension of the transition or implementation period from the EU post 31 December 2020. To the extent, therefore, that it proves impossible to negotiate a trade agreement between the United Kingdom and the EU by the end of 2020, there is a risk that a “cliff edge” Brexit may nevertheless arise.

Until the terms and timing of the future trade agreement between the United Kingdom and the EU are clearer, it is not possible to determine the impact of Brexit and/or any related matters may have on the Federation or any of the Federation's debt and derivative securities, including the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents.

3. OTHER RISK FACTORS THAT COULD IMPACT FUTURE RESULTS

(i) General economic and business conditions in regions where Desjardins Group conducts business

General economic and business conditions in the regions in which Desjardins Group operates may significantly affect its revenues and surplus earnings. These conditions include short and long-term interest rates, inflation, debt securities market fluctuations, foreign exchange rates, the volatility of capital markets, tighter liquidity conditions in certain markets, the level of indebtedness, the strength of the

economy, consumer spending and saving habits and the volume of business conducted by Desjardins Group in a given region.

(ii) Monetary policies

The monetary policies of the Bank of Canada and the Federal Reserve Board in the United States, as well as other interventions in capital markets, have an impact on Desjardins Group's income. The general level of interest rates may impact Desjardins Group's profitability because interest rate fluctuations affect the spread between interest paid on deposits and interest earned on loans, thereby affecting Desjardins Group's net interest income.

Furthermore, considering the current level of indebtedness of Canadian households, discussed further in the risk factor entitled "*Household indebtedness, changes in the housing market and concentration risk*" on page 13 of this Base Prospectus, higher interest rates could have an adverse effect on consumers' ability to service their debt, leading to an increased risk of loan losses for financial institutions that could have a negative effect on the Federation's and Desjardins Group's results, relevant financial condition and prospects. Desjardins Group has no control over changes in monetary policies or capital market conditions, and it therefore cannot forecast or anticipate them systematically.

(iii) Accuracy and completeness of information concerning clients and counterparties

Desjardins Group relies on the accuracy and completeness of the information it has on its clients and counterparties. When deciding to authorize a loan or other transactions with clients or counterparties, Desjardins Group may use information provided by them, including financial statements and other financial information. It may also rely on representations made by clients and counterparties regarding the completeness and accuracy of such information, and on auditors' reports regarding the financial statements.

The financial position and income of Desjardins Group could be adversely affected if the financial statements on which it relies fail to comply with accounting standards, are misleading or do not present fairly, in all material respects, the financial position, performance, cash flows and results of operations of its members, clients and counterparties.

(iv) Critical accounting estimates and accounting standards

The Federation 2018 Annual Report, which is incorporated by reference into this Base Prospectus, was prepared in accordance with the IFRS. The accounting policies used by Desjardins Group determine how it reports its financial position and results of operations, and management may be required to make estimates or rely on assumptions about matters that are inherently uncertain. Any change in these estimates and assumptions, as well as in accounting standards and policies, may have a significant impact on Desjardins Group's financial position and results of operations.

(v) New products and services to maintain or increase market share

Strong competitive pressures from Canadian financial institutions and the emergence of new competitors, as described under "Fédération des caisses Desjardins du Québec - Competition" on page 322 of this Base Prospectus, have led Desjardins Group to develop new products and services at a faster pace to maintain or increase its attractiveness as a financial institution with its clients. Developing these

new products and services could require significant investments by Desjardins Group or involve risks not identified at the time of their development and, accordingly, negatively affect the Federation's and Desjardins Group's financial positions, performances, cash flows, results of operations and prospects.

(vi) Acquisitions and joint arrangements

Desjardins Group has implemented a rigorous internal control environment for the acquisition and joint arrangement processes.

Nevertheless, its financial or strategic objectives could fail to be met because of unexpected factors such as delays in approval of transactions by regulators or their imposing of additional conditions, the inability to apply the strategic plan in its original form, difficulties in integrating or retaining clients, an increase in regulatory costs, unexpected expenses, or changes in the economic and competitive environment.

As a result, synergies, higher income, cost savings, increased market share and other expected benefits may not materialize or may be delayed, thereby impacting Desjardins Group's financial condition and future surplus earnings.

(vii) Credit ratings

The credit ratings assigned to the Federation by rating agencies are instrumental to its access to sources of wholesale funding and the cost of such funding. These ratings, as set out on page 329 of this Base Prospectus, may be revised or withdrawn at any time by the agencies. In addition, a significant downgrade to various ratings could raise Desjardins Group's cost of funding, reduce its access to capital markets, and increase additional obligations required by its counterparties.

In the event that a rating assigned to the Federation or the Notes is suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes. As a result, the Federation, the market value of the Notes and the ability of the Federation to make payments under the Notes may all be adversely affected.

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. In the event that a rating assigned to the Federation or the Notes is subsequently suspended, lowered or withdrawn for any reason, other than as specified herein, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes. As a result, the Federation, the market value of the Notes, and the ability of the Federation to make payments under the Notes may all be adversely affected.

(viii) Other factors

Other factors that may have an impact on Desjardins Group's and/or the Federation's future results include changes in tax laws, unexpected changes in consumer spending and saving habits, talent recruitment and retention of key positions, the ability to implement Desjardins Group's and/or the Federation's disaster recovery plans within a reasonable time, the possible impact on Desjardins Group's or the Federation's business of international conflicts and Desjardins Group's and the Federation's ability to anticipate and manage the risks associated with these factors properly, despite a disciplined risk

management environment.

4. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

(i) Risks related to all Notes

(a) The Federation is the sole obligor of the Notes

The Federation is the sole obligor of the Notes and will be solely responsible for payments of principal and interest on the Notes; provided that in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of the Groupe coopératif Desjardins except as may be provided by law and subject to the exercise of the Resolution Powers, and the NVCC Subordinated Notes will rank in the manner described in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus. The Notes are not insured under the Deposit Institutions Act, the Canada Deposit Insurance Corporation Act or by any governmental agency and are not guaranteed by Desjardins Group or any other affiliate of the Federation. The CCA (as defined below) is not in any way a guarantee of the Notes, and investors in the Notes will not have any rights as third party beneficiaries or otherwise under the capital call arrangement and will have no right to receive any guarantee or other payments in respect of the Notes from any affiliate of the Federation.

(b) The Federation is dependent on its member caisses and the 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. See “Fédération des caisses Desjardins du Québec” on page 314 of this Base Prospectus for additional information. Accordingly, conditions adversely affecting the caisses and the other members of Desjardins Group could impair the Federation's ability to satisfy its obligations.

(c) Modification and waivers

The Terms and Conditions of the Notes permit defined majorities to bind (and to modify or waive certain Terms and Conditions of the Notes or covenants and agreements made by the Federation) all Noteholders. See Condition 14 of the "*Terms and Conditions of the Bearer Notes*" on page 147 and Condition 14 of the "*Terms and Conditions of the Registered Notes*" on page 263 of this Base Prospectus for additional information.

The Terms and Conditions of the Notes that provide that an amendment, modification, waiver or authorization that may affect the eligibility of the NVCC Subordinated Notes to continue to be treated as regulatory capital under the AMF Guideline or of the Bail-inable Notes to continue to be treated as TLAC under the TLAC Guideline shall require the prior written approval of the AMF.

(d) Resolution Powers conferred on the AMF under the Deposit Institutions Act and the regulations thereunder provide it with substantial powers designed to enable it to take a range of actions, which if taken could result in Noteholders being exposed to losses

The Deposit Institutions Act, the Prescribed Debt Regulations, other regulations under the Deposit Institutions Act and certain other laws, regulations and guidelines collectively provide for a recapitalization regime (the "**Bail-in Regime**") for domestic systemically important financial institutions belonging to a cooperative group such as the Federation ("**Deposit Institutions**"), which Bail-in Regime is substantially similar to the regime to which Canadian domestic systemically important banks are subject to under Canadian federal law, save that the Bail-in Regime also provides for full or partial write-off of prescribed debts.

Under the Deposit Institutions Act, the AMF has to notify the resolution board (composed of the person appointed as Deputy Minister of Finance, the President and Chief Executive Officer of the AMF and a third person appointed by the Minister of Finance) without delay if it considers that the failure of a Deposit Institution is likely to cause the failure of other deposit institutions belonging to the cooperative group and that the powers conferred on it by the Cooperatives Act are insufficient to remedy the situation. If the resolution board deems that it is in the public interest to implement resolution operations in respect of the Deposit Institution, it will order the implementation of such resolution operations by the AMF, which order will be final and conclusive and not be questioned or reviewed in any court.

Unless otherwise provided for in the Deposit Institutions Act, among other things, during the resolution operations, (i) no civil, administrative or arbitration proceedings may be brought against the legal persons belonging to the cooperative group, (ii) indemnification may not be claimed from such legal persons, and (iii) no one may terminate a contract entered into with such legal person, amend it or cause the legal person to lose the benefit of the term stipulated in the contract (except for certain prescribed reasons).

During the resolution operations, the AMF may implement any resolution operation without the consent, authorization or approval of anyone if the operation is in the AMF's resolution plan, or with the sole authorization of the resolution board if it is not in the resolution plan. Among other things, the AMF may (i) amalgamate all the Québec financial services cooperatives as well as the security fund (such as the Fonds de sécurité Desjardins) belonging to the same cooperative group and have them continue as one Québec savings company, (ii) establish a financial services cooperative, a Québec savings company or a trust company in order to have it assume the liabilities relating to deposits of money of a Deposit Institution (such person is referred to as a "**bridge institution**"), (iii) establish a business corporation with a view of transferring any part of the assets or liabilities of a legal person belonging to the cooperative group to such business corporation, except liabilities relating to deposits of money (such business corporation is referred to as an "**asset management company**"), and/or (iv) transfer the assets and liabilities of a legal person belonging to the cooperative group to any acquirer (or renounce the exercise of a right or concede a right in an asset or a liability), in each case, pursuant to the provisions of "Division II – Resolution Process" (sections 40.6 to 40.57) of the Deposit Institutions Act. See “Fédération des caisses Desjardins du Québec – New Bail-in Regime” on page 318 of this Base Prospectus for additional information.

As a result of the above, Noteholders should consider the risk that they may lose some or all of their investment, including the principal amount plus any accrued interest, if the AMF were to take action under its Resolution Powers, subject to the indemnification process under the Deposit Institutions Act.

(e) Investors who hold less than the minimum Specified Denomination (including after the exercise of Bail-in Powers by the AMF, an Automatic Conversion upon a Non-Viability Trigger Event in the case of NVCC Subordinated Notes or any other Resolution Powers) may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently issued.

In relation to any issue of Notes which has denominations consisting of a minimum Specified Denomination and may be tradeable in the clearing systems in the minimum Specified Denomination and one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in the clearing systems in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In addition, in the case of a partial write-off or conversion of Bail-inable Notes by the AMF pursuant to its Bail-in Powers or any other resolution action in respect of Bail-inable Notes generally or, in the case of NVCC Subordinated Notes, an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event, a Noteholder may, as a result of such partial write-off or conversion or other resolution action or, as the case may be, Automatic Conversion end up with an amount that is less than a minimum Specified Denomination. In such cases, a Noteholder who, as a result of trading such amounts or as a result of the exercise of Bail-in Powers or other resolution action by the AMF in respect of Bail-inable Notes or an Automatic Conversion in respect of NVCC Subordinated Notes, holds an amount that is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding of Notes amounts to at least the minimum Specified Denomination. Further, a Noteholder who, as a result of trading such amounts or as a result of the exercise of Bail-in Powers by the AMF or, as the case may be, other resolution action in respect of Bail-inable Notes or an Automatic Conversion in respect of NVCC Subordinated Notes, holds an amount which is less that the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination before definitive Notes are issued to such holders.

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

(f) Listing of Class Z Shares (or Conversion Securities) on a Stock Exchange

While the Federation currently intends to use its commercially reasonable efforts to have the Class Z Shares (or the Conversion Securities, as applicable) issued upon an Automatic Conversion and/or a Bail-in Conversion listed on a recognized stock exchange, there is no assurance that such Class Z Shares or Conversion Securities, as applicable, will be listed on such recognized stock exchange, or at all and if made, that any such listing would be maintained. In addition, any such listing would be made only as soon as the Federation, in its sole discretion, considers it practicable following the issue of such Class Z Shares (or the Conversion Securities, as applicable), and consequently there may be a significant delay between the Automatic Conversion and/or the Bail-in Conversion, on the one hand, and any such listing,

if at all, on the other hand.

(g) No obligation to maintain listing

The Federation is not under any obligation to Noteholders to maintain any listing of Notes and may, in good faith, determine that it is unduly onerous to maintain such listing and seek to terminate the listing of such Notes provided it uses its best efforts to seek an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system (including a market which is not a regulated market for the purposes of MiFID II or a market outside of the EEA or the United Kingdom), provided that such stock exchange shall be commonly used for the listing and trading of debt securities in the international bond markets, as it may reasonably decide. However, if such alternative listing is not available or, in the opinion of the Federation, is unduly onerous, the Notes may be delisted and an alternative listing may not be obtained and the Issuer is not obliged to so obtain. Although there is no assurance as to the liquidity of any Notes as a result of the admission to trading on a regulated market for the purposes of MiFID II or any other market, delisting such Notes may have a material effect on the ability of investors to (a) continue to hold such Notes, (b) resell the Notes in the secondary market or (c) use the Notes as eligible collateral.

(h) Changes to the Federation's credit ratings

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the Federation is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the Federation may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the Federation to make payments under the Notes may be adversely affected.

(i) The Notes constitute unsecured obligations of the Federation and are structurally subordinated to the liabilities of its subsidiaries; the Federation may be unable to pay interest on or repay the Notes

The Notes are unsecured and, except for NVCC Subordinated Notes, unsubordinated obligations of the Federation and, except for the NVCC Subordinated Notes, will rank equally in right of payment with all of its other existing and future unsecured and unsubordinated obligations, subject to applicable laws and to the exercise of Resolution Powers, if applicable. The Notes are not secured by any of the Federation's assets. Any future claims of secured lenders with respect to the Federation's assets securing their loans will be prior to any claim of a holder of the Notes with respect to those assets.

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. However, in the event of winding-up, an insolvency, a bankruptcy, a liquidation or a dissolution of the Federation in accordance with applicable law, payment obligations under the Notes will become the obligations of Groupe coopératif Desjardins. In the event of winding-up, an insolvency, a bankruptcy, a liquidation or a dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of the Groupe coopératif Desjardins, except as may be provided by law and

subject to the exercise of Resolution Powers, and the NVCC Subordinated Notes will rank in the manner described in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus. In addition, any payment of dividends, loans or advances by the Federation's subsidiaries could be subject to statutory or contractual restrictions. Payments to the Federation by its subsidiaries will also be contingent upon the subsidiaries' earnings, cash flow and other business considerations. The Federation's right to receive any assets of its subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the Notes to participate in those assets, will be structurally 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 would be 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.

See also "*Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)*" and *"The Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions"* below on pages 11 and 316, respectively, of this Base Prospectus for complete disclosure of resolution mechanisms under the Deposit Institutions Act and the Prescribed Debt Regulations. See further risk factors relating to Bail-inable Notes and NVCC Subordinated Notes under *"Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus for further information on Bail-inable Notes and NVCC Subordinated Notes.

(j) The Notes will not limit the Federation's ability, or the ability of the other members of Desjardins Group, to incur future indebtedness, pay dividends, repurchase securities, engage in transactions with affiliates or engage in other activities, which could adversely affect the Federation's ability to pay its obligations under the Notes

Other than as set forth below with respect to subordinated indebtedness of the Federation, the Notes do not place any limitation on the amount of secured or unsecured debt that the Federation may incur and will not limit the Federation's ability to incur additional indebtedness, issue or repurchase securities, pay dividends or engage in transactions with affiliates. Therefore, the Federation may pay dividends and incur additional debt, including secured indebtedness in certain circumstances or indebtedness by, or other obligations of, subsidiaries to which the Notes would be structurally subordinated. Similarly, the Notes do not limit the ability of the other members of Desjardins Group to which the Federation extends credit from incurring secured or unsecured indebtedness or engaging any of the transactions referred to above.

If the Negative Covenant is specified as applicable in the Final Terms or Pricing Supplement, so long as NVCC Subordinated Notes remain outstanding, the Federation will not create, issue or incur any indebtedness subordinate in right of payment to the deposit liabilities of the Federation (including, in the event of a merger, amalgamation, combination or consolidation of the members of Groupe coopératif Desjardins (by law or otherwise), the deposit liabilities of other entities forming part of Groupe coopératif Desjardins) which, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, would rank in right of payment in priority to such NVCC Subordinated Notes.

The Federation's ability to incur additional indebtedness and use its funds for numerous purposes, and the ability of the Federation and the other members of Desjardins Group on which the Federation depends for its earnings and cash flow to incur indebtedness and use their funds for other purposes, may limit the funds available to pay the Federation's obligations under the Notes.

(k) The terms and conditions of the Notes, including the covenants and events of default differ from the terms and conditions of some of the other debt securities of the Federation, which remain outstanding.

The terms and conditions of the Notes, including, among other provisions, the covenants and events of default with respect to the Notes, differ from the terms and conditions of some other debt securities for which the Federation is responsible that remain outstanding. For example, the Notes do not have a covenant restricting the grant of liens and guarantees by the Federation's subsidiaries and cross-default event of default provisions that are contained in some of the Federation's outstanding debt securities. In the event that the Federation or its subsidiaries incur liens or its subsidiaries issue guarantees of indebtedness, the Federation's debt securities that have the benefit of the covenant restricting the grant of liens and guarantees may also be required to be secured or guaranteed on a pro rata basis with such other indebtedness. As a result, the Notes would be effectively or structurally subordinated to such debt securities.

(l) In the event that the Federation becomes insolvent, insolvency proceedings will be governed by Canadian Law and payments to Noteholders may be limited or delayed.

It may be possible for the Federation to be subject to two Canadian federal insolvency laws (the Companies' Creditors Arrangement Act (the "**CCAA**") and the Bankruptcy and Insolvency Act (the "**BIA**")), and to the provincial Winding-up Act (Québec) (the "**WUA**"). These laws may be different from the insolvency or bankruptcy laws of other countries. In particular, proceedings under the CCAA, which provides for the potential re-organization of an insolvent legal person, differ significantly from Chapter 11 under the U.S. Bankruptcy Code. Further, if the Federation becomes insolvent, the treatment and ranking of the holders of the Notes, depositors, other creditors of the Federation under Canadian insolvency laws or the WUA may be different than the treatment and ranking under the insolvency laws of other countries, and same goes for holders of the Federation's qualifying shares, investment shares or capital shares.

The Notes may be challenged under applicable insolvency or other laws, which could impair the enforceability of the Notes. Under insolvency laws in Canada, a note could be voided. In addition, various other orders could be made in a court in relation to the Notes, such as orders preventing payments being made under the Notes, and orders requiring the repayment of monies paid or providing for the discharge of debts.

See also "*Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)*" and *"The Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions"* below on pages 11 and 316, respectively, of this Base Prospectus for complete disclosure of resolution mechanisms under the Deposit Institutions Act and the Prescribed Debt Regulations. See further the risk factors relating to Bail-inable Notes and NVCC Subordinated Notes under *"Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus for further information on Bail-inable Notes and the NVCC

Subordinated Notes.

(m) Noteholders might have difficulty enforcing their rights against the Federation and its directors and officers.

The Federation is constituted under the laws of Québec pursuant to the Cooperatives Act. All of its directors and executive officers and some of the experts named in this Base Prospectus, reside in Canada, and all or a substantial portion of the Federation's assets and the assets of such persons are located in Canada. As a result, it may be difficult to effect service of process outside of Canada upon such persons, or to realize upon judgments rendered against the Federation or such persons by courts outside of Canada predicated upon, among other things, the civil liability provisions of non-Canadian securities laws. In addition, it may be difficult for holders of Notes to enforce, in original actions brought in courts in jurisdictions located in Canada, among other things, civil liabilities predicated upon such securities laws.

(n) Tax treatment

The tax treatment of any amount to be paid to a Noteholder in relation to the Notes may reduce such Noteholder´s effective yield on such Notes. Tax treatment may change before the maturity or the redemption of the Notes and may result in early redemption of the Notes and/or the Noteholder receiving a lower return on the Notes.

(o) Change of Tax Law

Statements in this Base Prospectus concerning the taxation of a Noteholder are of a general nature and are based upon current tax law and published government or administrative practice in the jurisdictions stated. Such law and government or administrative practice is, in principle, subject to change, possibly with retrospective effect, and this could adversely affect Noteholders.

(ii) Risks related to the structure of a particular issue of Notes

(a) Notes subject to optional redemption by the Federation

An optional redemption feature of Notes is likely to limit their market value. During any period when the Federation may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If the Final Terms or Pricing Supplement provide for an Issuer Call Option, the Federation may redeem all or some of the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(b) Fixed Rate Notes bear interest at a fixed rate, which may affect the secondary market value and/or the real value of the Fixed Rate Notes over time due to fluctuations in market interest rates and the effects of inflation

Fixed Rate Notes bear interest at a fixed rate. Investors should note that (i) if market interest rates start to rise then the income to be paid on the Fixed Rate Notes might become less attractive and the price the investors may get if they sell such Fixed Rate Notes could fall (however, the market price of the Fixed Rate Notes has no effect on the interest amounts due on the Fixed Rate Notes or what investors will be due to be repaid on the Maturity Date if the Fixed Rate Notes are held by the investor issued until they mature) and (ii) inflation will reduce the real value of the Fixed Rate Notes over time which may affect what investors can buy with the investments in the future and which may make the fixed interest rate on the Fixed Rate Notes less attractive in the future.

(c) Floating Rate Notes with caps or floors

Notes with variable interest rates can be volatile investments. If they are structured to include caps or floors, or other leverage multipliers, or factors, or other similar related features, their market values may be even more volatile than those of securities that do not include those features.

(d) Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having a fixed interest rate. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are even more exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates at the prevailing time of any such interest payment. In addition, the Federation's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and *vice versa*).

(e) Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest that convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate, including where such conversion is at the option of the Federation. This may affect the secondary market and the market value of the Notes, in particular if the conversion arises at a time when the new rate produces a lower overall cost of borrowing for the Federation. If the Federation has the ability to convert the interest rate, the Federation will be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. For example if the Federation converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the Federation converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

(f) Fixed Rate Reset Notes

*A holder of Notes with a fixed rate of interest that will periodically reset during the term of the relevant Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fixed Rate Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to be the sum of (i) the applicable Mid-Swap Rate, Benchmark Gilt Rate or Reference Bond Rate and (ii) the relevant Margin as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could affect the value of an investment in the Fixed Rate Reset Notes.*

(g) Notes issued at a substantial discount or premium may experience significant price volatility in response to changes in interest rates

The issue price of Notes specified in the applicable Final Terms or Pricing Supplement may be more than the market value of such Notes as of the issue date, and the price, if any at which a Dealer or any other person willing to purchase the Notes in secondary market transactions may be lower than the issue price.

The market values of Notes issued at a substantial discount or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. If market interest rates increase, such Notes can suffer higher price losses as compared to conventional interest-bearing Notes having the same maturity and credit rating. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities and credit.

(h) Criminal Rates of Interest

Canada has a Criminal Code which prohibits the receipt of "interest" (as such term is broadly defined therein) at a "criminal rate" (namely, an effective annual rate of interest that exceeds 60 per cent.). Accordingly, the provisions for the payment of interest or a redemption price in excess of the aggregate nominal amount of the Notes may not be enforceable if the provision provides for the payment of "interest" in excess of an effective annual rate of interest of 60 per cent.

In addition, with respect to Notes governed by New York Law, under present New York law, the maximum rate of interest is 25 per cent. per annum on a simple interest basis. This limit may not apply to securities in which US$2,500,000 or more has been invested.

(i) Bearer Notes in NGN form and Euro Regulation S Notes held under the NSS

Bearer Notes in NGN form and Euro Regulation S Notes held under the NSS allow for the possibility of such Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at

the relevant time. Investors should make their own assessment as to whether such Notes meet such Eurosystem eligibility criteria and be aware that such eligibility criteria is updated and/or supplemented from time to time. As of 16 April 2018, Senior Notes denominated in any currency are not eligible to be used as collateral in the Eurosystem.

(j) Index Linked Notes and Dual Currency Notes

The Federation may issue Notes with principal, premium or interest determined by reference to an index or formula, to changes in the prices of securities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Federation may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factors, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factors, the greater the effect on yield. The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisors about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisors about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

(k) Partly Paid Notes

The Federation may issue Senior Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

(l) Variable rate Note with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

(m) Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

(n) Withholding Tax and Early Redemption

All payments of principal and interest in respect of the Notes or Coupon shall be made without withholding or deduction for taxes, duties, assessments or charges, unless required by law or by the interpretation or administration thereof. In that event, the Federation will have to pay an additional amount to the Noteholders. However, such additional amount will not be payable in certain circumstances, resulting in a lower return on the Notes for the Noteholders. If an additional amount is payable, the Federation may, at its option, and provided certain conditions are met, redeem the Notes.

(o) NVCC Subordinated Notes

Remedies for the Federation's breach of its obligations under the NVCC Subordinated Notes are limited

Absent an Event of Default in respect of the NVCC Subordinated Notes (which shall occur if, among other things, the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act other than, in each case, for the purposes of, or as part of, an Exempt Restructuring, as described in Condition 12 of the "*Terms and Conditions of the Bearer Notes*" and Condition 12 of the "*Terms and Conditions of the Registered Notes*", as set out on pages 143 and 259 of this Base Prospectus, respectively), the holders of the NVCC Subordinated Notes shall not be entitled to declare the principal amount of the NVCC Subordinated Notes due and payable under any circumstance. As a result, investors will have no right of acceleration in the event of (i) the non-payment or default in the payment of interest on the NVCC Subordinated Notes, or (ii) a default in the performance of any other covenant or other obligation of the Federation (whether in the Conditions, the NVCC Subordinated Notes or the Agency Agreements). For greater certainty, as elsewhere mentioned in this Base Prospectus, neither an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event nor a Bail-in Conversion will constitute an Event of Default under the Conditions, the terms of the NVCC Subordinated Notes or the Agency Agreements.

The NVCC Subordinated Notes are loss-absorption financial instruments that involve risk and may not be a suitable investment for all investors

The NVCC Subordinated Notes are loss-absorption financial instruments designed to comply with regulations applicable for financial services cooperatives in Québec and involve certain risks. Each

potential investor in the NVCC Subordinated Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances and each potential investor should understand thoroughly the terms of the NVCC Subordinated Notes, such as the provisions governing an Automatic Conversion, and under what circumstances a Non-Viability Trigger Event could occur. The NVCC Subordinated Notes do not constitute deposits and are not insured under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act.

A potential investor should not invest in the NVCC Subordinated Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the NVCC Subordinated Notes will perform under changing conditions, the resulting effects on the likelihood of an Automatic Conversion into Class Z Shares and the value of the NVCC Subordinated Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Base Prospectus or incorporated by reference herein.

The NVCC Subordinated Notes are subject to an automatic and immediate conversion into Class Z Shares upon a Non-Viability Trigger Event; following an Automatic Conversion, investors will no longer have rights as a creditor and will only have rights as a holder of Class Z Shares

Upon the occurrence of a Non-Viability Trigger Event and an Automatic Conversion, any accrued interest due and payable on the NVCC Subordinated Notes, together with the principal amount of such NVCC Subordinated Notes, shall be deemed paid in full by the issuance of Class Z Shares upon such conversion and an investment in NVCC Subordinated Notes will automatically and immediately become an investment in Class Z Shares without the consent of the holder. After an Automatic Conversion, a holder of NVCC Subordinated Notes will no longer have any further rights as a holder of subordinated indebtedness of the Federation and will only have rights as a holder of Class Z Shares and the Federation will have no further obligations under the NVCC Subordinated Notes. Absent an Automatic Conversion, the claims of holders of NVCC Subordinated Notes have certain priority of payment over the claims of holders of Class Z Shares.

Given the nature of a Non-Viability Trigger Event, a holder of NVCC Subordinated Notes will become a holder of Class Z Shares at a time when the Federation's financial condition has deteriorated. If the Federation were to become wound-up, insolvent, bankrupt, liquidated or dissolved after the occurrence of a Non-Viability Trigger Event, as a result of an Automatic Conversion, the holders of Class Z Shares may receive, if anything, substantially less than the holders of the NVCC Subordinated Notes might have received had the NVCC Subordinated Notes not been converted into Class Z Shares.

An Automatic Conversion may also occur at a time when a federal or provincial government in Canada has publicly announced that the Federation has accepted or agreed to accept a capital injection, or equivalent support from the federal government or any provincial government or political subdivision or agent or agency thereof, without which the Federation would have been determined by the AMF to be non-viable, the terms of which capital injection or equivalent support may rank in priority to the Class Z Shares with respect to the payment of interest, rights on liquidation or other terms.

After an Automatic Conversion, the rights, terms and conditions of the NVCC Subordinated Notes, including with respect to priority, subordination and rights on liquidation, will no longer be relevant as all such NVCC Subordinated Notes will have been converted on a full and permanent basis into Class Z

Shares ranking on parity with all other outstanding Tier 1A capital ("*fonds propres de la catégorie 1A*" under the AMF Guideline) of the Federation (an equivalent to common equity tier 1, as applicable to Desjardins Group). Absent an Automatic Conversion, the claims of holders of NVCC Subordinated Notes have certain priority of payment over the claims of holders of Class Z Shares. If an Automatic Conversion occurs, then the interest of the Federation's depositors, other creditors of the Federation, and holders of the Federation's securities which are not contingent instruments will all rank in priority to the holders of contingent instruments of the Federation.

The number and value of Class Z Shares to be received on an Automatic Conversion may be worth significantly less than the principal amount of the NVCC Subordinated Notes and are variable and subject to further dilution

The Federation is expected to have outstanding from time to time other securities including, without limitation, other subordinated indebtedness, that will automatically convert into Class Z Shares upon a Non-Viability Trigger Event. Certain Series of NVCC Subordinated Notes may use a more favorable conversion rate (for example, using a higher Multiplier) than those applicable to another Series of NVCC Subordinated Notes to determine the maximum number of Class Z Shares to be issued to holders of such instruments upon an Automatic Conversion. Accordingly, holders of certain series of NVCC Subordinated Notes may receive Class Z Shares pursuant to an Automatic Conversion at a time when other series of NVCC Subordinated Notes and other Federation securities may be converted into Class Z Shares at a conversion rate that is more favourable to the holders of such series of NVCC Subordinated Notes and other Federation securities than the rate applicable to the holders of the first series of NVCC Subordinated Notes, thereby the value of the Class Z Shares received by holders of such series of NVCC Subordinated Notes and NVCC Subordinated Notes generally following an Automatic Conversion could be further diluted.

If the NVCC Subordinated Notes are denominated in a currency other than Canadian dollars and the Conversion Price is in Canadian dollars, fluctuations in the exchange rates between these two currencies may adversely affect the number of Class Z Shares delivered to a Noteholder as a result of an Automatic Conversion.

In the circumstances surrounding a Non-Viability Trigger Event, the AMF may also require other steps to be taken, or implement other resolution tools, to restore or maintain the viability of the Federation, such as a Bail-in Conversion, or otherwise exercise any of its Bail-in Powers, which may result in, among others, the issuance of additional contributed capital securities of the Federation (including Class Z Shares), of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purposes of the resolution of the Federation ("**Conversion Securities**"). Accordingly, holders of NVCC Subordinated Notes will receive Class Z Shares pursuant to an Automatic Conversion at a time when other debt obligations of the Issuer may be converted into Conversion Securities (including Class Z Shares), possibly at a conversion rate that is more favourable to the holders of such obligations than the rate applicable to the NVCC Subordinated Notes, and additional Conversion Securities ranking in priority to the Class Z Shares may be issued, thereby causing substantial dilution to holders of Class Z Shares and the holders of the NVCC Subordinated Notes, who will become holders of Class Z Shares upon the occurrence of an Non-Viability Trigger Event and an Automatic Conversion.

In addition, on March 21, 2019, the AMF issued the *Notice relating to the bail-in power set out in the second paragraph of Section 40.50 of the Deposit Insurance Act* (the "**Notice**"). The Notice sets forth the actions the AMF intends to take in the event that the resolution board under the Deposit Insurance Act orders the implementation of resolution operations in respect of Groupe coopératif Desjardins. The AMF currently intends to propose to the resolution board to effect a Bail-in Conversion and convert "prescribed debt" (as defined in the Prescribed Debt Regulations) of Federation into capital shares of the Federation (such as Class Z Shares), and subsequently carry out an amalgamation/continuance operation, the purpose of which would be to amalgamate the entities belonging to Groupe coopératif Desjardins and have them continued as a Québec savings company. Such amalgamation/continuance would result in all capital shares of the Federation (including Class Z Shares issued upon an Automatic Conversion, if any) being converted into common shares of the new Québec savings company. Given that a Bail-in Conversion could occur simultaneously with, or immediately after, the occurrence of an Automatic Conversion, there is no assurance that upon an Automatic Conversion, the NVCC Subordinated Notes would be converted into Class Z Shares of the Federation; rather, they could be converted into common shares of a Québec savings company, or other securities of an entity that does not yet exist. Furthermore, should a Bail-in Conversion occur following an Automatic Conversion, any Class Z Shares issued pursuant to an Automatic Conversion could be converted into common shares of Québec savings company, or other securities of an entity that does not yet exist. There is no assurance as to the value or liquidity of any such common shares or other securities.

Fractions of Class Z Shares will not be issued or delivered pursuant to an Automatic Conversion and no cash payment will be made in lieu of a fractional Class Z Share.

The circumstances surrounding or triggering an Automatic Conversion are unpredictable

The decision as to whether a Non-Viability Trigger Event will occur may involve a subjective determination by the AMF that the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the NVCC Subordinated Notes and other contingent instruments issued by the Federation, the viability of the Federation could be restored or maintained. Such determination may be beyond the control of the Federation. A Non-Viability Trigger Event will also occur if a federal or provincial government in Canada publicly announces that the Federation has accepted or agreed to accept a capital injection or equivalent support from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Federation would have been determined by the AMF to be non-viable as a result of the Federation's risk-based capital ratios.

The conversion of non-viability contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions could likely be used along with the conversion of non-viability contingent instruments to maintain the Federation as a going concern.

In assessing whether the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the NVCC Subordinated Notes and other contingent instruments issued by the Federation, it is reasonably likely that the viability of the Federation could be restored or maintained, the AMF Guideline indicates that the AMF will consider all relevant facts and circumstances, which may include, among other things, if:

- the assets of the Federation are, in the opinion of the AMF, sufficient to provide adequate protection to the Federation's depositors and creditors;

- the Federation has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);

- the Federation's regulatory capital has, in the opinion of the AMF, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;

- the Federation has failed to pay any liability that has become due and payable or, in the opinion of the AMF, the Federation will not be able to pay its liabilities as they become due and payable;

- the Federation failed to comply with an order of the AMF to increase its capital;

- in the opinion of the AMF, other state of affairs exist in respect of the Federation that may be materially prejudicial to the interests of the Federation's depositors or creditors or the owners of any assets under the Federation's administration, including if proceedings under any bankruptcy or insolvency law have been commenced in Canada or elsewhere against the Federation; and

- the Federation is unable to recapitalize on its own through the issuance of Tier 1A capital ("*fonds propres de la catégorie 1A*" under the AMF Guideline) or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and for a period that will restore the Federation's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

The facts and circumstances that the AMF may consider may change from time to time as a result of evolving legal and regulatory developments.

Upon the occurrence of a Non-Viability Trigger Event and an Automatic Conversion, the interests of depositors, other creditors of the Federation, and holders of securities of the Federation which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the NVCC Subordinated Notes. The AMF retains full discretion to choose not to trigger an Automatic Conversion notwithstanding a determination that the Federation has ceased, or is about to cease, to be viable. Under such circumstances, holders of NVCC Subordinated Notes may be exposed to losses through the use of other resolution tools or in liquidation.

Because of the inherent uncertainty regarding the determination of when an Automatic Conversion may occur, it will be difficult to predict when, if at all, the NVCC Subordinated Notes will be mandatorily converted into Class Z Shares. In addition, investors in the NVCC Subordinated Notes are likely not to receive any advance notice of the occurrence of a Non-Viability Trigger Event. Accordingly, trading behavior in respect of the NVCC Subordinated Notes is not necessarily expected to follow trading behavior associated with other securities of a similar nature. Any indication, whether real or perceived, that the Federation is trending towards a Non-Viability Trigger Event can be expected to have an adverse effect on the market price of the NVCC Subordinated Notes, whether or not such Non-Viability Trigger Event actually occurs. Therefore, in such circumstances, investors may not be able to sell their NVCC Subordinated Notes easily or at prices that will provide them with a yield comparable to other types of subordinated securities.

The Federation's obligations under the NVCC Subordinated Notes will be unsecured and subordinated, and the rights of the holders of NVCC Subordinated Notes will be further subordinated upon an Automatic Conversion

The NVCC Subordinated Notes will constitute direct unsecured debt obligations representing Subordinated Indebtedness and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, where a Non-Viability Trigger Event has not occurred, the Indebtedness evidenced by the NVCC Subordinated Notes shall rank in the manner described in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus.

Therefore, if, prior to the occurrence of a Non-Viability Trigger Event, the Federation is wound-up, becomes insolvent, bankrupt, is liquidated or dissolved, the assets of the Federation would first be applied to satisfy all rights and claims of holders of senior indebtedness, including deposit liabilities and, as the context requires, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), all deposit liabilities of entities forming part of the Groupe coopératif Desjardins. If the Federation does not have sufficient assets to settle claims of such senior indebtedness holders in full, the claims of the holders of the NVCC Subordinated Notes will not be settled and, as a result, the holders will lose the entire amount of their investment in the NVCC Subordinated Notes. Absent an Automatic Conversion, the NVCC Subordinated Notes will share equally in payment with claims under other subordinated indebtedness if the Federation does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, holders should be aware that, upon the occurrence of an Non-Viability Trigger Event, all of the Federation's obligations under the NVCC Subordinated Notes shall be deemed paid in full by the issuance of Class Z Shares upon the Automatic Conversion, and each holder will be effectively further subordinated due to the change in their status following an Automatic Conversion from being the holder of a debt instrument ranking ahead of holders of Class Z Shares to being a holder of Class Z Shares.

As a result, upon the occurrence of an Automatic Conversion, the holders could lose all or part of their investment in the NVCC Subordinated Notes irrespective of whether the Federation has sufficient assets available to settle what would have been the claims of the holders of the NVCC Subordinated Notes or other securities subordinated to the same extent as the NVCC Subordinated Notes, in proceedings relating to a winding-up, an insolvency, a bankruptcy, a liquidation or a dissolution.

Holders do not have anti-dilution protection in all circumstances

The Conversion Price is subject to adjustment in the event of a Class Z Capital Share Reorganization (as defined in Condition 6 of the *"Terms and Conditions of the Bearer Notes"* and Condition 7 of the *"Terms and Conditions of the Registered Notes"* on pages 129 and 247, respectively, of this Base Prospectus).

In the event of a capital reorganization, consolidation, merger or amalgamation of the Federation or comparable transaction affecting the Class Z Shares (whether outstanding or not) and, where no Class Z Shares are outstanding, any shares in the authorized capital of the Federation ranking equally with the

Class Z Shares, the Federation will take necessary action to ensure that holders of NVCC Subordinated Notes receive or are entitled to receive, pursuant to an Automatic Conversion, after such event, the number of Class Z Shares or other securities that such holders would have received if the Automatic Conversion occurred immediately prior to the earlier of the record date for such event and the time of such event, provided that the Class Z Shares shall be treated in the same manner as any shares in the authorized capital of the Federation ranking equally with the Class Z Shares. However, there is no requirement that there should be an adjustment of the Multiplier or other anti-dilutive action by the Federation for every corporate or other event that may affect the Class Z Shares.

Mergers and Similar Events

The Federation will not need to obtain the approval of the holders of the NVCC Subordinated Notes in order to merge, amalgamate, consolidate or otherwise combine with another entity or sell or lease substantially all of its assets to another entity, provided certain conditions are met. It is possible that this type of transaction may result in a reduction in the Federation's credit ratings, may negatively affect its operating results or may impair its financial condition and adversely affect the market value of the NVCC Subordinated Notes.

Changes in law, or changes in the regulatory classification of the NVCC Subordinated Notes due to other factors, may adversely affect the rights of holders of the NVCC Subordinated Notes

Changes in law after the date hereof may affect the rights of holders as well as the market value of the NVCC Subordinated Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the NVCC Subordinated Notes, which may have an adverse effect on an investment in the NVCC Subordinated Notes.

Any legislative and regulatory uncertainty could also affect an investor’s ability to accurately value the NVCC Subordinated Notes and, therefore, affect the trading price of the NVCC Subordinated Notes given the extent and impact on the NVCC Subordinated Notes that one or more regulatory or legislative changes, including those described above, could have on the NVCC Subordinated Notes.

The tax consequences of holding Class Z Shares following an Automatic Conversion could be different for some categories of holders from the tax consequences for them of holding NVCC Subordinated Notes

Upon the occurrence of a Non-Viability Trigger Event, NVCC Subordinated Notes will automatically and immediately convert into Class Z Shares, and could be subject to Canadian or other applicable withholding tax. The tax consequences of holding Class Z Shares following an Automatic Conversion could be different for some categories of holders from the tax consequences for them of holding NVCC Subordinated Notes. Each prospective investor should consult their own tax advisor regarding the tax consequences of a conversion of the NVCC Subordinated Notes into Class Z Shares.

*The U.S. federal income tax treatment of instruments such as the NVCC Subordinated Notes is uncertain and, accordingly, the U.S. Internal Revenue Service ("**IRS**") may take a different position than the Federation or an investor regarding the appropriate characterization and treatment of the NVCC Subordinated Notes*

There is no authority that addresses the U.S. federal income tax treatment of instruments like the NVCC Subordinated Notes that are in form subordinated debt instruments but that provide for Automatic Conversion into Class Z Shares upon the occurrence of a Non-Viability Trigger Event. Based on certain assumptions described under "*Certain U.S. Federal Income Tax Considerations — NVCC Subordinated Notes,"* the Federation intends to treat the NVCC Subordinated Notes as debt for U.S. federal income tax purposes. However, there can be no assurance that the IRS will not assert that the NVCC Subordinated Notes should be treated differently for U.S. federal income tax purposes, and there can be no assurance that any alternative tax treatment, if successfully asserted by the IRS, would not have adverse U.S. federal income tax consequences to a holder of the NVCC Subordinated Notes. Each investor should consult its own tax advisor regarding the appropriate characterization of the NVCC Subordinated Notes and the tax consequences to it if the IRS successfully asserts a characterization that differs from the Federation's characterization of the NVCC Subordinated Notes.

The Federation reserves the right not to deliver Class Z Shares upon an Automatic Conversion

Upon an Automatic Conversion, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z Shares issuable thereupon to any person whom the Federation has reason to believe is an Ineligible Person or any person who, by virtue of the operation of the Automatic Conversion, would become a Significant Holder through the acquisition of Class Z Shares. In such circumstances, the Federation will attempt to facilitate the sale of such Class Z Shares. Those sales (if any) may be made at any time and at any price. The Federation will not be subject to any liability for failure to sell such Class Z Shares on behalf of such persons or at any particular price or on any particular day. See Condition 6(d) of the Terms and Conditions of the Bearer Notes (*Right not to deliver Class Z Shares*) and Condition 7(d) of the Terms and Conditions of the Registered Notes (*Right not to deliver Class Z Shares*).

Early Redemption upon Special Event

The Federation may, at its option at any time on or after a Special Event Redemption Date, with the prior written approval of the AMF and having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms or Pricing Supplement, to the relevant Fiscal Agent and to the holders of the NVCC Subordinated Notes of the relevant Series, redeem all (but not less than all) of the NVCC Subordinated Notes of such Series, at the Early Redemption Amount together, if appropriate, with interest accrued to, but excluding, the date of redemption. An investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the NVCC Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Noteholders will be responsible for certain taxes arising upon an Automatic Conversion

The Terms and Conditions of the Bearer Notes and the Terms and Conditions of the Registered Notes each provide that a Noteholder shall be responsible for any stamp duty, stamp duty reserve tax or

any other capital, issue, transfer, registration, financial transaction or documenting tax that may arise or be paid as a consequence of an Automatic Conversion.

(p) Bail-inable Notes

Bail-inable Notes will be subject to risks, including non-payment in full, write-off or conversion in whole or in part under the Resolution Powers conferred on the AMF under the Deposit Institutions Act and the regulations thereunder

In the event of the resolution of the Federation, in addition to its other Resolution Powers applicable to all Notes (see "*Risks related to all Notes - Resolution powers conferred on the AMF under the Deposit Institutions Act and the regulations thereunder provide it with substantial powers designed to enable it to take a range of actions, which if taken could result in Noteholders being exposed to losses*"*)*, the AMF may also exercise its Bail-in Powers in respect of Bail-inable Notes and, pursuant to Section 40.50 of the Deposit Institutions Act and the Prescribed Debt Regulations, write-off all or part of such Bail-inable Notes or convert all or part of them into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purposes of the resolution operations. Notes which would otherwise be bail-inable but were issued before 31 March 2019 are not subject to the AMF's Bail-in Powers. Covered bonds, certain derivatives and certain structured notes (as such term is used in the Prescribed Debt Regulations) are expressly excluded from the Bail-in Powers and therefore are not Bail-inable Notes. Further, (i) Senior Notes that (A) have a maturity of 400 days or less (including explicit or embedded extension options) or (B) are not assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and (ii) NVCC Subordinated Notes that are non-viability contingent capital instruments, are not Bail-inable Notes. As a result, claims of some creditors whose claims would otherwise rank equally with those of the holders of Bail-inable Notes are not subject to the Bail-in Powers and thus the holders and beneficial owners (collectively in these risk factors related to Bail-inable Notes, the "**Noteholders**") of Bail-inable Notes will have to absorb losses ahead of these other creditors in the event of the exercise of Bail-in Powers while other creditors may not be exposed to losses. All Notes that are subject to the Bail-in Powers will be identified as Bail-inable Notes in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

If the AMF were to take action under its Bail-in Powers with respect to the Federation, this could result in Noteholders of Bail-inable Notes being exposed to losses, which may potentially be severe. Upon a Bail-in Conversion, Noteholders that are converted will be obligated to accept contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion effected for the purposes of the resolution operations ("**Conversion Securities**"), even if such Noteholders do not at the time consider such securities to be an appropriate investment for them, and despite any change in the Federation or the fact that such securities are issued by the Federation or another entity or any disruption to, or lack of a market for, such securities or disruption to capital markets generally. The terms and conditions of any Bail-in Conversion will be determined by the AMF, subject to the measures and considerations provided under the Deposit Institutions Act as set out under "Important – Investors in Bail-inable Notes" on page viii of this Base Prospectus. If the AMF were to write-off the Bail-inable Notes in full, Noteholders would be subject to the loss of all principal and any accrued interest payable under such Bail-inable Notes, subject further to the indemnification process under the Deposit

Institutions Act.

As a result of the above, Noteholders should consider the risk that they may lose some or all of their investment, including the principal amount plus any accrued interest, if the AMF were to take action under its Resolution Powers, including the Bail-in Powers, and that any remaining outstanding Bail-inable Notes, or Conversion Securities, may be of little value at the time of the exercise of Bail-in Powers and thereafter.

Bail-inable Notes will provide only limited acceleration and enforcement rights and will include other provisions intended to qualify such Notes as TLAC

In connection with the Bail-in Regime (as defined below), the AMF's guideline (the "**TLAC Guideline**") on total loss absorbing capacity ("**TLAC**") applies to and establishes standards for the Federation. Under the TLAC Guideline, beginning 1 April 2022, the Federation is required to maintain at all times a minimum capacity to absorb losses composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support recapitalisation in the event of a failure. Bail-inable Notes and regulatory capital instruments that meet the prescribed criteria will constitute TLAC of the Federation.

In order to comply with the TLAC Guideline, Bail-inable Notes must provide for terms and conditions necessary to meet the prescribed criteria and qualify at their issuance as TLAC instruments of the Federation under the TLAC Guideline. Those criteria include the following:

- the Federation cannot directly or indirectly have knowingly provided financing to any person for the express purpose of investing in the Bail-inable Notes;

- the Bail-inable Note is not subject to set-off or netting rights;

- the Bail-inable Note must not provide rights to accelerate repayment of principal or interest payments outside of bankruptcy, insolvency, dissolution or liquidation, except that events of default relating to the non-payment of scheduled principal and/or interest payments will be permitted where they are subject to a cure period of no less than 30 business days and clearly disclose to investors that: (i) acceleration is only permitted where an order has not been made in respect of any deposit institution being part of the Groupe coopératif Desjardins; and (ii) notwithstanding any acceleration, the instrument continues to be subject to a Bail-in Conversion prior to its repayment;

- the Bail-inable Note may be redeemed or purchased for cancellation only at the initiative of the Federation and, where the redemption or purchase would lead to a breach of the Federation's TLAC requirements, that redemption or purchase would be subject to the prior approval of the AMF;

- the Bail-inable Note does not have credit-sensitive dividend or coupon features that are reset periodically based in whole or in part on the Federation's credit standing; and

- where an amendment or variance of the Bail-inable Note's terms and conditions would affect its recognition as TLAC, that amendment or variance will only be permitted with the prior approval of

the AMF.

As a result, the terms of the Bail-inable Notes provide that acceleration will only be permitted (i) if the Federation defaults in the payment of the principal of, or interest on, such Bail-inable Notes and, in each case, the default continues for a period of 30 business days, or (ii) certain bankruptcy, insolvency, dissolution or liquidation events occur. Noteholders of Bail-inable Notes may only exercise, or direct the exercise of, such rights in respect of Bail-inable Notes where an order has not been sought by the AMF and made by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act. Notwithstanding the exercise of those rights, Bail-inable Notes will continue to be subject to the exercise of Bail-in Powers until repaid in full.

The terms of the Bail-inable Notes also provide that Noteholders of Bail-inable Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to Bail-inable Notes. In addition, where an amendment, modification or other variance that can be made to the Bail-inable Notes would affect the recognition of the Bail-inable Notes by the AMF as TLAC, that amendment, modification or variance will require the prior approval of the AMF.

The circumstances surrounding the exercise of Bail-in Powers are unpredictable and can be expected to have an adverse effect on the market price of Bail-inable Notes

The decision as to whether the Federation and/or other financial services cooperatives of Groupe coopératif Desjardins has failed, and/or whether its failure is likely to cause the failure of other deposit institutions belonging to the Groupe coopératif Desjardins, is a subjective determination by the AMF that is outside the control of the Federation. Upon the exercise of Bail-in Powers, the interests of depositors and holders of liabilities and securities of the Federation that are not written off or converted will effectively all rank in priority to the portion of Bail-inable Notes that are written off or converted and Bail-inable Notes that are converted will effectively all rank in priority to the portion of Bail-inable Notes that are written off. In addition, except as provided for under the indemnification process, the rights of Noteholders in respect of the Bail-inable Notes that have been converted into Conversion Securities will rank on parity with other holders of contributed capital securities of the issuer of the Conversion Securities.

There is no limitation on the type of order that may be sought by the AMF and made by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act where it has been determined that the Federation and/or *other* financial services cooperatives of Groupe coopératif Desjardins has failed and/or that its failure is likely to cause the failure of other deposit institutions belonging to the Groupe coopératif Desjardins. As a result, Noteholders holding Bail-inable Notes may be exposed to losses through the use of Resolution Powers other than the Bail-in Powers and those powers are described under "*Bail-inable Notes will be subject to risks, including non-payment in full, write-off or conversion in whole or in part under the Resolution Powers conferred on the AMF under the Deposit Institutions Act and regulations thereunder*" above.

Because of the uncertainty regarding when and whether an order will be sought by the AMF and made by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act, and the type of order that may be sought and made, it will be difficult to predict when, if at all, Bail-inable Notes could be converted pursuant to a Bail-in Conversion or written-off pursuant to the exercise of Bail-in Powers, and there will likely not be any advance notice of any such order. As a result of this uncertainty, trading

behavior in respect of Bail-inable Notes may not follow trading behavior associated with other securities of the Federation. Any indication, whether real or perceived, that the Federation is trending towards failure can be expected to have an adverse effect on the market price of the Bail-inable Notes, whether or not the Federation has failed and/or its failure is likely to cause the failure of other deposit institutions belonging to the Groupe coopératif Desjardins. Therefore, in those circumstances, Noteholders may not be able to sell their Bail-inable Notes easily or at prices comparable to those of Senior Notes of the Issuer that are not subject to the exercise of Bail-in Powers.

The number of Bail-in Notes that will be written off and the number of Conversion Securities to be issued in connection with, and the number of Conversion Securities that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the Conversion Securities to be issued will be contributed capital securities of the Federation, those of a deposit-taking institution that is part of the Groupe coopératif Desjardins or those of a legal person constituted or resulting from an amalgamation/continuance or of another entity pursuant to a conversion carried out for the purposes of the resolution operations

Under the Bail-in Powers there is no fixed and pre-determined basis for writing-off Bail-inable Notes or for any contractual conversion ratio for the conversion of the Bail-inable Notes into Conversion Securities. The AMF determines the timing of any write-off of Bail-inable Notes or Bail-in Conversion, the portion of Bail-inable Notes to be written-off or converted and the terms and conditions of the write-off or conversion, subject in the case of a Bail-in Conversion to the parameters set out in the Deposit Institutions Act and the Prescribed Debt Regulations, among others.

As a result, it is not possible to anticipate the potential number of Bail-in Notes that will be written off and the number of Conversion Securities that would be issued in respect of any Bail-inable Note converted on a Bail-in Conversion, the aggregate number of such securities that will be outstanding following any Bail-in Conversion, the terms and conditions of such securities (including voting powers in respect thereto, if any), the effect of dilution further to the issuances made in connection with a Bail-in Conversion or the value of any such Conversion Securities received by the Noteholder, which could be significantly less than the principal amount of the converted Bail-inable Notes.

Further, the market for any Conversion Securities issued in connection with a Bail-in Conversion may be illiquid, or there may be no market at all for such securities, such that Noteholders may not be able to sell those securities at a price equal to the value of the converted Bail-inable Notes, and as a result may suffer significant losses that may not be offset by indemnification, if any, received as part of the indemnification process (see also "*There is no assurance that the Conversion Securities will be listed on a stock exchange*" below). Fluctuations in exchange rates may exacerbate any such losses.

There is currently no stock exchange through which any of the capital shares of the Federation may be sold and the Federation has not applied to list or quote any of its capital shares on a stock exchange.

By acquiring Bail-inable Notes, each Noteholder of that Bail-inable Note is deemed to agree to be bound by the exercise of Bail-in Powers and so will have no further rights in respect of any of its Bail-inable Notes that are subject to the exercise of Bail-in Powers other than those provided under the Bail-in Regime. The amount of any potential indemnity to be provided through the indemnification process under the Deposit Institutions Act and the Regulation respecting the Indemnification Plan Applicable pursuant to

Certain Resolution Operations (Québec) is unknown, and may be nil

The Deposit Institutions Act and the Regulation respecting the Indemnification Plan Applicable pursuant to Certain Resolution Operations (Québec) together provide for an indemnification process for Noteholders holding Bail-inable Notes who immediately prior to the making of an order by the resolution board, directly or through an intermediary, own Bail-inable Notes that are subject to the exercise of Bail-in Powers. While this process applies to successors of such Noteholders it does not apply to assignees or transferees of the Noteholder following the making of the order and does not apply if the amounts owing under the relevant Bail-inable Notes are paid in full.

Under the indemnification process, in summary, the indemnification amount to which such Noteholders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the relevant Bail-inable Notes. The estimated liquidation value is the estimated value of what the Noteholders would have received in respect of a Bail-inable Note if, at the time of the order of the resolution board, the Federation or Groupe coopératif Desjardins had been wound up in accordance with the provisions of the Cooperatives Act, as if no order had been made in respect of the Federation or Groupe coopératif Desjardins and without taking into consideration any assistance, financial or other, that is or may be provided to the Federation or Groupe coopératif Desjardins, directly or indirectly, by the AMF or by a federal or provincial government in Canada, or one of its departments or agencies, after an order from the resolution board to wind up the Federation or Groupe coopératif Desjardins. The Cooperatives Act provides that all the caisses Desjardins in Québec, the Federation and the Fond de sécurité Desjardins may be amalgamated into a single legal entity to be wound up, as these entities cannot be wound up in any other manner.

The estimated resolution value in respect of relevant Bail-inable Notes is the total of the estimated value of the following:

- the relevant Bail-inable Notes, if they are not held by the AMF and they are not converted, after the making of the order, into contributed capital securities;

- contributed capital securities that are the result of a Bail-in Conversion after the making of the order;

- any dividend or interest payments made, after the making of the order, with respect to the relevant Bail-inable Notes or contributed capital securities received as a result of a Bail-in Conversion, to any person other than AMF; and

- any other, cash, securities or other rights that are received or are to be received with respect to the relevant Bail-inable Notes or contributed capital securities received as a result of a Bail-in Conversion as a direct or indirect result of the making of the order or the implementation of the resolution operations, including from (a) the AMF or the Federation, **or** (b) the liquidator of the Federation and Groupe coopératif Desjardins, or the liquidator of a cooperative group, an asset management company or a bridge institution, if any of them is wound up or amalgamated/wound up.

Under the indemnification process, the AMF is required to estimate the liquidation value and the resolution value in respect of the portion of converted Bail-inable Notes and is required to consider the

difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

The AMF must, within a reasonable delay following the exercise of Bail-in Powers, make an offer of indemnification by notice to the relevant Noteholders that held Bail-inable Notes equal to, or in value estimated to be equal to, the amount of the indemnity to which such Noteholders are entitled or provide a notice stating that such Noteholders are not entitled to any indemnity. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such Noteholders to have the AMF's decision concerning the right to an indemnity or the amount of such indemnity reviewed. A Noteholder that considers that it is entitled to indemnification and that does not receive the previously-mentioned notice may require the AMF to determine whether or not such Noteholder is indeed entitled to indemnification. The request for a review of the AMF's decision, or the request for a determination by the AMF, must be submitted within certain prescribed periods and must contain certain prescribed information, as more fully described in the Regulation respecting the Indemnification Plan Applicable pursuant to Certain Resolution Operations (Québec). Should there be a Bail-in Conversion, there is no guarantee that Noteholders whose Bail-inable Notes are converted as part of the Bail-in Conversion will receive any indemnification as the indemnity amount to which such Noteholders are entitled as described above may be nil.

By its acquisition of an interest in any Bail-inable Note, each Noteholder of that Bail-inable Note is deemed to be bound by the exercise of Bail-in Powers and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are subject to the exercise of Bail-in Powers, other than those provided under the Bail-in Regime, including under the indemnification process.

A similar indemnification process to the one set out above applies, in certain circumstances, where as a result of AMF’s exercise of its Resolution Powers, Notes are assigned to an entity which is then wound-up.

Following the exercise of Bail-in Powers, Noteholders that held Bail-inable Notes that have been subject to the exercise of Bail-in Powers will no longer have rights against the Federation as creditors

Upon the exercise of Bail-in Powers, the rights, terms and conditions of the portion of Bail-inable Notes that are written-off or converted, including with respect to priority and rights on liquidation, will no longer apply as the portion of Bail-inable Notes written-off pursuant to the exercise of Bail-in Powers or converted on a Bail-in Conversion will have been written-off or converted, as the case may be, on a full and permanent basis, in the case of a Bail-in Conversion into Conversion Securities, ranking in parity with all other outstanding contributed capital securities of the issuer of such Conversion Securities. If a write-off pursuant to the exercise of Bail-in Powers or Bail-in Conversion occurs, then the interest of the depositors, other creditors and holders of liabilities of the Federation not written-off or converted as a result of the write-off pursuant to the exercise of Bail-in Powers or Bail-in Conversion, as applicable, will all rank in priority to those written-off or converted and the interest of the holders holding Conversion Securities will all rank in priority to then interest of holders whose Bail-inable Notes were written-off.

Given the nature of a Bail-in Conversion, holders of Bail-inable Notes that are converted will become holders or beneficial owners of Conversion Securities at a time when the Federation's (or the relevant issuer's) financial condition has deteriorated. They may also become holders or beneficial owners of Conversion Securities at a time when the relevant entity may have received or may receive a capital

injection or equivalent support with terms that may rank in priority to the Conversion Securities issued in a Bail-in Conversion with respect to the payment of interest (or dividends), rights on liquidation or other terms although there is no certainty that any such capital injection or support will be forthcoming.

Bail-inable Notes may be redeemed after the occurrence of a TLAC Disqualification Event

If the applicable Final Terms or Pricing Supplement for the Bail-inable Notes of any Series specify that a TLAC Disqualification Event Call is applicable, the Federation may, at its option, redeem all, but not less than all of the outstanding Bail-inable Notes of a Series prior to their stated maturity date within 90 days after the occurrence of the TLAC Disqualification Event (as defined in the Conditions) at the Early Redemption Amount specified in the applicable Final Terms, together (if applicable) with any accrued but unpaid interest to (but excluding) the date fixed for redemption. If the Federation redeems the Bail-inable Notes of such Series, Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable anticipated rate of return. Additionally, although the terms of each Series of Bail-inable Notes are anticipated to be established to satisfy the TLAC criteria within the meaning of the TLAC Guideline to which the Federation is subject, it is possible that any Series of Bail-inable Notes may not satisfy the criteria in future rulemaking or interpretations.

(iii) Risks relating to benchmark reforms and discontinuation

(a) The regulation and reform of "benchmarks" may adversely affect the value of and return on Notes linked to or referencing such "benchmarks"

Interest rates and indices that are deemed to be “benchmarks” (including LIBOR, SONIA and EURIBOR) are the subject of recent national and international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms might cause such benchmarks to perform differently than in the past, to disappear entirely or have other consequences that cannot be predicted. Any such consequences might have a material adverse effect on any Notes linked to or referencing such a “benchmark.”

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the United Kingdom. Among other things, it: (a) requires benchmark administrators to be authorised or registered (or, if non-EU and non-United Kingdom-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU-supervised and United Kingdom-supervised entities (as defined in Article 3(1)(17) of the Benchmarks Regulation) of benchmarks of administrators that are not authorised or registered (or, if non-EU or non-United Kingdom based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation might have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of such benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes might, amongst other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, might increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the United Kingdom's Financial Conduct Authority (the "**FCA**") confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Alternative risk free rates have been identified in a number of other markets. For example, in the United States of America, the Alternative Reference Rate Committee recommended the Secured Overnight Financing Rate ("**SOFR**") as the replacement rate for USD-LIBOR and has a paced transition plan for developing SOFR markets.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based upon a euro overnight risk-free rate as adjusted by a methodology to create a term rate). In order to be compliant with the EU Benchmark Regulation, the European Money Markets Institute, as the registered benchmark administrator of EURIBOR, is intending to shift the current quote-based methodology of calculating EURIBOR to a methodology that is anchored in transactions to the extent possible. This hybrid methodology is based upon contributions of individual panel banks that submit transaction-based data, which transition is (as of the date of this Base Prospectus) in the process of being implemented. While (as of the date of this Base Prospectus) there is no established market standard for a fallback rate for EURIBOR, on 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (referred to as "*€STR*") as the new risk free rate, which was first published by the European Central Bank on 2 October 2019. It therefore is likely, but by no means certain, that €STR, or a term rate of €STR, will be the relevant fallback rate for EURIBOR.

It is not possible to predict with certainty whether and to what extent certain benchmarks (including LIBOR, SONIA and EURIBOR) will be supported going forward. This might cause LIBOR, SONIA and/or EURIBOR to perform differently than they have done in the past, and might have other consequences

that cannot be predicted.

Such factors might have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark, (b) triggering changes in the rules or methodologies used in the benchmark and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations might have a material adverse effect on the value of and return on any investment in Notes linked to or referencing a benchmark.

To the extent that LIBOR, EURIBOR or any other relevant benchmark is discontinued or no longer published and no alternative, successor or replacement reference rate is identified or selected in accordance with Condition 4(h) in respect of Bearer Notes or Condition 5(h) in respect of Registered Notes (the "**benchmark discontinuation provisions**"), then the rate of interest on the Notes will be determined by the fallback provisions provided for under Condition 4(a) or 4(b)(ii), as the case may be, in respect of Bearer Notes or Condition 5(a) or 5(b)(ii), as the case may be, in respect of Registered Notes, although such provisions, being dependent in part upon the provision by reference banks or swap dealers, as the case may be, may not operate as intended depending on market circumstances and the availability of rates information at the relevant time and may in certain circumstances result, to the extent that other fallback provisions under Condition 4(a) or 4(b)(ii) or Condition 5(a) or 5(b)(ii) (as applicable) are not applicable, in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR or any other relevant benchmark was available, in effect resulting in such Notes becoming a fixed rate note. Any of these alternative methods may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Notes if LIBOR, EURIBOR or any other relevant benchmark were available in their current form. Additionally, if LIBOR, EURIBOR or any other relevant benchmark rate is discontinued or no longer published, there can be no assurance that the applicable fallback provisions under any related swap agreements would operate so as to ensure that the benchmark rate used to determine payments under any related swap agreements is the same as that used to determine interest payments under the Notes.

Notwithstanding any other provision of the Conditions or the Agency Agreement, the consent or approval of the Noteholders are not required in the case of amendments to the Conditions pursuant to the benchmark discontinuation provisions to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of the Conditions and/or the Agency Agreement required to be made in the circumstances described in the benchmark discontinuation provisions, where the Issuer has delivered to the relevant Fiscal Agent a certificate in the form and manner required by the benchmark discontinuation provisions. Any such amendment made pursuant to the benchmark discontinuation provisions could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such amendment will be favourable to each Noteholder.

In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of the Issuer and/or an Independent Adviser in accordance with the benchmark discontinuation provisions, the relevant benchmark discontinuation provisions may not operate as intended at the relevant time. More generally, any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other relevant benchmark could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. No

assurance may be provided that relevant changes will not be made to LIBOR, EURIBOR or any other relevant benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters and make their own assessment about the potential risks imposed by benchmark reforms and investigations when making their investment decision with respect to the Notes.

Any of the factors above and their consequences could have a material adverse effect on the trading market for, value of and return on, any Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national benchmark reforms and investigations and the possible applicable of the benchmark discontinuation provisions in making any investment decision with respect to the Notes.

(b) The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

Where the applicable Final Terms for a Series of Notes (or Pricing Supplement in the case of a series of Exempt Notes) specifies that the interest rate for such Notes will be determined by reference to SONIA, interest will be determined on the basis of Compounded Daily SONIA (as defined in the Terms and Conditions of the Notes). Compounded Daily SONIA differs from sterling LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that sterling LIBOR and SONIA may behave materially differently as interest reference rates for Notes. The use of SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA.

Accordingly, prospective investors in any Notes referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are, as at the date of this Base Prospectus, currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking 'term' SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from sterling LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions as applicable to Notes referencing a SONIA rate that are issued under this Base Prospectus. Furthermore the Issuer may in the future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Notes issued by it under the Programme. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Interest Accrual Period and immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing Compounded Daily SONIA become due and payable as a result of an event of default under Condition 12, or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately or shortly prior to the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing Compounded Daily SONIA.

Investors should consider these matters when making their investment decision with respect to any such relevant Notes.

(iv) Risks related to the market generally

Set out below is a description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

(a) The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Notes the outstanding number of which is very low, Notes sensitive to interest rate, credit currency or market risks, Notes designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or are not admitted to trading on Euronext Dublin or another established securities exchange. Illiquidity may have a severely adverse effect on the market value of Notes.

There may not be, at present, an active and liquid secondary market for the Notes, and there can be no assurance that a secondary market for the Notes will develop. The Notes have not been, and will not be, registered under the Securities Act or any other securities laws applicable in the United States and are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*". If a secondary market does develop, it may not continue for the life of the Notes or it may not provide holders of the Notes with liquidity of investment with the result that a holder of the Notes may not be able to find a buyer to buy its Notes readily or at prices that will enable the holder of the Notes to realize a desired yield.

See also "*The number of Conversion Securities to be issued in connection with, and the number of Conversion Securities that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the Conversion Securities to be issued will be contributed capital securities of the Federation, those of a deposit-taking institution that is part of the Groupe coopératif Desjardins or those of a legal person constituted or resulting from an amalgamation/continuance or of another entity pursuant to a conversion carried out for the purposes of the resolution operations*" with respect to Notes that are Bail-inable Notes.

(b) Exchange rate risks and exchange controls

The Federation will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. Governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. Governments may also alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. There can be no assurance that exchange controls will not restrict or prohibit payments of principal, any premium, or interest denominated in any such Specified Currency. As a result, investors may receive less interest or principal than expected, or no interest or principal.

In addition, if the Notes are payable in a currency (the "**Original Currency**") other than United States dollars and the Original Currency is unavailable on the foreign exchange markets due to the imposition of exchange controls, the Original Currency's replacement or disuse or other circumstances beyond its control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in United States dollars on the basis of the spot exchange rate (the "**USD FX Rate**") or, in its absence, an average of the USD FX Rate on each of the immediately preceding ten business days on which the USD FX Rate is available as determined by the Calculation Agent. The USD FX Rate or any such fallback rate applied in such circumstances may not be (or the method to determine such rate may not produce) the most favourable rate that could be obtained at the time of the currency exchange, and could result in a reduced payment to the Noteholders and such payment amount may be zero.

(c) Credit ratings might not reflect all risks and are subject to change

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to the Federation or to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or

withdrawn by the rating agency at any time. Investors may suffer losses if the credit rating assigned to the Notes does not reflect the then creditworthiness of such Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market in the Notes. Such general restriction will also apply in the case of credit ratings issued by non-EU and non-United Kingdom credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or United Kingdom registered credit rating agency or the relevant non-EU or non-United Kingdom rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list. Where Notes are specified as rated, the names of the credit rating agencies and ratings is set out on the cover of this Base Prospectus. Certain information with respect to the credit rating agencies assigning ratings to Tranches and ratings so assigned will be disclosed in the Final Terms or, in the case of Exempt Notes, Pricing Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and approved by the FCA or the Central Bank or filed with it shall be incorporated in, and form part of, this Base Prospectus:

(a) the Federation's Annual Information Form for the year ended December 31 2018, dated 14 March 2019 (the "**Federation Annual Information Form**") (available at: https://www.desjardins.com/ressources/pdf/d50-notice-annuelle-fcdq-2018-t4-e.pdf?resVer=1552591157000);

(b) the following sections of the Federation's 2018 Annual Report for the year ended 31 December 2018 (the "**Federation 2018 Annual Report**");

(i) the Management's Discussion and Analysis for the fiscal year ended 31 December 2018 which is provided on pages 4 to 98 of the Federation 2018 Annual Report (available at: https://www.desjardins.com/ressources/pdf/d50-rapport-gestion-fcdq-2018-e.pdf?resVer=1551460316000); and

(ii) the audited consolidated financial statements for the fiscal years ended 31 December 2018 and 2017, prepared in accordance with IFRS, together with the accompanying notes, and the auditors' report thereon which are provided on pages 99 to 198 of the Federation 2018 Annual Report (available at: https://www.desjardins.com/ressources/pdf/d50-etat-financier-fcdq-2018-e.pdf?resVer=1551460344000);

(c) the following sections of Desjardins Group's 2018 Annual Report for the year ended 31 December 2018 (the "**DFG 2018 Annual Report**"):

(i) the Management's Discussion and Analysis for the fiscal year ended 31 December 2018 which is provided on pages 12 to 121 of the DFG 2018 Annual Report (available at: https://www.desjardins.com/ressources/pdf/d50-rapport-gestion-mcd-2018-e.pdf?resVer=1551459610000); and

(ii) the audited combined financial statements for the fiscal years ended 31 December 2018 and 2017, prepared in accordance with IFRS, together with the accompanying notes, and the auditors' report thereon, which are provided on pages 122 to 224 of the DFG 2018 Annual Report (available at: https://www.desjardins.com/ressources/pdf/d50-etat-financier-mcd-2018-e.pdf?resVer=1551459663000); and

(d) the Federation’s unaudited condensed interim consolidated financial statements as at and for the three and nine month periods ended 30 September 2019, together with management’s discussion and analysis thereof (the "**Federation Q3 Report**") (available at: https://www.desjardins.com/ressources/pdf/d50-rapport-trimestriel-fcdq-2019-3-e.pdf?resVer=1573682330000);

(e) the Desjardins Group's unaudited condensed interim combined financial statements as at and for the three and nine month periods ended 30 September 2019, together with management's discussion and analysis thereof (the "**DFG Q3 Report**") (available at: https://www.desjardins.com/ressources/pdf/d50-rapport-trimestriel-cdi-2019-3-e.pdf?resVer=1573671124000);

(f) the sections entitled "Terms and Conditions of the Bearer Notes" on pages 57 to 90 and "Terms and Conditions of the Registered Notes" on pages 126 to 172 set out in the Federation's prospectus dated 21 December 2017 (available at https://www.ise.ie/debt_documents/Final%20Base%20Prospectus%2021.12.17_b2c86614-3e4d-4b0a-a5d6-68c015ed38d5.PDF), "Terms and Conditions of the Bearer Notes" on pages 55 to 88 and "Terms and Conditions of the Registered Notes" on pages 121 to 167 set out in the Federation's prospectus dated 6 January 2017 (available at https://www.ise.ie/debt_documents/Base%20Prospectus_b25fdb42-1d96-40e8-9973-9343064a1fde.PDF), and "Terms and Conditions of the Bearer Notes" on pages 50 to 82 and "Terms and Conditions of the Registered Notes" set out on pages 112 to 160 set out in the prospectus dated 2 April 2014 (available at: http://www.ise.ie/debt_documents/Base%20Prospectus_5d73856b-c5e2-41fb-ac83-28f4d99bbd3b.PDF?v=2322016), relating to the Programme (for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Terms and Conditions applicable to such Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this Base Prospectus); the remaining portions of the Federation's prospectuses dated 21 December 2017 and 6 January 2017 and CCDQ prospectus dated 2 April 2014 relating to the Programme are not relevant for investors. Any information contained in a document incorporated by reference herein which is not incorporated by reference in, and does not form part of, this Base Prospectus is not relevant for investors or is otherwise contained elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement to this Base Prospectus may be prepared by the Federation and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation (a "**Supplement**"). Statements contained in any such Supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of this Base Prospectus and any Supplement to this Base Prospectus (i) can be viewed on the website of Euronext Dublin at *http://www.ise.ie* under the name of the Issuer and (ii) such documents and the documents incorporated by reference in this Base Prospectus will be available for inspection during normal business hours and upon reasonable notice from the office in London, England of The Bank of New York Mellon, London Branch, the issuing and principal paying agent for the Bearer Notes (the "**Bearer Fiscal Agent**") or from the office of The Bank of New York Mellon, London Branch, the fiscal agent for the Registered Notes (the "**Registered Fiscal Agent**") or for collection without charge from the registered office of the Federation in Lévis, Québec, Canada.

Except as stated within this section, neither the content of any website nor the content of any website accessible from hyperlinks within such website is incorporated by reference into, or forms a part of, this Base Prospectus.

The Federation will, in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a Supplement or publish a new Base Prospectus (in each case, published in accordance with the Prospectus Regulation) for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement that it will comply with the Prospectus Regulation.

AVAILABLE INFORMATION UNDER RULE 144A

To permit compliance with Rule 144A in connection with any resales or other transfers of Registered Notes that are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Federation undertakes to furnish, upon the request of a holder of such Registered Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of request, the Federation is neither subject to reporting under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Forward-looking statements are contained in this Base Prospectus and in the documents incorporated by reference herein. Forward-looking statements in this Base Prospectus and in the documents incorporated by reference herein include, but are not limited to, comments about the Federation's objectives regarding financial performance, priorities, operations, the review of economic conditions and markets, as well as the outlook for the Québec, Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan" 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. It is therefore possible that, due to many factors, the assumptions formulated may be incorrect, or the predictions, forecasts or other forward-looking statements as well as the Federation's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially.

A number of factors, many of which are beyond the Federation's control and the effects of which can be difficult to predict, could influence the accuracy of the forward-looking statements in this Base Prospectus and in the documents incorporated by reference herein. These factors include those discussed in the section "*Risk Factors*" and elsewhere in this Base Prospectus, in the documents incorporated by reference herein and in other disclosure documents filed from time to time by the Federation on SEDAR at www.sedar.com, such as credit, market, liquidity, operational, insurance, strategic and reputation risks. Additional factors include legal and regulatory risk, environmental or social risk and the risk related to pension plans.

Other factors that may affect the accuracy of the forward-looking statements in this Base Prospectus and in the documents incorporated by reference herein include factors related to cyber threats, technological and regulatory developments, household indebtedness and real estate market trends, interest rate fluctuations and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in regions in which the Federation operates; monetary policies; the accuracy and completeness of information concerning clients and counterparties; the critical accounting estimates and accounting standards applied by the Federation; new products and services to maintain or increase the Federation’s market share; geographic concentration; acquisitions and joint arrangements; credit ratings; and climate change. Additional information on these factors is found in this Base Prospectus and in the documents incorporated by reference herein.

Additional factors that could influence the accuracy of the forward-looking statements in this Base Prospectus and in the documents incorporated by reference herein include amendments to tax laws, unexpected changes in consumer spending and saving habits, talent recruitment and retention for key positions, the ability to implement the Federation’s disaster recovery plan within a reasonable time, the potential impact of international conflicts, and the Federation´s ability to anticipate and properly manage the risks associated with these factors, despite a disciplined risk management environment.

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 results. Additional information

about these and other factors is found in this Base Prospectus and in the documents incorporated by reference herein.

Although the Federation believes that the expectations expressed in these forward-looking statements are reasonable, it cannot guarantee that these expectations will prove to be correct. The Federation cautions readers against placing undue reliance on these forward-looking statements when making decisions, given actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly. Readers who rely on these statements must carefully consider these risk factors and other uncertainties and potential events.

Any forward-looking statements contained in this Base Prospectus or 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 document incorporated by reference herein, at the date of that document), and are presented for the purpose of assisting readers in understanding and interpreting the Federation's balance sheet as at the dates indicated or its results for the periods then ended, as well as its strategic priorities and objectives. 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, except as required under applicable securities legislation.

FINAL TERMS, PRICING SUPPLEMENT OR DRAWDOWN PROSPECTUS

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Federation, the rights attaching to the Notes and the reasons for the issuance of the Notes and its impact on the Federation. In relation to the different types of Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the applicable Final Terms, Pricing Supplement, or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms or Pricing Supplement unless, in accordance with the provisions of the Prospective Regulation, any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus or is included to remedy a material misstatement or material omission set out in the Base Prospectus, in which case such information, together with all of the other necessary information in relation to the relevant series of Notes (other than Exempt Notes), may be contained in a supplement to the Base Prospectus or, as the case may be, a Drawdown Prospectus, as appropriate. In respect of Exempt Notes, such information may be included in, or incorporated by reference into, the applicable Pricing Supplement.

For a Tranche of Notes which is the subject of the Final Terms or Pricing Supplement, those Final Terms or Pricing Supplement will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus as it may have been supplemented from time to time. The terms and conditions applicable to any particular Tranche of Notes which are the subject of Final Terms are the Conditions as described in the applicable Final Terms and completed by the applicable Final Terms and the terms and conditions applicable to any particular Tranche of Notes which are the subject of a Pricing Supplement are the relevant Conditions as completed, amended or replaced by the applicable Pricing Supplement.

Each Drawdown Prospectus will be a single document containing (or incorporating by reference) the necessary information relating to the Federation and the relevant Notes. The terms and conditions applicable to any particular Tranche of Notes which are the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

GENERAL DESCRIPTION OF THE PROGRAMME AND THE NOTES

The following overview of key features does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms or Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Bearer Notes" or "Terms and Conditions of the Registered Notes" or elsewhere in this Base Prospectus shall have the same meaning in this overview of key features:

This section is a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980.

Issuer:	Fédération des caisses Desjardins du Québec.
Issuer Legal Entity Identifier (LEI):	549300B2Q47IR0CR5B54
Description:	Global Medium Term Note Programme.
Arranger:	BNP Paribas.
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc NATIXIS NatWest Markets Plc RBC Capital Markets, LLC RBC Europe Limited Société Générale UBS AG London Branch and any other Dealer appointed from time to time by the Federation in accordance with the Programme Agreement either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Bearer Fiscal Agent:	The Bank of New York Mellon, London Branch.
Bearer Paying Agent:	The Bank of New York Mellon, London Branch.

Registered Fiscal Agent Transfer Agent and European Paying Agent:	The Bank of New York Mellon, London Branch.
U.S. Registrar U.S. Exchange Agent and U.S. Paying Agent:	The Bank of New York Mellon, New York.
European Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Amount:	Up to €7,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time (including, at any time, any outstanding principal amount of notes previously issued by CCDQ under its global medium term note programme) prior to the Amalgamation Date. The Federation will have the option at any time to increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated or payable in any currency as may be agreed between the Federation and the relevant Dealer(s) including, without limitation, Canadian dollars, U.S. dollars, euro, sterling and yen (as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement). DTC Global Notes will be payable in U.S. dollars only, see also, "*Special Provisions Relating to Foreign Currency Notes*". Each issue of Notes denominated or payable in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply (including on the date hereof, without limitation, yen, Swiss francs and sterling) will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
Distribution:	Notes may be distributed by way of private placement (subject to any applicable selling restrictions) and on a syndicated or a non-syndicated basis. In any event, the Notes may be offered only (i) in offshore transactions to non-U.S. persons in reliance upon Regulation S under the Securities Act and (ii) in the case of Rule 144A Notes only, to QIBs in reliance upon Rule 144A under the Securities Act. Notes shall be issued in compliance with applicable regulations and guidelines from time to time. See "*Subscription and Sale and Transfer and Selling Restrictions*".

Method of Issue:

Notes will be issued on a continuous basis in series (each a "**Series**") as either Bearer Notes or Registered Notes. The Notes comprising each Series will have one or more issue dates, the same maturity date and will bear interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest) and on terms otherwise identical. The Notes of each Series are intended to be interchangeable with all other Notes of that Series. The Notes of any Series with the same issue date and interest commencement date will comprise a tranche (a "**Tranche**"). Final Terms or, in the case of Exempt Notes, a Pricing Supplement will be prepared in respect of each Tranche. The terms and conditions applicable to each Tranche will, in the case of Bearer Notes, be those set out herein under "*Terms and Conditions of the Bearer Notes*" or, in the case of Registered Notes, those set out herein under "*Terms and Conditions of the Registered Notes*", completed in either case by the relevant Final Terms or, in the case of Exempt Notes, as supplemented, amended and/or replaced by the relevant Pricing Supplement.

Alternatively, the Federation may agree with any Dealer to issue a particular Tranche of Notes under the Programme pursuant to a stand-alone prospectus (each a "**Drawdown Prospectus**") prepared in connection with such Tranche. The terms and conditions applicable to each Tranche which is the subject of a Drawdown Prospectus will be those set out herein under "*Terms and Conditions of the Notes*" as supplemented, modified or replaced by the relevant Drawdown Prospectus.

The Issuer does not intend to re-open a Series of Notes where such re-opening would have the effect of making the relevant Notes of such Series subject to the exercise of Bail-in Powers.

Maturities:

Subject to compliance with all relevant laws, regulations, directives and/or central bank requirements applicable to the Federation or the Specified Currency, Notes will have such maturities as may be agreed between the Federation and the relevant Dealer and as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Senior Notes may be of any maturity from three months to 30 years, as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Unless otherwise permitted by then-current laws, regulations and/or policies, as applicable, (i) Bail-inable Notes will have a term to maturity of more than 400 days, have one or more explicit or embedded options that, if exercised by or on behalf of

the Federation, would result in a maturity date that is more than 400 days from the date of issue of the Bail-inable Notes or have an explicit or embedded option that, if exercised by or on behalf of the holder, would by itself result in a maturity date that is more than 400 days from the maturity date that would apply if the option were not exercised, and (ii) NVCC Subordinated Notes will have a term to maturity of at least five years.

Notes which have a maturity of less than one year

Notes which have a maturity of less than one year, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") unless they are issued to a limited class of professional investors and have a minimum redemption value of at least £100,000 or its equivalent in another currency. See "*Subscription and Sale and Transfer and Selling Restrictions*".

Issue Price: Notes may be issued on a fully paid basis and at an issue price which is equal to, less than, or more than, their nominal amount.

Form of Notes and Clearance: The Notes will be issued in bearer or registered form. Registered Notes will not be exchangeable for Bearer Notes and vice versa. No single Tranche or Series may be issued as both Bearer Notes and Registered Notes.

Bearer Notes

Each Tranche of Bearer Notes will be issued in the form of either a Temporary Global Note or a Permanent Global Note deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg (in the case of Bearer Notes intended to be issued in NGN form) or otherwise with a Common Depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. A Temporary Global Note will be exchangeable for a Permanent Global Note. In the case of Notes other than Exempt Notes, and in the case of Exempt Notes unless otherwise specified in the applicable Pricing Supplement, a Permanent Global Note will be exchangeable for Definitive Bearer Notes only in the limited circumstances specified in "*Terms and Conditions of the Bearer Notes*".

Registered Notes

The Registered Notes may be offered (i) within the United States to QIBs in reliance on the exemption provided by Rule 144A only or (ii) simultaneously within the United States to QIBs in reliance on the exemption provided by Rule 144A and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S as part of a global offering.

Depending on where the relevant Registered Notes are offered, the Registered Notes will clear through one or more of DTC, Euroclear and Clearstream, Luxembourg or any successor thereto. Registered Notes sold pursuant to an offering under the Programme will be issued in global registered form (each, a "**Global Note**"). Registered Notes sold pursuant to an offering made within the United States only will be issued in global registered form and will clear through DTC. Such Registered Notes will be represented by one or more Global Notes deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC (each, a "**Rule 144A Global Note**"). Registered Notes represented by DTC Global Notes will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such Registered Notes will therefore settle in immediately available funds. Registered Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering will be issued in global registered form and may (i) in the case of Registered Notes not held under the New Safekeeping Structure ("**NSS**"), clear through one or more of DTC, Euroclear and Clearstream, Luxembourg, or (ii) in the case of Registered Notes held under the NSS, clear through either Euroclear or Clearstream, Luxembourg, as specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement. Such Registered Notes may be represented either (i) solely by one or more Rule 144A Global Notes registered in respect of Registered Notes sold in the United States and one or more Global Notes deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC, registered in respect of Registered Notes sold outside the United States (each, a "**DTC Regulation S Global Note**", and, together with any Rule 144A Global Note, each a "**DTC Global Note**", such arrangement referred to herein as a "**Single Global Note Issue**") or (ii) alternatively, by one or more Rule 144A Global Notes so deposited and registered in respect of Registered Notes sold in the United States, and a separate Global Note (a "**Euro Regulation S Global Note**") in respect of Registered

Notes sold outside the United States (a) delivered, where such Euro Regulation S Global Note is held under the NSS, to a Common Safekeeper for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of, the Common Safekeeper or (b) deposited, where such Euro Regulation S Global Note is not held under the NSS, with a common depositary for, and registered in the name of a nominee of, Euroclear or Clearstream, Luxembourg, as the case may be, in respect of Registered Notes sold outside the United States in accordance with Regulation S. Such arrangement is referred to herein as a "**Dual Global Note Issue**".

Ownership of beneficial interests in Global Notes will be evidenced only by, and transfers thereof will be effected only through, records maintained by the relevant clearing system through which such interests are held and its direct and indirect participants. Owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of Registered Notes in individual definitive certificated registered form except in certain limited circumstances, including closure of the relevant clearing system(s). Any interests in a Global Note will be transferable only in accordance with the rules and procedures for the time being as in effect from time to time of DTC, Euroclear and/or Clearstream, Luxembourg or such other applicable clearing system as the case may be.

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg, shall, whenever the context so permits, except in relation to Notes issued in NGN form for bearer global securities or held under the NSS for registered global securities, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, or as otherwise may be approved by the Federation, the applicable Agent(s) and the relevant Dealer(s).

Registered Notes are subject to transfer restrictions described under "*Subscription and Sale and Transfer and Selling Restrictions*". See "*Terms and Conditions of the Registered Notes*" for further details.

Clearing Systems:

Euroclear and/or Clearstream, Luxembourg (in relation to any Bearer Notes or Euro Regulation S Global Notes) and DTC (in relation to any Rule 144A Global Notes or DTC Regulation S Global Notes) and/or, in relation to any Tranche, such other clearing system as may be agreed between the Federation, the applicable Agent and the relevant Dealer(s) and specified in Part

B of the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Fixed Rate Notes: Interest in respect of Fixed Rate Notes will be payable in arrear on such date or dates as may be agreed between the Federation and the relevant Dealer(s) (as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement) and on redemption.

Interest in respect of Fixed Rate Notes will either be fixed amounts or be calculated on the basis of such Day Count Fraction (as defined in the relevant Conditions) as may be agreed between the Federation and the relevant Dealer as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Fixed Rate Reset Notes: Fixed Rate Reset Notes will bear interest calculated by reference to a fixed rate of interest for an initial period and thereafter by reference to a fixed rate of interest recalculated on certain dates and by reference to a mid-market swap rate, a benchmark gilt rate or a reference bond rate, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms or Pricing Supplement, such interest being payable in arrear on the date(s) in each year specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), and as amended, supplemented or updated as at the Issue Date of the first Tranche of Notes of the relevant Series, (the "**ISDA Definitions**"); or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Federation and the relevant Dealer(s) for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes will be payable in arrear on the last day of each Interest Period as selected prior to issue by the Federation and the relevant Dealer(s) and will be calculated on the basis of such Day Count Fraction (as defined in the relevant Conditions) as may be agreed between the Federation and the relevant Dealer(s) as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Interest periods for Floating Rate Notes shall be as the Federation and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement).

Zero Coupon Notes: Zero Coupon Notes may be offered and sold at their nominal amount or at a discount to their nominal amount and will not bear interest other than in relation to interest due after the maturity date.

Exempt Notes: In addition to Exempt Notes which are Fixed Rate Notes, Fixed Rate Reset Notes, Floating Rate Notes or Zero Coupon Notes, the Federation may also issue Exempt Notes which are Index Linked Notes, Dual Currency Notes or Partly Paid Notes or Notes redeemable in one or more instalments.

Index-Linked Notes: Payments (whether for principal or interest, at maturity or otherwise) in respect of Index-Linked Redemption Notes or Index-Linked Interest Notes ("**Index-Linked Notes**") will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such factors as agreed by the Federation and the relevant Dealer(s) and as specified in the applicable Pricing Supplement, if appropriate.

Dual Currency Notes**:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Federation and the relevant Dealer may agree.

Partly Paid Notes**:** The Federation may issue Senior Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Federation and the relevant Dealer may agree.

Notes redeemable in instalments**:** The Federation may issue Notes which may be redeemable in separate instalments in such amounts and on such dates as the Federation and the relevant Dealer may agree.

The Federation may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Bearer Notes or the Terms and Conditions of the Registered Notes, in which event the relevant provisions of such Exempt Notes and any additional information related thereto will be included in the applicable Pricing Supplement.

Redemption and Purchase:

Senior Notes

The Final Terms or, in the case of Exempt Notes, Pricing Supplement relating to each Tranche of Senior Notes will indicate either that the Senior Notes cannot be redeemed prior to their stated maturity (other than for tax reasons or following an Event of Default) or that such Senior Notes will be redeemable at the option of the Federation and/or the Noteholders upon giving not more than the maximum period nor less than the minimum period of irrevocable notice indicated in the applicable Final Terms and/or Pricing Supplement, as the case may be, to the Noteholders or the Federation, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Except for a TLAC Disqualification Event Call, all early redemptions of Bail-inable Notes, where the redemption of such Bail-inable Notes would lead to a breach of the Federation's total loss absorbing capacity ("**TLAC**") requirements, are subject to the prior approval of the AMF.

If a TLAC Disqualification Event Call is specified to be applicable in the Final Terms or, in the case of Exempt Notes, Pricing Supplement, Bail-inable Notes may be redeemed by the Federation at any time within 90 days following the occurrence of a TLAC Disqualification Event.

Bail-inable Notes may not be redeemed at the Noteholder's election.

A notice of redemption shall be irrevocable, except that the making of an order by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act in respect of Bail-inable Notes prior to the date fixed for redemption shall automatically rescind such notice of redemption and, in such circumstances, no such Bail-inable Notes shall be redeemed and no payment in respect of such Bail-inable Notes shall be due and payable.

Senior Notes denominated in certain currencies may not be redeemed or purchased prior to any minimum time as may be required from time to time by the relevant monetary authority. Notes with a maturity of less than one year may be subject to restrictions on their redemption value and distribution. See "*Maturities – Notes which have a maturity of less than one year*" above.

NVCC Subordinated Notes

The Final Terms or, in the case of Exempt Notes, Pricing Supplement relating to each Tranche of NVCC Subordinated Notes will indicate either that the NVCC Subordinated Notes cannot be redeemed prior to their stated maturity (other than for tax reasons, following certain regulatory events or an Event of Default) or that such NVCC Subordinated Notes will, subject to the prior written consent of the AMF, be redeemable at the option of the Federation upon giving not more than the maximum period nor less than the minimum period of irrevocable notice indicated in the applicable Final Terms and/or Pricing Supplement (in the case of Exempt Notes), to the Noteholders on a date or dates indicated in the applicable Final Terms and/or Pricing Supplement (in the case of Exempt Notes) and at a price or prices and on such terms as are indicated in the applicable Final Terms and/or Pricing Supplement (in the case of Exempt Notes).

All redemptions of NVCC Subordinated Notes are subject to the prior written approval of the AMF.

NVCC Subordinated Notes may not be redeemed at the Noteholder's election.

A notice of redemption shall be irrevocable, except that the occurrence of a Non-Viability Trigger Event in respect of NVCC Subordinated Notes prior to the date fixed for redemption shall automatically rescind such notice of redemption and, in such circumstances, no such NVCC Subordinated Notes shall be redeemed and no payment in respect of such NVCC Subordinated Notes shall be due and payable.

Upon the occurrence of a Non-Viability Trigger Event, NVCC Subordinated Notes will be converted (in whole and not part only) into fully-paid Class Z Shares of the Federation and all rights under the terms of the NVCC Subordinated Notes will be extinguished immediately upon such conversion.

Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Federation and the relevant Dealer(s) as specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body, however called) or any laws or regulations applicable to the Federation or to the relevant currency and, in the case of Notes other than Exempt Notes, will be not less than €100,000 or the equivalent thereof in any other currency at the date of issue of the Notes) or such higher amount as may be allocated or required from time to time in relation to the relevant Specified Currency. See "*Maturities – Notes which have a maturity of less than one year*" above. Subject thereto, Notes will be issued in such denominations as may be specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notwithstanding the above, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement (i) Registered Notes offered under Rule 144A only shall have a minimum denomination not less than US$200,000 (or its equivalent in any other currency) and (ii) Registered Notes offered under Rule 144A and Regulation S shall have a minimum denomination not less than US$200,000 (or an amount in a Specified Currency that is not U.S. dollars, which is not less than €100,000 or the equivalent thereof at the date of issue of the Notes). For so long as the relevant Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes, if Specified Denominations are expressed as such in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, may be tradeable in the Specified Denomination and integral multiples of nominal amounts less than an integral multiple of the Specified Denomination in addition thereto.
Taxation:	All payments in respect of the Notes will be made without withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in Canada, subject to the Taxation provision of the relevant Conditions.
U.S. Taxation:	See the discussion under the caption "*Taxation—Certain U.S. Federal Income Tax Considerations*".

ERISA and Other U.S. Plans:

Subject to the limitations described under *"Certain Considerations for ERISA and Other U.S. Employee Benefit Plans,"* the Notes may be purchased by Benefit Plan Investors (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) as well as other U.S. employee benefit plans. See "*Certain Considerations for ERISA and Other U.S. Employee Benefit Plans*".

Status of the Notes:

The Senior Notes will constitute direct obligations of the Federation, will be unsecured and unsubordinated and will rank *pari passu* and *pro rata* with all unsecured and unsubordinated deposits, borrowings and obligations of the Federation except as may be provided by law and subject to the exercise of Resolution Powers, if applicable. Notwithstanding the foregoing, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of Groupe coopératif Desjardins except as may be provided by law and subject to the exercise of Resolution Powers, if applicable.

The NVCC Subordinated Notes will constitute direct unsecured debt obligations, constituting subordinated indebtedness of the Federation, ranking in the manner described in Condition 3(b) of the "*Terms and Conditions of the Bearer Notes*" and Condition 4(b) of the "*Terms and Conditions of the Registered Notes*" on pages 93 and 201, respectively of this Base Prospectus.

Upon the occurrence of a Non-Viability Trigger Event, the subordination provisions of the NVCC Subordinated Notes will not be relevant since the NVCC Subordinated Notes will be automatically and immediately converted into fully-paid Class Z Shares of the Federation.

Bail-inable Notes are subject to the Bail-in Powers of the AMF (which may be exercised in the event of the resolution of the Federation), including as to the write-off of all or part of such Bail-inable Notes, or the conversion of all or part of such Bail-inable Notes into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purposes of the resolution of the Federation pursuant to Section 40.50 of the Deposit Institutions Act and the Prescribed Debt Regulations. See also "*Changes in regulations and related*

matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)" and *"The Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions"* below on pages 11 and 316, respectively, of this Base Prospectus for complete disclosure of resolution mechanisms under the Deposit Institutions Act and the Prescribed Debt Regulations, and see further risk factors relating to Bail-inable Notes under *"Risks related to all Notes*" and "*Risks related to the structure of a particular issue of Notes*", starting on pages 18 and 24, respectively, of this Base Prospectus for further information on Bail-inable Notes.

In the event of the winding up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law where a Non-Viability Trigger Event has not occurred, there shall be no obligation to repay the NVCC Subordinated Notes or any Coupons due until all other unsubordinated creditors and subordinated creditors that rank higher than holders of NVCC Subordinated Notes (if any) have been reimbursed or paid, or the funds necessary to satisfy all other unsubordinated creditors have been deposited.

At the date hereof, all liabilities for borrowed money of the Federation are unsecured.

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation or under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act or by any governmental agency.

The Notes are not guaranteed by Desjardins Group. See "*Fédération des caisses Desjardins du Québec*" and "*Desjardins Group*".

Automatic Conversion of NVCC Subordinated Notes:

Upon the occurrence of a Non-Viability Trigger Event, each NVCC Subordinated Note will be automatically and immediately converted on a full and permanent basis, without the consent of the Noteholder thereof, into such number of fully-paid Class Z Shares as will be determined in the manner described in Condition 6 of the "*Terms and Conditions of the Bearer Notes*" and Condition 7 of the "*Terms and Conditions of the Registered Notes*" on pages 129 and 247, respectively of this Base Prospectus. Notwithstanding any other provisions of Condition 6 or, as the case may be Condition 7, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z

Shares issuable upon an Automatic Conversion to any Ineligible Person (as defined in Condition 6 or Condition 7 as aforesaid) or any person who, by virtue of the operation of the Automatic Conversion, would become a Significant Shareholder (as defined in Condition 6 or Condition 7 as aforesaid) through the acquisition of Class Z Shares. In such circumstances, the Federation will hold, as agent for such persons, the Class Z Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and its affiliates on behalf of such persons. See "*Risk Factors – Risks related to Subordinated Notes*".

Agreement of Noteholders with respect to Bail-inable Notes:

By acquiring Bail-inable Notes, each Noteholder (including each beneficial owner) represents, acknowledges and is deemed to agree that:

(i) it is bound by (A) the Deposit Institutions Act, including the provisions dealing with the powers conferred on the AMF under the second paragraph of Section 40.50 of the Deposit Institutions Act and under the Prescribed Debt Regulations, and by their effect on the Bail-inable Notes and (B) the other laws and regulations applicable in Québec to the application of the Deposit Institutions Act and the Prescribed Debt Regulations to the Bail-inable Notes;

(ii) it attorns to the jurisdiction of the courts of Québec and, where applicable, Canada with respect to the application of the Deposit Institutions Act, the Prescribed Debt Regulations, and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes;

(iii) it has represented and warranted to the Issuer that the Issuer has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in the Bail-inable Notes; and

(iv) the items mentioned in subparagraphs (i) and (ii) are binding on it despite any terms of the Bail-inable Notes (including the terms and conditions of the Bail-inable Notes), any other law governing the Bail-inable Notes or any agreement, arrangement or understanding between the parties with respect to the Bail-inable Notes.

The Final Terms, or in the case of Exempt Notes, the Pricing Supplement will specify whether the Senior Notes are Bail-inable Notes.

Each Noteholder (or beneficial owner) of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary markets and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such Noteholder (or beneficial owner) shall be deemed to acknowledge, accept and agree to be bound by, and consent to, the same provisions specified herein to the same extent as the Noteholders (or beneficial owners) that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by, and consent to, the terms of the Bail-inable Notes related to the Resolution Powers (including the Bail-in Powers).

Negative Pledge: None.

Events of Default: The terms of the Senior Notes provide for the following events of default, (a) non-payment for 30 Business Days of interest or principal; and (b) the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act 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 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring. Noteholders may, however, only exercise rights to accelerate Bail-inable Notes upon the occurrence of any such event where an order has not been sought by the AMF and made by the resolution board in respect of any deposit institution being part of the Groupe coopératif Desjardins and, notwithstanding the exercise of any right to accelerate the Bail-inable Notes, Bail-inable Notes continue to be subject to the Bail-in Powers until repaid in full.

The exercise by the AMF of its Bail-in Powers in respect of any Bail-inable Notes will not result in an event of default in respect of such Notes.

The terms of the NVCC Subordinated Notes provide for events of default in the event that the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act or other applicable law, or any statute enacted in substitution therefor, 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring.

None of (i) the non-payment or default in the payment of interest on the NVCC Subordinated Notes, (ii) a default in the performance of any other covenant or other obligation of the Federation under the terms for the NVCC Subordinated Notes, or (iii) the occurrence of an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event will constitute an event of default under the terms of the NVCC Subordinated Notes.

On an event of default, absent a Non-Viability Trigger Event, Noteholders may cause the NVCC Subordinated Notes to become due and payable, subject to the subordination provisions of the NVCC Subordinated Notes.

An "**Exempt Restructuring**" means, in summary, a resolution or order for wind-up, liquidation or dissolution of the Federation with a view to the amalgamation, consolidation, combination or merger of the Federation with or into another person (a "**Successor in Business**") or the conveyance, transfer, sale or lease of the Federation's properties and assets as an entirety to such Successor in Business, where the amalgamation, consolidation, combination, merger, conveyance, transfer, sale or lease complies with the conditions outlined in the definition of Exempt Restructuring set out on pages 144 and 261 of this Base Prospectus.

Cross Default: None.

Waiver of Set-Off: Bail-inable Notes are not subject to set-off or netting rights.

Rating: This Programme has been rated by Moody's Canada, S&P Canada, DBRS and Fitch. Notes issued under the Programme may be rated or unrated. When a Tranche of Notes is rated, each such rating (and the credit rating agency issuing each such rating) will be specified in the applicable Final Terms or, in the

case of Exempt Notes, Pricing Supplement and such rating will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. Investors may suffer losses if a credit rating assigned to the Notes by a credit rating agency does not reflect the then creditworthiness of such Notes.

Listing and Admission to Trading:

Each Series will be either be (i) listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, and/or (ii) admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system or (iii) issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system as may be agreed by the Federation and the relevant Dealer(s). The applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement will specify the applicable listing authority or stock exchange where the Notes are to be listed and/or admitted to trading or quotation.

The Federation is not under any obligation to Noteholders to maintain any listing of Notes. If the Federation, in good faith, determines that it is unduly onerous to maintain such listing, it may terminate the listing of such Notes provided it uses its best efforts to procure and maintain an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system (including a market which is not a regulated market for the purposes of MiFID II or a market outside of the European Economic Area) as it may reasonably decide, provided however that such stock exchange is commonly used for the listing and trading of debt securities in the international debt capital markets, and the Federation shall notify the relevant Dealer(s) of such change of listing venue.

Governing Law and Jurisdiction:

Senior Notes and NVCC Subordinated Notes in bearer form will be governed by, and construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein.

Senior Notes and NVCC Subordinated Notes in registered form will be governed by, and construed in accordance with, the laws of the State of New York, except that (i) the provisions relating to the agreement of bail-in by holders and beneficial owners of Bail-inable Notes, as set forth in the Terms and Conditions of the

Registered Notes, and (ii) the ranking and subordination provisions and the provisions relating to an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event of the NVCC Subordinated Notes, as set forth in the Terms and Conditions of the Registered Notes, will be governed by the laws of the Province of Québec and the federal laws of Canada applicable therein. See further "*Agreement of Noteholders with respect to Bail-inable Notes*" in respect of Bail-inable Notes.

By acquiring an interest in any Bail-inable Note, each holder or beneficial owner of an interest in that Bail-inable Note is deemed to attorn to the jurisdiction of the courts in the Province of Québec in Canada with respect to the Deposit Institutions Act and the laws of the Province of Québec and the federal laws of Canada applicable therein in respect of the application of the Deposit Institutions Act and regulations thereunder with respect to the Bail-inable Notes.

General Selling Restrictions:

The Notes may be offered (i) in the United States only, (ii) outside the United States only or (iii) in and outside the United States simultaneously as part of a global offering. The offering and distribution of the Notes are subject to certain restrictions. In particular, restrictions on the offering and distribution of the Notes and this Base Prospectus will apply to sales made in certain other countries, including Canada, the United States, the European Economic Area, the United Kingdom, and other restrictions may apply in connection with a particular issuance of Notes, as specified in the applicable Drawdown Prospectus or Supplement to the Base Prospectus or, in the case of Exempt Notes, in the applicable Pricing Supplement. See "*Subscription and Sale and Transfer and Selling Restrictions*". Any such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes will be set forth in the applicable Drawdown Prospectus or Supplement to the Base Prospectus or, in the case of Exempt Notes, in the applicable Pricing Supplement.

U.S. Selling Restrictions:

Bearer Notes:

The Notes issued in bearer form will be issued in compliance with rules identical to those provided in U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") unless (i) the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement state that the Notes are issued in compliance with rules identical to those provided in U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or (ii) the Notes are issued other than in compliance with the TEFRA D Rules or the

	TEFRA C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under section 4701(b) of the Code (an "**Excluded Transfer**"), which circumstances will be referred to in the relevant Final Terms or, in the case of Exempt Notes, Pricing Supplement as an Excluded Transfer.
	Registered Notes:
	The Federation is Category 2 for the purposes of Regulation S under the Securities Act.
	If specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, Registered Notes may be sold in compliance with Rule 144A under the Securities Act and, if also specified, Registered Notes may be sold in accordance with Regulation S.
Transfer Restrictions:	There are restrictions on the transfer of certain Registered Notes. See "*Subscription and Sale and Transfer and Selling Restrictions—United States —Transfer Restrictions*".
Risk Factors:	There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand. These principal risks, organised in appropriate categories and sub-categories, are set out in summary form under "*Risk Factors*" beginning on page 1 of this Base Prospectus.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Notes will be offered and sold outside the United States in reliance on Regulation S and Registered Notes will be offered and sold either (1) only within the United States to QIBs, or to or for the benefit of U.S. persons who are QIBs, in each case in reliance on Rule 144A, or (2) both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States to QIBs or to or for the benefit of U.S. persons who are QIBs, in each case in reliance on Rule 144A.

Bearer Notes

The relevant Final Terms or, in the case of Exempt Notes, Pricing Supplement for each Tranche of Bearer Notes issued will specify whether TEFRA C Rules or TEFRA D Rules apply or, in the case of Bearer Notes with a maturity of less than a year, that the TEFRA Rules are not applicable. If TEFRA C Rules apply, each issue of Bearer Notes will initially be represented by a permanent global Note, without receipts, interest coupons or talons. If TEFRA D Rules apply, each issue of Bearer Notes will initially be represented by a temporary global Note, without receipts, interest coupons or talons. Such temporary global Note or permanent global Note, as the case may be, (i) if intended to be issued in new global note ("**NGN**") form as specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, will be delivered on or prior to the relevant Issue Date to a common safekeeper ("**Common Safekeeper**") for Euroclear and/or Clearstream, Luxembourg or (ii) if intended to be issued in classic global note ("**CGN**") form as specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, will be delivered on or prior to the relevant Issue Date to a depositary or a common depositary for Euroclear and Clearstream, Luxembourg.

If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such closing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

If an interest payment date for any Bearer Notes occurs whilst such Bearer Notes are represented by a temporary global Note, the related interest payment will be made (against presentation of the temporary global Note if the temporary global Note is issued in CGN form) only to the extent that certification as to non-U.S. beneficial ownership (in a form to be provided by Euroclear or Clearstream, Luxembourg) has been received by Euroclear or Clearstream, Luxembourg. On or after the date (the "**Exchange Date**") which is 40 days after the date of completion of the distribution of the Bearer Notes, upon certification as to non-U.S. beneficial ownership, interests in the temporary global Note, if any, will be exchangeable for interests in a permanent global Note. No payments will be made on a temporary global Note after the Exchange Date. Payments of principal or interest (if any) in respect of a permanent global Note will be made through Euroclear and Clearstream, Luxembourg (against presentation or, in the case of the payment of principal and all accrued interest in full, surrender, as the case may be, of the permanent global Note if the permanent global Note is in CGN form) without any requirement for certification. Temporary and permanent global Notes and definitive Bearer Notes will be issued by the Bearer Fiscal Agent pursuant to the Agency Agreement. Until exchanged in full, the holder of an interest in any global

Note shall in all respects be entitled to the same benefits as the holder of Bearer Notes, receipts and interest coupons, subject as set out in the Conditions.

Interests in a permanent global Note will be exchangeable (free of charge) in whole (but not in part) by the owners thereof for security-printed definitive Notes only if such exchange is permitted by applicable law and one of the following events has occurred: (i) Euroclear, Clearstream, Luxembourg or any other relevant clearing system, as the case may be, closes for business for a continuous period of at least 14 days (other than by reason of holidays, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so; (ii) an Event of Default (as defined in Condition 10) has occurred and the relevant clearing system acting on instructions of the owners of interests in such permanent global Note requests in writing definitive Notes from the Bearer Fiscal Agent or (iii) the Federation determines that it would suffer a material disadvantage in respect of the Bearer Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 9 which would not be suffered were the Bearer Notes in definitive form and a certificate to such effect (signed by an authorized signatory of the Federation) is delivered to the Bearer Fiscal Agent for display to Noteholders together with a request that definitive Bearer Notes be issued. In such circumstances, the Federation will cause sufficient definitive Bearer Notes to be executed and delivered as soon as practicable (and, in any event, within 45 days of the occurrence of any of the circumstances described in (i) or the making of the written request described in (ii) or (iii) above) to the Bearer Fiscal Agent for completion, authentication and delivery to the owners of interests in such permanent global Note.

The following legend will appear on all global Bearer Notes (other than a temporary global note), definitive Bearer Notes, receipts and interest coupons issued under TEFRA D Rules:

> "Any U.S. person (as defined in the Internal Revenue Code of 1986 of the United States) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of 1986".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition or payment of principal in respect of Notes, receipts or interest coupons.

The following legend will appear on all global Notes and definitive Notes:

> "THIS NOTE IS NOT INSURED UNDER THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) OR THE CANADA DEPOSIT INSURANCE CORPORATION ACT".

The following legend will appear on Notes identified as Bail-inable Notes in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement:

> "THE NOTES (AND BENEFICIAL INTERESTS THEREIN) ARE (IN EACH CASE, IN WHOLE OR IN PART) SUBJECT TO WRITE-OFF OR CONVERSION INTO CONTRIBUTED CAPITAL SECURITIES OF THE FEDERATION, OF A DEPOSIT-TAKING INSTITUTION THAT IS PART OF THE GROUPE COOPÉRATIF DESJARDINS OR OF A LEGAL PERSON CONSTITUTED

OR RESULTING FROM AN AMALGAMATION/CONTINUANCE OR OTHER CONVERSION CARRIED OUT FOR THE PURPOSES OF THE RESOLUTION OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, IN EACH CASE, BY THE AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC) UNDER SECTION 40.50 OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) AND REGULATIONS PROMULGATED THEREUNDER (INCLUDING, AMONG OTHERS, THE REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES (QUÉBEC) WHICH CAME INTO FORCE ON 31 MARCH 2019)."

Bearer Notes which are represented by a Global Note will only be transferrable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Bearer Notes in NGN form, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement or as may otherwise be approved by the Federation, the Bearer Fiscal Agent and the relevant Dealer or Dealers.

Direct Rights

Each global Bearer Note provides that the holder may cause such global Bearer Note, or a portion of it in excess of the minimum Specified Denomination, to become due and repayable in the circumstances described under "*Terms and Conditions of the Notes – Events of Default*" by stating in the notice to the Bearer Fiscal Agent the nominal amount of such global Bearer Note that is becoming due and repayable. If the principal in respect of any such global Bearer Note is not paid before 8:00 p.m. (London time) on the relevant due date, the holder of a global Bearer Note may elect for direct enforcement rights against the Federation in favour of one or more of the persons with beneficial interests in such Bearer Notes equal to at least the Specified Denomination as accountholders within the relevant clearing systems. Following any such acquisition of direct rights, the global Bearer Note will become void as to the specified portion.

Registered Notes

Form of the Notes and registration

General

The Registered Notes may be offered (i) within the United States only to QIBs in reliance on the exemption provided by Rule 144A or (ii) simultaneously within the United States to QIBs in reliance on the exemption provided by Rule 144A and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S as part of a global offering. Upon issue, Registered Notes will be represented initially by one or more global certificates in fully registered form (each, a "**Global Note**") without receipts, interest coupons or talons.

If the Registered Notes are intended to be held under the NSS, the Euro Regulation S Global Notes representing such Registered Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper.

Registered Notes sold pursuant to an offering made in the United States only will be represented by one or more Global Notes deposited with the U.S. Registrar (in such capacity, the "**Custodian**") as custodian for, and registered in the name of a nominee of, DTC as depositary (each Global Note so deposited and registered is referred to herein as a "**Rule 144A Global Note**").

Registered Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering may be represented either (i) solely by one or more Rule 144A Global Notes registered in respect of Registered Notes sold in the United States and one or more Global Note deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC, registered in respect of Registered Notes sold outside the United States (each Global Note so deposited and registered is referred to herein as a "**DTC Regulation S Global Note**"; and each DTC Regulation S Global Note together with any Euro Regulation S Global Note, each a "**Regulation S Global Note**"; and each DTC Regulation S Global Note together with any Rule 144A Global Note, each a "**DTC Global Note**"), such arrangement referred to herein as a "**Single Global Note Issue**" or, alternatively (ii) by one or more Rule 144A Global Notes so deposited and registered in respect of Registered Notes sold in the United States, and a separate Euro Regulation S Global Note registered by the European Registrar (which initially is The Bank of New York Mellon SA/NV, Luxembourg Branch) in a register (the "**European Register**") in the name of, or the name of a nominee of, and deposited with (i) in the case of Registered Notes held under the NSS, the Common Safekeeper, and (ii) in the case of Registered Notes not held under NSS, a common depositary (the "**Depositary**") for, Euroclear and/or Clearstream, Luxembourg, as the case may be, (each Global Note so deposited and registered is referred to herein as a "**Euro Regulation S Global Note**") in respect of Registered Notes sold outside the United States in accordance with Regulation S, such arrangement referred to herein as a "**Dual Global Note Issue**".

The European Registrar will cause the European Register to be kept initially at its offices in Luxembourg, in which, subject to such reasonable regulations it may prescribe, the European Registrar will provide for the registration of Euro Regulation S Global Notes, any Definitive Registered Notes related thereto and any transfers thereof. The Issuer reserves the right to transfer such registration function to another bank or financial institution at any time.

Registered Notes sold to QIBs in reliance on Rule 144A (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "*Subscription and Sale and Transfer and Selling Restrictions*".

Except as described below, owners of beneficial interests in a Global Note (each, a "**Beneficial Owner**") will not be entitled to have Registered Notes registered in their names, will not receive or be entitled to receive physical delivery of Registered Notes in individual certificated registered form (each, a "**Definitive Registered Note**") and will not be considered the owners or holders thereof under the Registered Notes Agency Agreement. Beneficial interests in a Global Note will be represented, and transfers thereof will be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners, as a direct or indirect participant in the relevant clearing system.

Investors in a global offering may elect to hold beneficial interests in a Global Note (a) through DTC (in the United States) if such investors are U.S. persons who are also QIBs, or (b) through Euroclear or Clearstream, Luxembourg (in Europe) if such investors are not U.S. persons (within the meaning of Regulation S), if they are participants in such systems, or indirectly through organizations that are participants in such systems. If the Registered Notes sold pursuant to a global offering are part of a Single Global Note Issue, Clearstream, Luxembourg and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and/or Euroclear's names on the books of their respective U.S. depositories, which, in turn, hold such positions in customers' securities accounts in the U.S. depositories' names on the books of DTC. Citibank, N.A. acts as the U.S. depository for Clearstream, Luxembourg and The Bank of New York Mellon, New York acts as the U.S. depository for Euroclear (each, a "**U.S. Depositary**" and, collectively, the "**U.S. Depositaries**").

The Bank of New York Mellon, New York will serve initially as the U.S. registrar for the Registered Notes (the "**U.S. Registrar**"). In such capacity, the U.S. Registrar will cause to be kept at its offices in The City of New York, a register (the "**U.S. Register**"; the U.S. Register and the European Register are collectively referred to as the "**Registers**" and each a "**Register**") in which, subject to such reasonable regulations as it may prescribe, the U.S. Registrar will provide for the registration of Registered Notes and of transfers thereof. The Issuer reserves the right to transfer such registration function to another bank or financial institution at any time. Subject to applicable law and the terms of the Registered Notes Agency Agreement and the Registered Notes, the Issuer, the Registered Fiscal Agent, the Paying Agents, the Registrars and the Transfer Agents (collectively, the "**Agents**," and each individually, a "**Agent**") will deem and treat the registered holder or holders of Securities in the relevant Register as the absolute owner or owners thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to, or to the order of, the registered holders will be valid and effectual to discharge the liability of the Issuer and the Agents on the Registered Notes to the extent of the sum or sums so paid. So long as DTC, its nominee, Euroclear and/or Clearstream, Luxembourg, a nominee of Euroclear and/or Clearstream, Luxembourg or a successor to Euroclear and/or Clearstream, Luxembourg, DTC or any such nominee is the registered owner of a Global Note, DTC, Euroclear and/or Clearstream, Luxembourg, or any such nominee or successor, as the case may be, will be considered the sole owner or holder of the Registered Notes represented by such Global Note for all purposes under the Registered Notes Agency Agreement. Accordingly, any Beneficial Owner must rely on the procedures of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, and, if such person is not a participant in any such clearing system, on the procedures of the participant therein through which such person owns its beneficial interest, to exercise any rights of a holder of Registered Notes. The Issuer understands that, under existing industry practices, in the event that the Issuer requests any action of holders or that Beneficial Owners desire to give or take any action which a holder is entitled to give or take under the Registered Notes Agency Agreement, DTC, its nominee or a successor to DTC or its nominee, as the holder of the DTC Global Note, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Registered Notes through participants) to give or take such action, and such participants would authorize Beneficial Owners owning through such participants (or such persons holding beneficial interests in the Registered Notes through participants) to give or take such action and would otherwise act upon the instructions given to such participants (or such persons) by such Beneficial Owners.

DTC may grant proxies or otherwise authorize its participants (or persons holding beneficial interests in the Registered Notes through its participants) to exercise any rights of a holder or take any other actions which a holder is entitled to take under the Registered Notes Agency Agreement or in respect of the Registered Notes. Euroclear or Clearstream, Luxembourg, as the case may be, will take any action permitted to be taken by a holder under the Registered Notes Agency Agreement or the Registered Notes on behalf of a Euroclear participant or a Clearstream, Luxembourg participant only in accordance with its relevant rules and procedures and, with respect to beneficial interests in a DTC Global Note, subject to the common depositary's ability to effect such actions on its behalf through DTC. Because DTC can act only on behalf of its participants, who in turn act on behalf of indirect participants, the ability of a Beneficial Owner to pledge its beneficial interest in the Registered Notes to persons or entities that do not participate in the DTC system or otherwise take action in respect of such beneficial interest, may be limited by the lack of a definitive certificate for such beneficial interest. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a DTC Global Note.

Principal of, and premium, if any, and interest on, the Registered Notes are payable to the persons in whose names the Registered Notes are registered on the Record Date (as defined in the Terms and Conditions of the Registered Notes) preceding any Interest Payment Date or at Maturity, as the case may be. Ownership positions within each clearing system will be determined in accordance with the normal conventions observed by such system. The U.S. Paying Agent and the European Paying Agent will act as the Issuer's paying agents for the Registered Notes pursuant to the Registered Notes Agency Agreement. Principal and interest payments on a Global Note will be made to DTC, its nominee or a nominee of Euroclear and/or Clearstream, Luxembourg, as the case may be (or to any successor to DTC or any such nominee), as the registered holder of the Global Note representing such Registered Notes. Neither the Issuer nor any agent of the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Upon receipt of any payment of principal of, or premium, if any, or interest on, a DTC Global Note, the Issuer expects that DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of such DTC Global Note as shown on the records of DTC. Payments by such participants to owners of beneficial interests in the DTC Global Note held through such participants will be the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in a "street name". Distributions with respect to Registered Notes held through Euroclear and/or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants (as defined herein) and/or Clearstream, Luxembourg participants (as defined herein) in accordance with the relevant system's rules and procedures, to the extent received by the Depositary.

Exchange of Global Notes for Definitive Registered Notes

Beneficial interests in a Global Note will be exchangeable for Definitive Registered Notes, only if such exchange is permitted by applicable law and one of the following events has occurred: (i) in the case of a DTC Global Note, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so

registered, (ii) in the case of any other Global Note, the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of at least 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and a successor or successors is or are not appointed by the Issuer within 90 days from the commencement of such closure, announcement or cessation of business, (iii) the Issuer, in its discretion, elects to issue Definitive Registered Notes for a specific issue of Securities; or (iv) an Event of Default as described in Condition 11 occurs. The Definitive Registered Notes so issued in exchange for any such Global Note shall be of like tenor and of an equal aggregate principal amount, in authorized denominations and will bear the restrictive legend as referred to in "*Subscription and Sale and Transfer and Selling Restrictions*". Such Definitive Registered Notes shall be registered in the relevant Register in the name or names of such person or persons as the relevant clearing system shall instruct the applicable Registrar. It is expected that such instructions may be based upon directions received by DTC from DTC participants with respect to ownership of beneficial interests in the DTC Global Note. Except as provided above, owners of beneficial interests in a Global Note will not be entitled to receive physical delivery of Definitive Registered Notes and will not be considered the registered holders of such Registered Notes for any purpose.

Exchange of Definitive Registered Notes for Definitive Registered Notes

Any Definitive Registered Note issued under the circumstances described in the preceding paragraph will be transferable in whole or in part in an authorized denomination upon the surrender of such Registered Note, together with the form of transfer endorsed thereon duly completed and executed, at the specified office of the applicable Registrar or the specified office of the Transfer Agent or any other transfer agent maintained for that purpose. In the case of a transfer in part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Registered Note to be issued upon transfer will, within three Business Days of receipt of such form of transfer, be delivered to the transferee at the office of the applicable Registrar, the Transfer Agent or such paying agent or mailed, at the risk of the holder entitled to the Definitive Registered Note in respect of which the relevant Definitive Registered Note is issued, to such address as may be specified in such form of transfer.

Exchange of Definitive Registered Notes for Global Notes

Definitive Registered Notes may not be transferred for beneficial interests in any Global Note unless the transferor first delivers to the Transfer Agent a written certificate to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Registered Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*".

Exchange between Regulation S Global Notes and Rule 144A Global Notes

Interests in a Regulation S Global Note may be transferred to a person who wishes to hold an interest in a Rule 144A Global Note only upon receipt by the Registrars, the Transfer Agent and the Paying Agents of a written certification from the transferor (in the form set out in the Registered Notes Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Interests in a Rule 144A Global Note may also be transferred to a person who wishes to hold an interest through a Regulation S Global Note, but only upon receipt by the Registrars, the Transfer Agent and the Paying Agents of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or with Rule 144A (if available) under the Securities Act.

Any interest in either a Rule 144A Global Note or a Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in such other Global Note.

Global clearance and settlement

General

Registered Notes issued pursuant to the Programme may be held through one or more international and domestic clearing systems, principally, the book-entry systems operated by DTC in the United States, and Euroclear and/or Clearstream, Luxembourg in Europe. Electronic securities and payment transfer, processing, depositary and custodial links have been established among these systems and others, either directly or through custodians and depositaries, which enable Registered Notes to be issued, held and transferred among the clearing systems through these links. The relevant Agents (if any) have direct electronic links with DTC, Euroclear and Clearstream, Luxembourg. Special procedures have been established among these clearing systems and the relevant Agents (if any) to facilitate clearance and settlement of certain Registered Notes traded across borders in the secondary market. Cross-market transfers of Registered Notes in respect of which payments will be made in U.S. dollars and which will be issued in global form may be cleared and settled using these procedures on a delivery against payment basis. Cross-market transfers of Registered Notes in other than global form may be cleared and settled in accordance with other procedures established among any relevant Agent or Agents, as the case may be, and the clearing systems concerned for this purpose.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the procedures described below in order to facilitate transfers of Registered Notes among participants of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither the Issuer nor the Agents (if any) will have any responsibility for the performance by DTC, Euroclear and/or Clearstream, Luxembourg or their respective participants or indirect participants of the respective obligations under the rules and procedures governing their operations.

The clearing systems

DTC

DTC has advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the

Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Clearstream, Luxembourg

Clearstream, Luxembourg holds securities for its participating organizations ("**Clearstream, Luxembourg participants**") and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants through electronic book-entry changes in accounts of Clearstream, Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream, Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also interfaces with domestic securities markets in several countries. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier, and the Banque Centrale du Luxembourg which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the Agents (if any). Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear system (the "**Euroclear Operator**") in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to Registered Notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the depositary for Clearstream, Luxembourg.

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations ("**Euroclear participants**") and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping,

administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the Agents (if any). Non-participants in Euroclear may hold and transfer beneficial interests in a Global Note through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in a Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "**Euroclear Terms and Conditions**"). The Euroclear Terms and Conditions governs transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Euroclear Terms and Conditions only on behalf of Euroclear participants, and has no record or relationship with persons holding through Euroclear participants. Distributions with respect to Registered Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the depositary for Euroclear.

Other clearing systems

Any other clearing system which the Issuer, the applicable Agent(s) and the relevant Dealer(s) agree shall be available for a particular issuance of Registered Notes, including the clearance and settlement procedures for such clearing system, will be described in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement.

Primary distribution

General

Distributions of the Registered Notes will be cleared through one or more of the clearing systems described above or any other clearing system specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement. Payment for Registered Notes will be made on a delivery-versus-payment basis unless a free delivery basis is agreed with the relevant Dealers.

The Issuer and the relevant Agent(s) (if any) shall agree that either global clearance and settlement procedures or specific clearance and settlement procedures should be available for any Series of Registered Notes, in each case as agreed with the relevant Dealers. Clearance and settlement procedures may vary from one Series of Registered Notes to another according to the Specified Currency of the Registered Notes of such Series. Customary clearance and settlement procedures are described under the specific clearance and settlement procedures below. Application will be made to the relevant clearing system(s) for the Registered Notes of the relevant Series to be accepted for clearance and settlement and the applicable clearance numbers will be specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

Clearance and Settlement Procedures

DTC. DTC participants holding Registered Notes through DTC on behalf of investors will follow the settlement practices applicable to U.S. corporate debt obligations in DTC's Same-Day Funds Settlement System. Registered Notes will be credited to the securities custody accounts of such DTC participants against payment in same-day funds on the settlement date.

Euroclear and Clearstream, Luxembourg. Investors electing to hold their Registered Notes through Euroclear and/or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Registered Notes will be credited to the securities custody accounts of Euroclear and/or Clearstream, Luxembourg participants, as the case may be, on the business day following the settlement date against payment for value on the settlement date.

Secondary market trading

Trading between DTC Participants

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled using procedures applicable to U.S. corporate debt obligations in DTC's Same-Day Funds Settlement System in same-day funds, if payment is made in U.S. dollars, or free of payment if payment is made in a currency other than U.S. dollars. In the latter case, separate payment arrangements outside of the DTC system are required to be made between DTC participants.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using procedures applicable to conventional Eurobonds in registered form.

Trading between a DTC seller and a Euroclear or Clearstream, Luxembourg purchaser

Single Global Note Issues

When Registered Notes represented by a DTC Global Note are to be transferred from the account of a DTC participant (other than the U.S. Depositaries) to the account of a Euroclear participant or a Clearstream, Luxembourg participant, the purchaser must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. Euroclear or Clearstream, Luxembourg, as the case may be, will instruct its U.S. Depositary to receive the Registered Notes against payment or free of payment, as the case may be. Its U.S. Depositary will then make payment to the DTC participant's account against delivery of the Registered Notes. After settlement has been completed, the Registered Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the account of the relevant Euroclear or Clearstream, Luxembourg participant. Credit for the Registered Notes will appear on the next day (Central European Time) and cash debit will be back-valued to, and the interest on the Registered Notes will accrue from, the value date (which would be the preceding day, when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Clearstream, Luxembourg cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream, Luxembourg participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as the participants would for any settlement occurring within Euroclear or Clearstream, Luxembourg. Under this approach, participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the Registered Notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing Registered Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Registered Notes were credited to their accounts. However, interest on the Registered Notes would accrue from the value date. Therefore, in many cases, the investment income on Registered Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants can employ their usual procedures for delivering Registered Notes to the applicable U.S. Depositary for the benefit of Euroclear participants and/or Clearstream, Luxembourg participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently than a trade between two DTC participants.

Dual Global Note issues

When Registered Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg participant, the DTC participant will deliver the Registered Notes free of payment to the appropriate account of the Custodian at DTC by 11:00 A.M. (New York time) on the settlement date together with instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg participant. Separate payment arrangements are required to be made between the relevant Euroclear or Clearstream, Luxembourg participant and the DTC participant. The applicable Registrar, as custodian, will (i) decrease the amount of Registered Notes registered in the name of the nominee of DTC and represented by the DTC Global Note and (ii) increase the amount of Registered Notes registered in the name of the nominee of Euroclear and Clearstream, Luxembourg and represented by the Global Note. The Depositary will deliver such Registered Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant participant in such clearing system on the business day following the settlement date.

Trading between a Euroclear or Clearstream, Luxembourg seller and a DTC purchaser

Single Global Note issues

Due to time zone differences in their favor, Euroclear participants or Clearstream, Luxembourg participants may employ their customary procedures for transactions in which Registered Notes represented by a DTC Global Note are to be transferred by the respective clearing system through the applicable U.S. Depositary to another DTC participant's account. The seller must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream, Luxembourg will instruct its respective U.S.

Depositary to credit the Registered Notes to the DTC participant's account against payment. The payment will then be reflected in the account of the Euroclear participant or Clearstream, Luxembourg participant the following business day, and receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account will be back-valued to the value date (which would be the preceding day, when settlement occurs in New York). If the Euroclear participant or Clearstream, Luxembourg participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account would instead be valued as of the actual settlement date.

As is the case with sales of Registered Notes represented by a DTC Global Note by a DTC participant to a Euroclear or Clearstream, Luxembourg participant, participants in Euroclear or Clearstream, Luxembourg will have their accounts credited the day after their settlement date.

Dual Global Note issues

When Registered Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg participant to the account of a DTC participant, the relevant Euroclear or Clearstream, Luxembourg participant must provide settlement instructions for delivery of the Registered Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, by 7:45 P.M. (Brussels or Luxembourg time, as the case may be) one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg will in turn provide appropriate settlement instructions to the Depositary for delivery to the DTC participant.

Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will deliver the Registered Notes free of payment to the appropriate DTC account of the DTC participant and will instruct the applicable Registrar to (i) decrease the amount of Registered Notes registered in the name of the nominee for Euroclear and Clearstream, Luxembourg and represented by the Global Note and (ii) increase the amount of Registered Notes registered in the name of the nominee of DTC and represented by the DTC Global Note.

Same day settlement and payment generally

The Registered Notes represented by the Global Notes will be eligible to trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Registered Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expect that secondary trading in any Definitive Registered Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interest in a Global Note by or through a Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the

settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

Registered Notes may be issued in such denominations as may be specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement save that the minimum denomination of each Registered Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. See "*Special Provisions Relating to Foreign Currency Notes*" for additional information regarding Foreign Currency Notes.

General

Notes that are initially deposited with a depositary or common depositary for Euroclear and/or Clearstream, Luxembourg or a custodian for DTC may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg or DTC held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, DTC or other clearing systems.

TERMS AND CONDITIONS OF THE BEARER NOTES

*The following are the Terms and Conditions of the Bearer Notes (each a "**Condition**") which, as completed by the provisions of Part A of the applicable Final Terms or, in the case of Exempt Notes, as completed, supplemented, amended and/or replaced by the provisions of the applicable Pricing Supplement, and, if required, simplified by deletion of non applicable provisions will be attached to, endorsed on or incorporated by reference into each global Note and definitive Bearer Note. The applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement (or in either case the relevant provisions thereof) will be endorsed on, or attached to, each temporary global Bearer Note or permanent global Bearer Note, as applicable, and each definitive Note. All capitalized terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms, Pricing Supplement or, as the case may be, the Drawdown Prospectus.*

The Terms and Conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions as supplemented, amended and/or replaced to the extent described in such Drawdown Prospectus and, in such circumstances, as endorsed on, or attached to, or incorporated by reference into the relevant global Notes.

This Note is one of a Series of Notes issued by Fédération des caisses Desjardins du Québec (the "***Federation***" or the "***Issuer***"). References herein to the "***Notes***" shall mean with respect to the Notes of this Series (*as defined herein*) (i) in relation to any Notes represented by a global Note (a "***Global Note***"), units of the lowest Specified Denomination in the Specified Currency; (ii) any definitive Notes in bearer form ("***Definitive Bearer Notes***") issued in exchange for a Global Note issued in bearer form (a "***Global Bearer Note***"); and (iii) any Global Bearer Note issued subject to, and with the benefit of, an Amended and Restated Agency Agreement dated 25 February 2020 (as further amended or supplemented from time to time in accordance with the terms thereof; the "***Bearer Notes Agency Agreement***") made between the Issuer, The Bank of New York Mellon, London Branch, as issuing and principal paying agent (the "***Bearer Fiscal Agent,***" which expression shall include any successor appointed in accordance with the Bearer Notes Agency Agreement) and the other paying agents named therein (the "***Bearer Notes Paying Agents***", which expression shall include the Bearer Fiscal Agent). In addition to Bearer Notes issuable under these Terms and Conditions of the Bearer Notes (the "***Terms and Conditions***"), the Issuer may also issue Notes in registered form under an Amended and Restated Fiscal Agency Agreement dated 25 February 2020 (as further amended or supplemented from time to time in accordance with the terms thereof; the "***Registered Notes Agency Agreement***") made between the Issuer, Desjardins Florida Branch, The Bank of New York Mellon, London Branch, as fiscal agent (the "***Registered Fiscal Agent***", which expression shall include any successor appointed in accordance with the Registered Notes Agency Agreement), as transfer agent (the "***Transfer Agent***") and as European Paying Agent (the "***European Paying Agent***"), The Bank of New York SA/NV, Luxembourg Branch as European Registrar (the "***European Registrar***"), The Bank Of New York Mellon as U.S. registrar (the "***U.S. Registrar***" and, together with the European Registrar, the "***Registrars***" and each individually, a "***Registrar***"), as U.S. Exchange Agent (the "***U.S. Exchange Agent***") and as U.S. paying agent (the "***U.S. Paying Agent***" and, together with the European Paying Agent, the "***Registered Notes Paying Agents***"; and, the Registered Notes Paying Agents, together with the Bearer Notes Paying Agents, the "***Paying Agents***" and each individually, a "***Paying Agent***"), which expressions shall each include any successor appointed in accordance with the Registered Notes Agency Agreement.

The term "***Agency Agreement***" when used herein shall mean the Bearer Notes Agency Agreement. The term "***Fiscal Agent***" when used herein means the Bearer Fiscal Agent and "***Fiscal Agents***" means the Bearer Fiscal Agent and the Registered Fiscal Agent. As used herein, "***Series***" means all Notes which are issued in the same form, denominated in the same currency and which have the same "***Maturity Date***", being a date on which Notes, other than Notes bearing interest on a floating rate basis ("***Floating Rate Notes***"), will be redeemed (unless previously redeemed or purchased and cancelled), or in the case of Floating Rate Notes, the month and year in which the Notes will be redeemed (unless previously redeemed or purchased and cancelled), as the case may be, interest and/or payment basis ("***Interest/Payment Basis***") and interest payment dates (if any) (all as indicated in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement) and the terms of which (save for the date on which the Notes will be issued ("***Issue Date***"), the date from which the Notes, if interest-bearing, bear interest ("***Interest Commencement Date***"), the amount and date of the first payment of interest thereon and/or the price at which the Notes will be issued ("***Issue Price***") are otherwise identical; and the expressions "***Notes of the relevant Series***" and "***holders of Notes of the relevant Series***" and related expressions shall be construed accordingly. As used herein, "***Tranche***" means all Notes of the same Series with the same Issue Date, the terms of which are identical in all respects save that a Tranche may comprise Notes of more than one denomination. The Issuer may create and issue additional Tranches in accordance with Condition 19.

The final terms and conditions (or the relevant provisions thereof) applicable to this Tranche of Notes are set forth in Part A of the Final Terms attached to or endorsed on the Note which completes these Terms and Conditions or, if the Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (an "***Exempt Note***"), the final terms (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed hereon which supplements these Terms and Conditions and which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify the Terms and Conditions for the purposes of this Note. References to the "applicable Final Terms" are to Part A the Final Terms (or the relevant provisions thereof) attached to, endorsed on or incorporated by reference into the Note. References to the "applicable Pricing Supplement" are, unless otherwise stated, to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the Note and any references in these Terms and Conditions to "applicable Final Terms" shall be deemed to include a reference to the "applicable Pricing Supplement" in the case of a Tranche of Exempt Notes.

Interest bearing Definitive Bearer Notes will have interest coupons ("***Coupons***") and, if issued at a time when there are more than 27 interest payments remaining, talons for further Coupons ("***Talons***") attached. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The holders of the Notes (the "***Noteholders***", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1) and the holders of the Coupons (the "***Couponholders***") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them.

A copy of the Agency Agreement (which contains the form of Final Terms) is available for inspection during normal business hours and upon reasonable notice at the principal office of the Fiscal Agent in London, England. A copy of the Agency Agreement is available for collection without charge from the

registered office of the Federation in Lévis, Québec, Canada. Copies of the applicable Final Terms can be viewed at the registered offices of the Issuer or the specified offices of the European Paying Agent, save that Pricing Supplements may only be viewed by a Noteholder on production of evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), the Final Terms can be viewed on the website of Euronext Dublin. If a Note is not so listed but it is not an Exempt Note, the Final Terms can be viewed on the website of Euronext Dublin at *http://www.ise.ie* as the competent authority of the home member state for such Notes.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In these Terms and Conditions, "***Euro"*** means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes of this Series are issuable in bearer form ("***Bearer Notes***"), in the Specified Currency and the Specified Denominations and, in the case of definitive Notes, serially numbered, save that the minimum denomination of each Note other than an Exempt Note will be at least €100,000 (or, if the Notes are denominated in any currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency. None of the Specified Denominations will be exchangeable for any other Specified Denominations.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, if Specified Denominations are expressed as such, the Notes shall be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) specified in the applicable Final Terms and (unless otherwise specified in the applicable Final Terms) higher integral multiples of at least 1,000 in the relevant currency as specified in the relevant Final Terms (the "***Integral Amount***").

Unless this is an Exempt Note, this Note is a Fixed Rate Note, a Fixed Rate Reset Note, a Floating Rate Note, a Zero Coupon Note or any appropriate combination thereof, depending upon the Interest/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Fixed Rate Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Note, a Dual Currency Interest Note or any other type of Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note is a Senior Note (which may be a Bail-inable Note (as defined below)) or an NVCC Subordinated Note depending upon the Status of the Notes indicated in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons and, if applicable, Talons for further Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Talons in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery. Except as required by applicable law or regulatory requirement and except as provided in the second succeeding paragraph, the Federation and any Paying Agent may deem and treat the bearer of any Bearer Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Bearer Note, without prejudice to the provisions set out below.

Any reference herein to ***"Noteholders", "holder of Notes"*** and related expressions shall mean, for so long as any of the Bearer Notes are represented by a Global Note held on behalf of Euroclear Bank SA/NV (***"Euroclear"***) or Clearstream Banking S.A. (***"Clearstream, Luxembourg"***), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Bearer Notes (a "***Relevant Account Holder***") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bearer Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Federation, the Fiscal Agent, and any other Paying Agent as the holder of such principal amount of such Bearer Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Federation, the Fiscal Agent any other Paying Agent solely in the bearer of the relevant global Bearer Note in accordance with and subject to its terms. Similar rights as those made available to Relevant Account Holders in the preceding sentences may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the Final Terms. Bearer Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

References to Euroclear or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Bearer Notes in NGN form, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms as may otherwise be approved by the Federation and the Fiscal Agent.

2. Definitive Notes

Interests in a permanent Global Note will be exchangeable (free of charge) in whole (but not in part) by the owners thereof for security-printed definitive Notes only if such exchange is permitted by applicable law and one of the following events has occurred: (i) Euroclear, Clearstream, Luxembourg or any other relevant clearing system, as the case may be, closes for business for a continuous period of at least 14 days (other than by reason of holidays, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so, (ii) an Event of Default (as defined in Condition 12) has occurred and the relevant clearing system acting on instructions of any person who is shown on a relevant due date in the records of such clearing system as the holder of a particular amount of Notes represented by

such permanent Global Note requests in writing definitive Notes from the Agent or (iii) the Federation determines that it would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 11 which would not be suffered were the Notes in definitive form and a certificate to such effect (signed by an authorized signatory of the Federation) is delivered to the Agent for display to the Noteholders together with a request that definitive Notes be issued. In such circumstances, the Federation will cause sufficient definitive Notes to be executed and delivered as soon as practicable (and, in any event within 45 days of the occurrence of any of the circumstances described in (i) or the making of the written request described in (ii) or (iii) above) (the "***Permanent Exchange Date***") to the Bearer Agent for completion, authentication and delivery to the owners of interests in such permanent Global Notes.

3. Status of Notes

(a) Status of Senior Notes

This Condition 3(a) will apply in respect of all Senior Notes of the Federation issued hereunder.

Senior Notes constitute direct, unsecured and unsubordinated obligations of the Federation and 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 and subject to the exercise of resolution powers of the Autorité des marchés financiers (Québec) (the "**AMF**") (the "**Resolution Powers**"), if applicable. Notwithstanding the foregoing, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of the entities of the Groupe coopératif Desjardins (as defined in an Act respecting financial services cooperatives (Québec) (the "**Cooperatives Act**")) (the "**Groupe coopératif Desjardins**"), except as may be provided by law and subject to the exercise of the Resolution Powers, if applicable.

(b) Status of NVCC Subordinated Notes

This Condition 3(b) will apply in respect of all NVCC Subordinated Notes of the Federation issued hereunder.

NVCC Subordinated Notes constitute direct unsecured debt obligations representing Subordinated Indebtedness and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the NVCC Subordinated Notes shall rank:

(i) subordinate in right of payment to the prior payment in full of all Indebtedness of the Federation then outstanding other than Subordinated Indebtedness (the "**Higher Ranked Indebtedness**"), whether now outstanding or hereafter incurred;

(ii) in right of payment equally with and not prior to Subordinated Indebtedness (other than any Subordinated Indebtedness which by its terms ranks subordinate to the NVCC Subordinated Notes) of the Federation then outstanding, in each case, whether now outstanding or hereafter incurred; and

(iii) senior to (A) any instrument of the Federation that constitutes Tier 1 Capital, and (B) any Subordinated Indebtedness which by its terms ranks subordinate to the NVCC Subordinated Notes, in each case, whether now outstanding or hereafter incurred.

The Federation agrees and each Noteholder, by his, her or its acquisition of such NVCC Subordinated Notes, is deemed to irrevocably agree and shall be deemed conclusively to have agreed, for the benefit of the present and future holders of Higher Ranked Indebtedness that, upon the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Federation shall have no obligation to repay the NVCC Subordinated Notes or any interest due thereon until all Higher Ranked Indebtedness of the Federation have been reimbursed or paid, or the funds necessary to satisfy all Higher Ranked Indebtedness has been deposited for payment.

If the applicable Final Terms specify that Negative Covenant is applicable, so long as any of the applicable NVCC Subordinated Notes remain outstanding the Federation shall not create, issue or incur any Indebtedness subordinate in right of payment to the deposit liabilities of the Federation (including, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), the deposit liabilities of other entities forming part of the Groupe coopératif Desjardins) which, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, would rank in right of payment in priority to the NVCC Subordinated Notes.

Upon the occurrence of a Non-Viability Trigger Event, the subordination provisions of the NVCC Subordinated Notes will not be relevant as each outstanding NVCC Subordinated Note shall automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Noteholders (which, for the purposes of Condition 6, includes each holder of a beneficial interest in the NVCC Subordinated Notes), into fully-paid and non-assessable Class Z Shares, in accordance with Condition 6 (an "**Automatic Conversion**").

The NVCC Subordinated Notes do not constitute deposits that are insured under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act.

For the purposes of these Conditions:

"**AMF**" means the Autorité des marchés financiers (Québec), and any successor institution thereof.

"**AMF Guideline**" means the AMF Guideline for Capital Adequacy Requirements (*Ligne directrice sur les normes relatives à la suffisance du capital de base (Coopératives de services financiers*)), effective 1 January 2020, as such guideline (or any Section thereof) may be amended from time to time.

"**C$**" means Canadian Dollars.

"**Class Z Shares**" means the Class Z-Contingent Capital shares of the Federation having a par value of C$10.

"**Cooperatives Act**" means the Act Respecting Financial Services Cooperatives (CQLR, chapter C-67.3), and any statute hereafter enacted in substitution therefor, as such act, or substituted statute, may be amended from time to time.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Indebtedness**" at any time means all deposit liabilities and other liabilities of the Federation (including, as the context requires, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), all deposit liabilities and other liabilities and obligations of entities forming part of the Groupe coopératif Desjardins, namely the Federation, the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation) which in accordance with the accounting rules established for financial services cooperatives pursuant to the Cooperatives Act or with IFRS, as the case may be, would be included in determining the total liabilities of the Federation at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Federation.

"**Non-Viability Trigger Event**" means an "élément déclencheur" within the meaning set out in the AMF Guideline, Section 2.5.1, Principle 3, as such term may be amended or superseded by the AMF from time to time, which term currently provides that each of the following constitutes a triggering event:

(i) the AMF publicly announces that the Federation has been advised, in writing, that the AMF is of the opinion that the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the NVCC Subordinated Notes and other contingent instruments issued by the Federation, the viability of the Federation could be restored or maintained; or

(ii) a federal or provincial government in Canada publicly announces that the Federation has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Federation would have been determined by the AMF to be non-viable as a result of the Federation's risk-based capital ratios.

For the purposes of (ii) above, the term "equivalent support" means support for a non-viable deposit-taking institution that enhances the institution's risk-based capital ratios or its funding that is provided on terms other than normal terms and conditions. For greater certainty, and without limitation, "equivalent support" does not, for these purposes. include (i) emergency liquidity assistance provided by the Bank of Canada at or above the bank rate, (ii) open bank liquidity assistance provided by the AMF according to the Deposit Institutions Act (as defined below) at or above its cost of funds or (iii) support, including conditional, limited guarantees, provided by the AMF in accordance with the Deposit Institutions Act to facilitate a transaction, including an acquisition or amalgamation.

"**Subordinated Indebtedness**" means Indebtedness of the Federation that by its terms provides that such Indebtedness will, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, be subordinate in right of payment to all deposit liabilities and other liabilities of the Federation (including, as the context requires, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), all deposit liabilities and other liabilities and obligations of other entities forming part of the Groupe coopératif Desjardins, namely the Federation, the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation) which in accordance with the accounting rules established for financial services cooperatives pursuant to the Cooperatives Act or with IFRS, as the case may be, would be included in determining the total liabilities of the Federation at such time, other than

liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Federation, except those that, by their terms, rank equally with or are subordinate to such Indebtedness.

"**Tier 1 Capital**" means fonds propres de la catégorie 1 or fonds propres de base, within the meaning of such terms as set out in the AMF Guideline, Section 2.1.1.

"**Tier 2 Capital**" means fonds propres de la catégorie 2 or fonds propres complémentaires, within the meaning of such terms as set out in the AMF Guideline, Section 2.1.1.3.

"Total Capital" means fonds propres, within the meaning of such term as set out in the AMF Guideline, Chapter 2.

(c) Status of Bail-inable Notes

This Condition 3(c) will apply in respect of all Senior Notes issued by the Federation that are identified as "Bail-inable Notes" in the applicable Final Terms (the "**Bail-inable Notes**").

Pursuant to Section 40.50 of the Deposit Institutions and Deposit Protection Act (Québec) (the "**Deposit Institutions Act**") and regulations promulgated thereunder (including, among others, the Regulation respecting the Classes of Negotiable and Transferable Unsecured Debts and the Issuance of such Debts and of Shares (Québec) which came into force on 31 March 2019 (the "**Prescribed Debt Regulations**")), all Senior Notes issued on or after 31 March 2019 that are perpetual or have a term to maturity of more than 400 days (including explicit or embedded extension options) and that are assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and that are not otherwise excluded under the Prescribed Debt Regulations (including structured notes (as such term is defined in the Prescribed Debt Regulations)), will be identified as Bail-inable Notes in the applicable Final Terms.

By its acquisition of an interest in Bail-inable Notes, each Noteholder (which, for the purposes of this Condition 3(c), includes each holder of a beneficial interest in the Bail-inable Notes) is deemed to represent, acknowledge and is deemed to agree that:

(i) it is bound (A) by the Deposit Institutions Act, including the provisions dealing with the powers conferred on the AMF under the second paragraph of Section 40.50 of the Deposit Institutions Act and under the Prescribed Debt Regulations, and by their effect on the Bail-inable Notes, and (B) by the other laws and regulations applicable in Québec to the application of the Deposit Institutions Act and the Prescribed Debt Regulations to the Bail-inable Notes;

(ii) it attorns to the jurisdiction of the courts of Québec and, where applicable, Canada with respect to the application of the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes;

(iii) it has represented and warranted to the Issuer that the Issuer has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in the Bail-inable Notes; and

(iv) the items mentioned in subparagraphs (i) and (ii) are binding on it despite any terms of the Bail-inable Notes (including the provisions of these Conditions), any other law governing the Bail-inable

Notes or any agreement, arrangement or understanding between the parties with respect to the Bail-inable Notes.

Each Noteholder (or beneficial owner) of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary markets and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such Noteholder (or beneficial owner) shall be deemed to acknowledge, accept and agree to be bound by, and consent to, the same provisions specified herein to the same extent as the Noteholders (or beneficial owners) that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by, and consent to, the terms of the Bail-inable Notes related to the Resolution Powers (including the Bail-in Powers).

Noteholders (and beneficial owners) of Bail-inable Notes will have no further rights in respect of such Bail-inable Notes to the extent that such Bail-inable Notes are, in whole or in part, written-off or converted into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion ("**Conversion Securities**") carried out for the purposes of the resolution of the Federation (a "**Bail-in Conversion**") by the AMF pursuant to Section 40.50 of the Deposit Institutions Act and regulations promulgated thereunder (including, among others, the Prescribed Debt Regulations) (the "**Bail-in Powers**"), other than those rights provided under the recapitalization regime (including under the indemnification process) for Québec domestic systemically important financial institutions belonging to a cooperative group (the "**Bail-in Regime**"); and by its acquisition of an interest in the Bail-inable Notes, each Noteholder or beneficial owner of a Bail-inable Note is deemed to irrevocably consent to the write-off of the written-off portion, or the conversion pursuant to a Bail-in Conversion of the converted portion, of the principal amount of such Bail-inable Note (and any accrued and unpaid interest thereon), as applicable with, in the case of the Bail-in Conversion, the converted portion of the principal amount of such Bail-inable Note (and any accrued and unpaid interest thereon) being deemed paid in full by the issuance of Conversion Securities upon the occurrence of a Bail-in Conversion, which Bail-in Conversion shall occur without any further action on the part of that Noteholder (or beneficial owner or any Agent); provided that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that Noteholder or beneficial owner provided for under the Bail-in Regime.

By its acquisition of an interest in a Bail-inable Note, each Noteholder or beneficial owner of an interest in such Bail-inable Note is deemed to have authorised, directed and requested Euroclear and Clearstream, Luxembourg and any direct participant in such clearing system or other intermediary through which it holds such Bail-inable Note to take any and all necessary action, if required, to implement the write-off of Bail-inable Notes pursuant to the exercise of Bail-in Powers or Bail-in Conversion or any other action pursuant to the Resolution Powers (including the Bail-in Powers) with respect to any Bail-inable Note, as may be imposed on it, without any further action or direction on the part of that Noteholder (or beneficial owner or any Agent), except as may be required in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or the intermediary, as applicable.

(d) Waiver of set-off and netting rights in relation to Bail-inable Notes

No Noteholder or beneficial owner of an interest in the Bail-inable Notes may exercise, or direct the exercise, claim or plead any right of set-off, netting, compensation or retention in respect of any amount

owed to it by the Federation arising under, or in connection with, the Bail-inable Notes, and each Noteholder or beneficial owner of an interest in the Bail-inable Notes shall, by virtue of its acquisition of any Bail-inable Note (or an interest therein), be deemed to have irrevocably and unconditionally waived all such rights of set-off, netting, compensation or retention. Notwithstanding the foregoing, if any amounts due and payable to any Noteholder or beneficial owner of an interest in the Bail-inable Notes by the Federation in respect of, or arising under, the Bail-inable Notes are purportedly discharged by set-off, netting, compensation or retention, without limitation to any other rights and remedies of the Federation under applicable law, such Noteholder or beneficial owner of an interest shall be deemed to receive an amount equal to the amount of such discharge and, until such time as payment of such amount is made, shall hold such amount in trust for the Federation and, accordingly, any such discharge shall be deemed not to have taken place and such set off, netting, compensation or retention shall be ineffective.

(e) Status of all Notes

At the date hereof, all liabilities for borrowed money of the Federation are unsecured.

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation, under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act or by any governmental agency and are not guaranteed by any member of Desjardins Group (as described in the Base Prospectus referred to in the applicable Final Terms).

4. Interest

(a) Fixed Rate Note and Fixed Rate Reset Note Provisions

This Condition 4(a) applies to Fixed Rate Notes and Fixed Rate Reset Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and fixed rate reset interest and must be read in conjunction with this Condition 4(a) (and, in the case of the Day Count Fractions applicable to Fixed Rate Reset Notes, Condition 4(b)) for full information on the manner in which interest is calculated on Fixed Rate Notes and Fixed Rate Reset Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Reset Periods, Reset Dates and Reset Rate(s) (if applicable), the Maturity Date, the Fixed Coupon Amount (if applicable), any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, any applicable Determination Date and any Calculation Agent.

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date so specified if that does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the initial Broken Amount specified in the applicable Final Terms. If the Maturity Date is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to but excluding the Maturity Date will amount to the final Broken Amount specified in the applicable Final Terms.

Interest will be paid, in respect of Fixed Rate Notes, subject to and in accordance with the provisions of Condition 8.

If the Fixed Rate Notes are in definitive form, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on and including such date will, where an applicable Fixed Coupon Amount and, if applicable, Broken Amount are specified in the applicable Final Terms, amount to such Fixed Coupon Amount and, if applicable, Broken Amount.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount and, if applicable, Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

1. in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

2. in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In the case of Notes for which Adjusted Fixed Interest Periods is specified to be applicable in the applicable Final Terms:

(A) where (x) there is not a numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day, then such Interest Payment Date shall be adjusted, as specified in the relevant Final Terms, for payment and interest accrual purposes in accordance with the Business Day Convention (as defined in Condition 4(b)(i)) specified in the applicable Final Terms, where "**Business Day**" shall be as defined in Condition 4(b)(i); and

(B) the Calculation Agent will cause the amount of interest per Calculation Amount for each Fixed Interest Period and the relevant Interest Payment Date to be notified to the Issuer as soon as possible after determination. The Issuer will cause any such amount to be notified by the relevant Fiscal Agent (in the case of Fixed Rate Notes which are listed on the Official List of the Central Bank of Ireland and admitted to trading on the regulated market of Euronext Dublin) to Euronext Dublin and, if applicable to any other stock exchange or other relevant authority on which the relevant Fixed Rate Notes are for the time being listed or admitted to trading, and to be given in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each amount of interest per Calculation Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant Fixed Interest Period.

For these purposes, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

Each Fixed Rate Reset Note bears interest on its outstanding nominal amount:

(i) from and including the Interest Commencement Date up to but excluding the First Reset Date at the Initial Rate of Interest;

(ii) in the First Reset Period, at the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, subject as provided in this Condition 4(a), in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 4(a) provided that, where specified in the applicable Final Terms, a Day Count Fraction outlined in Condition 4(b)(iii) may apply to a Fixed Rate Reset Note.

Save as otherwise provided herein, the provisions applicable to Fixed Rate Notes shall apply to Fixed Rate Reset Notes.

For the purposes of these Conditions:

"***Anniversary Date(s)***" means each date specified as such in the applicable Final Terms;

"***Benchmark Gilt***" means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Calculation Agent, with the advice of the Reset Reference Banks, may determine to be appropriate;

"***Benchmark Gilt Rate"*** means, in respect of a Reset Period, the gross redemption yield (as calculated by the Calculation Agent, after consultation with the Federation, in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reset Reference Banks at 3:00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the First Reset Period, the Benchmark Gilt Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Calculation Agent***" shall mean, for the purposes of the definitions in relation to Fixed Rate Reset Notes (including without limitation any Subsequent Reset Rate of Interest), the Issuer or, if so specified in the applicable Final Terms, a financial institution of international repute appointed by the Federation at its own expense for these purposes and in no event shall be the Fiscal Agent.

"***Day Count Fraction***" means in respect of the calculation of an amount of interest in accordance with this Condition 4(a) for any period of time (from and including the first day of such period to but excluding the last) (which may be for a Fixed Interest Period or, if applicable, the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date) (the "**Calculation Period**"):

(A) if "***Actual/Actual (ICMA)***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes or any Fixed Rate Reset Notes:

(a) in the case of Notes where the number of days in the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(B) if "***30/360***" is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a 360-day year consisting of 12 months of 30 days) divided by 360;

(C) if "***Actual/360***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes, the actual number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360; and

(D) if "***Actual/365 (Fixed)***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes, the actual number of days in the Calculation Period divided by 365;

"***dealing day***" means a day, other than a Saturday or Sunday, on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

"*Determination Date*" means the date specified in the applicable Final Terms or, if none is specified, it means the Interest Payment Date;

"***Determination Period***" means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"***First Reset Date***" means the date specified as such in the applicable Final Terms;

"***First Reset Period***" means the period from and including the First Reset Date up to but excluding the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the date fixed for redemption of the Notes (if any);

"***First Reset Rate of Interest***" means the rate of interest as determined by the Calculation Agent on the Reset Determination Date corresponding to the First Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"***Fixed Interest Period***" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

"***Initial Rate of Interest***" means the initial rate of interest per annum specified in the applicable Final Terms;

"***Margin***" means the margin (expressed as a percentage) in relation to the relevant Reset Period specified as such in the applicable Final Terms;

"***Mid-Swap Quotations***" means the arithmetic mean of the bid and offered rates:

(i) if the Specified Currency is Sterling, for a semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Sterling which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(h)) the 6-month LIBOR rate (calculated on an Actual/365 day count basis), unless as otherwise specified in the applicable Final Terms;

(ii) if the Specified Currency is euro, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(h)) the 6-month EURIBOR

rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the applicable Final Terms;

(iii) if the Specified Currency is US dollars, for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in US dollars which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(h)) the 3-month LIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the applicable Final Terms ; and

(iv) if the Specified Currency is not Sterling, euro or US dollars, for the Fixed Leg (as set out in the Final Terms) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a Floating Leg (as set out in the applicable Final Terms , and subject as otherwise provided pursuant to Condition 4(h));

"***Mid-Swap Rate***" means in respect of a Reset Period, (i) the applicable semi-annual or annualised (as specified in the applicable Final Terms) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the applicable Final Terms) as displayed on the Screen Page at 11:00 a.m. or any other Relevant Time specified in the applicable Final Terms (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than semi-annual or annual Interest Payment Dates, shall be adjusted by and in the manner determined by, the Calculation Agent, after consultation with the Federation) or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 4(h)), the relevant Reset Reference Bank Rate;

"***Reference Bond***" means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Calculation Agent in its discretion after consultation with the Federation as having an actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Calculation Agent, after consultation with the Federation) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of comparable maturity to the relevant Reset Period;

"***Reference Bond Dealer***" means each of five banks which are primary government securities dealers or market makers in pricing corporate bond issuances, as selected by the Calculation Agent in its discretion after consultation with the Federation;

"***Reference Bond Dealer Quotations***" means, with respect to each Reference Bond Dealer and the Reset Determination Date, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) as

at approximately 11:00 a.m. (or any other Relevant Time as specified in the applicable Final Terms) in the principal financial centre of the Specified Currency on the Reset Determination Date and quoted in writing to the Calculation Agent by such Reference Bond Dealer;

"***Reference Bond Price***" means, with respect to a Reset Determination Date, (a) the arithmetic mean of the Reference Bond Dealer Quotations for that Reset Determination Date, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than four such Reference Bond Dealer Quotations, the arithmetic mean of all such quotations, or (c) if the Calculation Agent obtains only one Reference Bond Dealer Quotation or if the Calculation Agent obtains no Reference Bond Dealer Quotations, the Subsequent Reset Rate of Interest shall be that which was determined on the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Reference Bond Rate***" means, in respect of a Reset Period, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price;

"***Reset Determination Date***" means, in respect of a Reset Period, (a) each date specified as such in the applicable Final Terms or, if none is so specified, (b) (i) if the Specified Currency is Sterling, the first Business Day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two TARGET2 Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period and, (iv) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

"***Reset Date***" means each of the First Reset Date, the Second Reset Date and each of the Anniversary Dates (if any) as is specified in the applicable Final Terms;

"***Reset Period***" means the First Reset Period or a Subsequent Reset Period;

"***Reset Rate***" means (a) if 'Mid-Swap Rate' is specified in the applicable Final Terms, the relevant Mid-Swap Rate; (b) if 'Benchmark Gilt Rate' is specified in the applicable Final Terms, the relevant Benchmark Gilt Rate; or (c) if 'Reference Bond Rate' is specified in the applicable Final Terms, the relevant Reference Bond Rate;

"***Reset Reference Bank Rate***" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (or any other Relevant Time specified in the applicable Final Terms) in the principal financial centre of the Specified Currency on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are

provided, the Reset Reference Bank Rate will be determined by (i) in the case of each Reset Period other than the First Reset Period, the Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Reset Reference Banks***" means (i) in the case of the calculation of a Reset Reference Bank Rate, five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Federation or (ii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers selected by the Calculation Agent in its discretion after consultation with the Federation;

"***Screen Page***" means Reuters screen page "ICESWAP1", "ICESWAP2", "ICESWAP3", "ICESWAP4", "ICESWAP5" or "ICESWAP6" as specified in the applicable Final Terms or such other page on Thomson Reuters or any other information service as is specified in the applicable Final Terms, or such other screen page as may replace it on Thomson Reuters or any other information service or, as the case may be, on such other information service that may replace Thomson Reuters or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

"***Second Reset Date***" means the date specified as such in the applicable Final Terms;

"***Subsequent Reset Period***" means the period from and including the Second Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

"***Subsequent Reset Rate of Interest***" means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent on the Reset Determination Date corresponding to such Subsequent Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"***sub-unit***" means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.;

"***Swap Rate Period***" means the period or periods specified as such in the applicable Final Terms; and

"***U.S. Government Securities Business Day***" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(b) Floating Rate Note Provisions

This Condition 4(b) applies, save in relation to the Day Count Fractions specified in Condition 4(b)(iii), to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify, as applicable, any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the

applicable Business Day definition, the Business Day Convention, any Additional Business Centers, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Fiscal Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify, among other items, the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s), Reference Banks and Relevant Screen Page.

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an "***Interest Payment Date***") in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each, an "***Interest Payment Date***") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest shall be payable in respect of each Interest Period. In these Conditions, "***Interest Period***" means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(5) No Adjustment, such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

In this Condition 4, "***Business Day***" means a day which is both:

(a) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and any Additional Business Centre (other than TARGET2) specified in the applicable Final Terms and if TARGET2 is specified as an Additional Business Centre, a TARGET2 Business Day (as defined below); and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London) and any Additional Business Centre (other than TARGET2) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) ("***TARGET2***") is open (a "***TARGET2 Business Day***").

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in one of the manners set out below and specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus the Margin (if any, as indicated in the applicable Final Terms). For the purposes of this Condition 4(b)(ii), "***ISDA Rate***" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "***ISDA Definitions***") and under which:

(1) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms;

(2) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date (as defined in the ISDA Definitions) is either:

(A) if the relevant Floating Rate Option is based on LIBOR or EURIBOR, the first day of the Interest Period; or

(B) in any other case, the day as specified in the applicable Final Terms.

The ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined below) in the event that the specified Floating Date is not available and such provisions shall apply to Floating Rate Notes as if incorporated in these Conditions.

For the purposes of this sub-paragraph (A), "***Floating Rate***", "***Calculation Agent***", "***Floating Rate Option***", "***Designated Maturity***" and "***Reset Date***" have the meanings given to those terms in the ISDA Definitions, provided that for these purposes, the Calculation Agent shall, in no event, be the Fiscal Agent.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Calculation Agent will be deemed to have discharged its obligations under Condition 4(b)(iii) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) Screen Rate Determination by Calculation Agent for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the rate (if there is only one quotation on the Relevant Screen Page); or

(2) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the offered rates,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the Interest Determination Date (as defined herein) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

(C) If, in the case of (B)(1) above, no such rate appears or, in the case of (B)(2) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period

shall, subject as provided below, be the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the rates at which the Calculation Agent is advised by the principal Relevant Financial Centre office of all Reference Banks that deposits in the Specified Currency of a duration equal to such Interest Period are offered in the Relevant Financial Centre interbank market to leading banks by the Reference Banks as at 11:00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

(D) If on any Interest Determination Date to which sub-paragraph (C) above applies two or three only of the Reference Banks advise the Calculation Agent of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below, be determined as in sub-paragraph (C) above on the basis of the rates of those Reference Banks advising such rates.

(E) If on any Interest Determination Date to which sub-paragraph (C) above applies one only or none of the Reference Banks advises the Calculation Agent of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below, be whichever is the higher of:

(1) the Rate of Interest in effect for the last preceding Interest Period to which sub-paragraphs (B), (C) and (D) above shall have applied (minus or plus (as appropriate), where a different Margin is to be applied to the next Interest Period to that which applied to the last preceding Interest Period, the Margin relating to that last preceding Interest Period, plus or minus (as appropriate) the Margin for the next Interest Period); and

(2) the reserve interest rate (the "***Reserve Interest Rate***") which shall be the rate per annum which the Calculation Agent determines to be either (x) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the lending rates for the Specified Currency which banks selected by the Issuer in the Principal Financial Centre of the country of the Specified Currency (other than euro, in which event, the Principal Financial Centre shall be of those member states that are participating in European economic and monetary union whose lawful currency is euro) are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Issuer, being so made plus or minus (as appropriate) the Margin (if any), or (y) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which banks selected by the Issuer in the Principal Financial Centre of the country of the Specified Currency (other than euro, in which event, the Principal Financial Centre shall be of those member states that are participating in European economic and monetary union whose lawful currency is euro) are quoting on such Interest Determination Date to leading European banks for the next Interest Period plus or minus (as appropriate) the Margin (if any), provided that if the banks selected as aforesaid

by the Issuer are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (1) above.

(F) If the relevant Reference Rate is specified in the applicable Final Terms as being SONIA, then Conditions 4(b)(ii)(B) – (E) shall not apply to the Notes and, subject to Condition 4(h):

(1) the Rate of Interest for each Interest Accrual Period (as defined below) shall, subject as provided below, be Compounded Daily SONIA, as determined by the Calculation Agent, plus or minus (as indicated in the applicable Final Terms) the Margin.

(2) If, in respect of any London Banking Day in the relevant Interest Accrual Period, the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

(3) Notwithstanding sub-paragraph (2) above, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that is reasonably practicable and as set forth in a direction from the Issuer in writing, follow such guidance in order to determine SONIA, for purposes of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

(4) If, on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (1) to (3) above, the Rate of Interest for the relevant Interest Accrual Period shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(5) As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) such other period (if any) in respect of which interest is to be calculated being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, in the case of the scheduled final or early redemption of any Notes, shall be such redemption date, and in other cases where the relevant Series of Notes becomes due and payable in accordance with Condition 12, shall be the date on which such Notes become due and payable).

(6) If the relevant Series of Notes becomes due and payable in accordance with Condition 12, the final Rate of Interest shall be calculated for the Interest Accrual Period up to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 4(d).

(G) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such minimum, and if a Maximum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Rate of Interest for such Interest Period shall in no event exceed such maximum. Unless otherwise specified in the applicable Final Terms, the Minimum Rate of Interest shall be zero.

(H) In this Condition:

"***Compounded Daily SONIA***" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment corresponding to such Interest Accrual Period (with the SONIA rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place with 0.00005 per cent being rounded upwards:

Where:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"***d***" is the number of calendar days in the relevant Interest Accrual Period;

"***do***" is the number of London Banking Days in the relevant Interest Accrual Period;

"***i***" is a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period;

"***London Banking Day***" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"***ni***", for any London Banking Day "i", means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"***Observation Look-Back Period***" is as specified in the applicable Final Terms;

"***p***", for any Interest Accrual Period, is the number of London Banking Days included in the Observation Look-Back Period, as specified in the applicable Final Terms and which should not be specified in the applicable Final Terms as less than five without the prior agreement of the Calculation Agent;

"***SONIA Reference Rate***", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"***SONIAi-pLBD***" means, in respect of any London Banking Day "i" falling in the relevant Interest Accrual Period, the SONIA Reference Rate for the London Banking Day "i" falling "p" London Banking Days prior to the relevant London Banking Day "i";

"***Calculation Agent"*** means, except with respect to Subsequent Reset Rates of Interest in relation to Fixed Rate Reset Notes, the relevant Fiscal Agent or such other entity specified in the applicable Final Terms as the person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s) or such other amounts as may be specified in the applicable Final Terms.

"***EURIBOR***" means the Euro-zone interbank offered rate.

"***Eurozone***" means the region comprised of Member States of the European economic and monetary union that adopt the euro as the single currency in accordance with the Treaty establishing the European Community, as amended.

"***LIBOR***" means the London interbank offered rate.

"***Principal Financial Centre***" means:

(i) in relation to any currency other than euro:

(a) the place specified as such in the applicable Final Terms; or

(b) if no place is specified in the applicable Final Terms as aforesaid, the principal financial centre for that currency or, if there is more than one principal financial centre for that currency, one of the principal financial centres selected by the Issuer; and

(ii) in relation to euro, it means the principal financial centre or centres of such Member State or Member States as is selected by the Issuer.

"***Reference Banks***" has the meaning given in the applicable Final Terms or, if none is specified, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

"***Relevant Financial Centre***" has the meaning in the applicable Final Terms.

"***Reference Rate***" means LIBOR, EURIBOR or SONIA as specified in the applicable Final Terms or, in the case of Exempt Notes, any other reference rate as specified in the applicable Pricing Supplement.

"***Relevant Screen Page***" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms for the purposes of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information services, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of deploying rates or prices comparable to that Reference Rate.

"***Specified Time***" means the time as of which the rate to be determined as specified in the applicable Final Terms (which, in the case of LIBOR, means London time or, in the case of EURIBOR, means Central European time) or, if none is specified, at which it is customary to determine sure rate.

(iii) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the Specified Time on each "***Interest Determination Date***", determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms) for the relevant Interest Period. The Calculation Agent will calculate the amount of interest (each an "***Interest Amount***") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified

Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Notes shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The determination of the Rate of Interest and calculation of each Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

"***Day Count Fraction***" means, in respect of the calculation of an amount of interest in accordance with Condition 4(b) for any Calculation Period:

(A) if "***Actual/Actual***" or "***Actual/Actual (ISDA)***" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(B) if "***Actual/365 (Fixed)***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(C) if "***Actual/365 (Sterling)***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case the last day of the Calculation Period falls in a leap year, 366;

(D) if "***Actual/360***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(E) if "***30/360***", "***360/360***" or "***Bond Basis***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"***D_1***" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"***D_2***" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "***30E/360***" or "***Eurobond Basis***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"***Y_1***" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"***Y_2***" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***M_1***" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"***M_2***" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***D_1***" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"***D_2***" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(G) if "***30E/360 (ISDA)***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"***Y_1***" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"***Y_2***" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***M_1***" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"***M_2***" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***D_1***" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"***D_2***" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(iv) Linear Interpolation

Where Linear Interpolation is specified as being applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as are designated by the Issuer in writing to the Calculation Agent.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(v) Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and the Interest Amount for each Interest Period (or Interest Accrual Period, as the case may be) and the relevant Interest Payment Date to be notified by the relevant Fiscal Agent (in the case of Floating Rate Notes which are listed on the Official List and admitted to trading on the regulated market of Euronext Dublin) to Euronext Dublin and, if applicable, to any other stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or admitted to trading, and to be given in accordance with the provisions of Condition 17 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (and no later than the second London Banking Day thereafter in the case of Notes where the applicable Final Terms specify the Reference Rate as being SONIA). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period (or Interest Accrual Period, as the case may be). Any such amendment will be promptly notified by the relevant Fiscal Agent to each stock exchange on which this Note, if it is a Floating Rate Note, is for the time being listed. For the purposes of this subparagraph (v), the expression "***London Business Day***" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

(vi) Reference Banks

If the Reference Banks are specified in the applicable Final Terms and unless otherwise stated in these Terms and Conditions, the initial Reference Banks (four or more) will be the principal London offices in the case of LIBOR or principal Eurozone offices in the case of EURIBOR of such specified bank. The Federation will procure that, so long as any Floating Rate Note remains outstanding, in the case of any bank being unable or unwilling to continue to act as a Reference Bank, the Federation shall appoint the London office of some other leading bank engaged in the Eurodollar market to act as such in its place.

(c) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 5(e)(iii)(B). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the relevant Final Terms.

(d) Accrual of Interest

Each Note will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note; and (ii) the day on which the relevant Fiscal Agent has notified the holder thereof (either in accordance with Condition 17 or individually) of receipt of all sums due in respect thereof up to that date. Such interest will accrue at a rate per annum equal to (A) the Fixed Rate, in the case of Fixed Rate Notes; (B) the Amortisation Yield, in the case of Zero Coupon Notes; or (C) the Rate of Interest in the case of Floating Rate Notes.

(e) Interest Act (Canada) Disclosure

For the purposes of disclosure pursuant to the Interest Act (Canada), where in any Note a rate of interest is to be calculated on the basis of a year of 360 days (or any period that is less than a calendar year), the yearly rate of interest to which the 360 day (or such other applicable period that is less than a calendar year) rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360 (or such other period that is less than a calendar year, as the case may be).

The Issuer confirms that it fully understands and is able to calculate the rate of interest applicable to the Notes based on the methodology for calculating per annum rates provided for in the paragraph above if applicable. The Issuer hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Notes or any transaction document, that the interest payable under the Notes and the calculation thereof has not been adequately disclosed to the Issuer, whether pursuant to Section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

(f) Coupon Switch Option Provisions

(i) *Application:* This Condition 4(f) is applicable to the Notes only if the Coupon Switch Option is specified in the applicable Final Terms and each such Note shall bear interest on the following basis.

(ii) The Final Terms shall specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable to the Notes from (and including) the Issue Date to (but excluding) the Coupon Switch Option Date. The Final Terms shall also specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 4(f) only, shall be five Business Days prior to the Coupon Switch Option Date or such other notice period as may be specified in the Final Terms) to exercise its Coupon Switch Option, from (and including) the Coupon Switch Option Date, interest shall accrue on the basis set out in the applicable Final Terms as applying following the Coupon Switch Date.

For the purpose of this Condition 4(f), "***Business Day***" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in the Principal Financial Centre (as defined in Condition 4(b)(ii)(H)) and any Additional Business Centres (other than TARGET2) specified in the applicable Final Terms and if TARGET2 is specified as an Additional Business Centre, a TARGET2 Business Day.

(g) Exempt Notes

The rate or amount of interest in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Exempt Notes are Index Linked Interest Notes, the provisions of Condition 4(b) and other related provisions of Condition 4 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes were references to Index Linked Interest Notes.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Exempt Note and otherwise as specified in the applicable Pricing Supplement.

(h) Benchmark Discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part(s) thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(h)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(h)(iii)) and any Benchmark Amendments (in accordance with Condition 4(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(h) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(h).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(h)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(h)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate (as the case may be) and the applicable Adjustment Spread (if any) is determined in accordance with this Condition 4(h) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(h)(v), vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

No consent of Noteholders or Couponholders shall be required in connection with effecting the relevant Successor Rate or Alternative Rate (as may be applicable), any Adjustment Spread and/or any Benchmark Amendments, or varying these Conditions and/or the Agency Agreement to give effect to such changes pursuant to this Condition 4(h), including the execution of any documents thereto or the taking of any steps by the Issuer or any parties to any relevant documents (if required).

In connection with any such variation in accordance with this Condition 4(h)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(h) will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Successor Rate or Alternative Rate (as may be applicable), the Adjustment Spread and/or the Benchmark Amendments, if any.

No later than one Business Day following the date of notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(h); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate (as the case may be) and the applicable Adjustment Spread.

The Fiscal Agent shall make available such certificate at its offices for inspection by the Noteholders, upon reasonable request, at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

In no event shall the Calculation Agent be responsible for choosing any substitute for any Original Reference Rate, or for making any adjustments to any Substitute Rate or Alternative Rate or Adjustment Spread thereon, the Business Day Convention, Interest Determination Dates, Reset Determination Date or any other relevant methodology for calculating any such Substitute Rate or Alternative Rate or Adjustment Spread, or for determining whether any Benchmark Event has occurred, even in circumstances where the Issuer has not made such determinations. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or any Independent Adviser in compliance with this Condition 4(h) and will have no liability in connection with the foregoing or for such actions taken at the direction of the Issuer. At no time shall the Calculation Agent have any responsibility in connection therewith.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(h) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 4(a) or 4(b)(ii) will continue to apply unless and until the Fiscal Agent has been notified of the Successor Rate or the Alternative Rate

(as the case may be), and in either case, the applicable Adjustment Spread (if any) and Benchmark Amendments, in accordance with Condition 4(h)(v).

For the avoidance of doubt, if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date or Reset Determination Date, as the case may be, no Successor Rate or Alternative Rate (as the case may be) is determined pursuant to this Condition 4(h), the original benchmark or screen rate (as applicable) and the fallback provisions provided for in Conditions 4(a) or 4(b)(ii) will continue to apply for the purposes of determining such Rate of Interest (or component part(s) thereof) on such Interest Determination Date or Reset Determination Date, as the case may be.

For the avoidance of doubt, the foregoing paragraph shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date or Reset Determination Date, as the case may be, only, and the Rate of Interest applicable to any subsequent Interest Periods or Reset Periods, as the case may be is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(h).

(vii) Definitions:

As used in this Condition 4(h):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and:

(A) in the case of a Successor Rate, is the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) if no such recommendation in the case of a Successor Rate has been made and, at all times in the case of an Alternative Rate, is the spread, formula or methodology which the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(C) if the Issuer determines that no such industry standard is recognised or acknowledged, is the spread, formula or methodology which the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines to be appropriate.

"**Alternative Rate**" means an alternative to the Reference Rate which the Issuer determines in accordance with Condition 4(h)(ii) has replaced the Original Reference Rate in customary market usage

in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part(s) thereof) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(h)(iv).

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist or be published; or

(B) the later of (a) the date of a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely and no successor administrator has been appointed that will continue publication of the Original Reference Rate and (b) the date falling six months prior to the specified date referred to in (a); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) the later of (a) the date of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences on or before a specified date, and (b) the date falling six months prior to the specified date referred to in (a); or

(E) it has or will prior to the next Interest Determination Date or Reset Determination Date become unlawful for the Fiscal Agent, any other Paying Agent, any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (as amended from time to time), if applicable); or

(F) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative of its relevant underlying market or may no longer be used.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer, at its own expense, under Condition 4(h)(i).

"**Original Reference Rate**" means either (i) the originally-specified benchmark or screen rate (as applicable) used to determine the relevant Rate of Interest (or any component part(s) thereof including, without limitation, any component mid-swap floating leg) on the Notes or (ii) any Successor Rate or Alternative Rate which replaces the Original Reference Rate pursuant to the operation of this Condition 4(h).

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(A) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank for the currency to which the Reference Rate relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. Redemption and Purchase

(a) At Maturity

Unless previously repaid, each Note will be repaid by the Federation at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Early Redemption for Tax Reasons and upon a Special Event and TLAC Disqualification Event

(i) Early Redemption for Tax Reasons

If, as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or in the administration or interpretation of any such laws or regulations, which change becomes effective on or after the latest Issue Date of the Notes of this Series, the Federation would, on the occasion of the next payment due in respect of the Notes of this Series, be required to pay additional amounts as provided in Condition 11, the Federation may, at its option, having given not more than the maximum period nor less than the minimum period of notice specified in the applicable Final Terms to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of this Series and provided that, in the case of Bail-inable Notes where the redemption would lead to a breach of the Federation's TLAC requirements, such redemption will be subject to the prior written approval of the AMF and, in relation to the redemption of NVCC Subordinated Notes in all cases, such redemption will be subject to the prior written approval of the AMF, at any time or, if the Notes of this Series are Floating Rate Notes, on any Interest Payment Date redeem all, but not some, of the Notes of this Series, each at its Early Redemption Amount referred to in Condition 5(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption. Upon the expiry of such notice, the Federation shall be bound to redeem the Notes of this Series accordingly.

(ii) Early Redemption upon Special Event

This Condition 5(b)(ii) applies to NVCC Subordinated Notes only.

The Federation may, at its option at any time on or after a Special Event Redemption Date, with the prior written approval of the AMF and having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of the relevant Series at any time redeem all (but not less than all) of the NVCC Subordinated Notes, each at its Early Redemption Amount referred to in Condition 5(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption.

For the purposes of this Condition 5(b)(ii):

"**Regulatory Event**" means, as determined in a letter from the AMF to the Federation, the date on which the NVCC Subordinated Notes will no longer be recognized in full as eligible Tier 2 Capital of the Federation or will no longer be eligible to be included in full as risk-based Total Capital on a consolidated basis under the AMF Guideline.

"**Relevant Taxing Jurisdiction**" means the government of Canada, any province or territory of Canada or any political subdivision or any authority or agency therein or thereof having power to tax, or within any other jurisdiction in which the Federation is constituted, organized, or is otherwise carrying on business in, or is otherwise resident for tax purposes or any jurisdiction from or through which payments made by or on behalf of the Federation under or with respect to the NVCC Subordinated Notes are made.

"**Special Event**" means a Regulatory Event or a Tax Event, as the case may be.

*"***Special Event Redemption Date**" means the date of the occurrence of a Regulatory Event or Tax Event, as the case may be.

"**Tax Event**" means the Federation has received an opinion of independent counsel of recognized standing experienced in such matters to the effect that, as a result of:

(i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of any Relevant Taxing Jurisdiction;

(ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "**Administrative Action**"); or

(iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position,

in the case of each of (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority (irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of the issue of the NVCC Subordinated Notes), there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Federation is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid up capital with respect to the NVCC Subordinated Notes or the treatment of the NVCC Subordinated Notes (including the treatment by the Federation of interest

on the NVCC Subordinated Notes), as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority.

(iii) Early Redemption due to TLAC Disqualification Event

This Condition 5(b)(iii) applies to Bail-inable Notes only.

Where a TLAC Disqualification Event Call is specified as being applicable in the relevant Final Terms relating to a Series of Bail-inable Notes, the Federation may, having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of the relevant Series at any time within 90 days following a TLAC Disqualification Event, redeem all, but not some, of the Notes of the relevant Series, each at its Early Redemption Amount referred to in Condition 5(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption.

A "**TLAC Disqualification Event**" means the AMF has advised the Federation in writing that the relevant Series of Bail-inable Notes will no longer be recognized in full as TLAC under the AMF's guideline on Total Loss Absorbing Capacity in effect from time to time as interpreted by the AMF, provided that a TLAC Disqualification Event will not occur where the exclusion of the relevant Series of Bail-inable Notes from the Federation's TLAC requirements is due to the remaining maturity of such Series of Bail-inable Notes being less than any period prescribed by any relevant eligibility criteria applicable as of the Issue Date of the first Tranche of such Series of Bail-inable Notes.

(c) Early Redemption at the Option of the Federation (Issuer Call Option)

*This Condition 5(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for tax reasons, a Special Event or a TLAC Disqualification Event), such option being referred to as an "**Issuer Call**". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, whether the Notes are redeemable in part and any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.*

If an Issuer Call Option is specified in the applicable Final Terms, the Federation may, having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of this Series, redeem all or, if so specified in the Final Terms, some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) indicated in the applicable Final Terms together, if appropriate, with interest accrued to, but excluding any such Optional Redemption Date(s), provided that, in respect of NVCC Subordinated Notes, such redemption takes place on or after the First Call Date which shall be at least 5 years following the Issue Date and provided further that, in respect of Bail-inable Notes where the redemption would lead to a breach of the Federation's TLAC requirements and, in respect of NVCC Subordinated Notes at all times, such redemption will be subject to the prior written approval of the AMF. For the purposes of this Condition 5(c), First Call Date shall have the meaning given to it in the applicable Final Terms.

In the event of a redemption of some only of such Notes, such redemption must be for an amount not less than the Minimum Redemption Amount or not greater than the Maximum Redemption Amount, as indicated in the applicable Final Terms. In the case of a partial redemption of Definitive Bearer Notes, the Notes to be repaid will be selected individually by lot not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 17 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a Global Note, the relevant Notes will be redeemed in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, such partial redemption to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion. Notes denominated in sterling may only be redeemed pursuant to this paragraph following one year from the Issue Date.

(d) Early Redemption at the Option of the Noteholders (Noteholder Put Option)

*This Condition 5(d) applies to Notes (other than Bail-inable Notes or NVCC Subordinated Notes) which are subject to redemption prior to the Maturity Date at the option of Noteholders, such option being referred to as a "**Noteholder Put Option**". The applicable Final Terms contain provisions applicable to any Noteholder Put Option and must be read in conjunction with Condition 5(d) for full information on any Noteholder Put Option. In particular, the Final Terms will identify the Option Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.*

If and to the extent a Noteholder Put Option is specified in the applicable Final Terms, upon the holder of any Note (other than a Bail-inable Note and an NVCC Subordinated Note) giving to the Federation in accordance with Condition 17 not more than the maximum period nor less than the minimum period of notice as specified in the applicable Final Terms, the Federation will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together, if appropriate, with interest accrued to, but excluding such Optional Redemption Date.

To exercise the right to require redemption of any Note the holder of the relevant Note must, if the relevant Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form supplied by the Issuer to the Paying Agent, (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note, the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note the terms of which require presentation for recording changes to its nominal amount, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph (d) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 12.

(e) Early Redemption Amounts

For the purposes of paragraph (b) above and Condition 12, Notes will be redeemed at an amount (the "***Early Redemption Amount***") calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be greater or less than the Issue Price, at the amount set out in the applicable Final Terms; or

(iii) in the case of Zero Coupon Notes, at an amount (the "***Amortised Face Amount***") equal to the sum of:

(A) (i) the Reference Price specified in the applicable Final Terms; and

(ii) (a) if Compounding Accrual is specified in the applicable Final Terms, the product of the Accrual Yield (compounded annually) being applied to the Reference Price or (b) if Linear Accrual is specified in the applicable Final Terms, the product of the Accrual Yield (without any compounding) being applied to the Reference Price,

where:

"***Accrual Yield***" means the rate specified as such in the applicable Final Terms; and

"***Reference Price***" means the amount specified as such in the applicable Final Terms, which is the product of the Issue Price and the Calculation Amount,

from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or

(B) if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(b) above or upon its becoming due and repayable as provided in Condition 12 is not paid or available for payment when due, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note

calculated as provided above as though the references in Condition 5(e)(iii)(A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "***Reference Date***") which is the earlier of:

(1) the date on which all amounts due in respect of the Note have been paid; and

(2) the date on which the full amount of the moneys repayable has been received by the relevant Fiscal Agent and notice to that effect has been given in accordance with Condition 17.

The calculation of the Amortised Face Amount in accordance with this Condition 5(e)(iii)(B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with interest at a rate per annum equal to the Accrual Yield. Where any such calculation is to be made for a period of less than a full year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30 / 360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365) or (iv) Actual/Actual (ICMA) (as defined in Condition 4(a) except that the Calculation Period will commence on (and include) the Issue Date of the first Tranche of the Notes and end on (but exclude) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and repayable).

(f) Purchases

Subject to any applicable legal or regulatory restrictions, the Federation or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in the open market or by private treaty at any price, provided that, in respect of Bail-inable Notes, where the purchase of such Bail-inable Notes would lead to a breach of the Federation's TLAC requirements and, in respect of NVCC Subordinated Notes at all times, such purchase will be subject to the prior written approval of the AMF. If purchases are made by tender, tenders must be available to all holders of Notes of the relevant Series alike.

(g) *Cancellation*

All Notes redeemed or purchased by the Federation as aforesaid will be cancelled forthwith, together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

(h) *Specific Redemption provisions applicable to certain types of Exempt Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Amount Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Any Note which is repayable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of definitive Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant receipt (which must be presented with the Note to which it appertains) and, in the case of the final instalment, against surrender of the relevant Notes, all as more fully described in Condition 6(g).

Partly-Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 5 and the provisions specified in the applicable Pricing Supplement.

(i) *Redemption Irrevocable*

A notice of redemption under this Condition 5 shall be irrevocable, except that (i) in the case of Bail-inable Notes, an order sought by the AMF and made by the resolution board pursuant to Section 40.12 of the Act which involves any deposit institution being part of the Groupe coopératif Desjardins prior to the date fixed for redemption and (ii) in the case of NVCC Subordinated Notes, the occurrence of a Non-Viability Trigger Event prior to the date fixed for redemption shall, in each case, automatically rescind such notice of redemption and, in such circumstances, no Bail-inable Notes or, as the case may be, NVCC Subordinated Notes shall be redeemed and no payment in respect of the Bail-inable Notes or, as the case may be, NVCC Subordinated Notes shall be due and payable. Bail-inable Notes continue to be subject to the exercise of Bail-in Powers prior to their payment in full.

6. Automatic Conversion of NVCC Subordinated Notes on Non-Viability Trigger Event

This Condition applies to NVCC Subordinated Notes only.

(a) Automatic Conversion

NVCC Subordinated Notes constitute Tier 2 Capital of the Federation in accordance with the AMF Guideline. Upon the occurrence of a Non-Viability Trigger Event, each outstanding NVCC Subordinated Note shall automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Noteholders (which, for the purposes of this Condition 6, includes each holder of a beneficial interest in the NVCC Subordinated Notes), into fully-paid and non-assessable Class Z Shares, in accordance with this Condition 6.

The Federation shall have no liability to any Noteholder for any delay in the receipt of the evidence of beneficial ownership of the Class Z Shares resulting from the Federation's compliance with applicable operational and organizational law requirements. The procedures set forth in this Condition 6

are subject to change to reflect changes in clearing system practices or the issuance of the NVCC Subordinated Notes in definitive form. If the NVCC Subordinated Notes are held in definitive form at the time of the Automatic Conversion, the Federation will provide Noteholders with a notice describing, among other things, how the Federation intends to deliver the evidence of beneficial ownership of the Class Z Shares and requesting such Noteholders to provide the Federation with their relevant securities account information for the purpose of receiving such evidence of beneficial ownership. Any issuance of Class Z Shares may be made through a global certificate or a non-certificated position in CDS or any other clearing system.

(b) Conversion Rate

The number of Class Z Shares into which each NVCC Subordinated Note is convertible at the time of an Automatic Conversion shall be equal to the quotient obtained by dividing (a) the Multiplier multiplied by the Note Value, by (b) the Conversion Price.

(c) Time of Automatic Conversion

An Automatic Conversion is deemed to be effected immediately and permanently following the occurrence of a Non-Viability Trigger Event and the rights of the Noteholders thereof shall cease at such time and the Person or Persons entitled to receive Class Z Shares upon an Automatic Conversion shall be treated for all purposes as having become the holder or holders of record of such Class Z Shares at such time. Subject to Condition 6(d), as promptly as practicable after the occurrence of a Non-Viability Trigger Event, the Federation shall announce the Automatic Conversion by way of a press release and shall give notice of the Automatic Conversion to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the NVCC Subordinated Notes of the relevant Series. From and after the Automatic Conversion, the NVCC Subordinated Notes shall cease to be outstanding, the Noteholders shall cease to be entitled to interest thereon including any interest accrued but unpaid as of the date of the Automatic Conversion, and any certificates representing the NVCC Subordinated Notes shall represent only the right to receive, upon surrender thereof, the applicable number of Class Z Shares determined in accordance with Condition 6(b). An Automatic Conversion shall be mandatory and binding upon both the Federation and all Noteholders of Subordinated NVCC Notes notwithstanding anything else including, without limitation: (i) any prior action to or in furtherance of a redemption or conversion of the NVCC Subordinated Notes pursuant to these Conditions; and (ii) any delay or impediment to the issuance or delivery of the Class Z Shares to the Noteholders.

(d) Right not to deliver Class Z Shares

Notwithstanding any other provision of this Condition 6, upon an Automatic Conversion, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z Shares issuable thereupon to any Person whom the Federation has reason to believe is an Ineligible Person. In such circumstances, the Federation shall hold, as agent for such Ineligible Persons, the Class Z Shares otherwise deliverable to such Ineligible Persons and the Federation will attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and Federation Affiliates on behalf of such Ineligible Persons. Those sales (if any) may be made at any time and at any price. The Federation shall not be subject to any liability for failure to sell such Class Z Shares on behalf of such Ineligible Persons or at any particular price or on any particular day. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be divided among the Ineligible Persons in proportion to the number of Class Z Shares that would otherwise have been delivered to them upon the Automatic Conversion after deducting the costs of sale and any applicable Taxes.

Notwithstanding any other provision of this Condition 6, upon an Automatic Conversion, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z Shares to any Person who, by virtue of the operation of the Automatic Conversion, would become a Significant Holder. In such circumstances, the Federation shall hold, as agent of that Person, the Threshold Number of Class Z Shares otherwise deliverable to such Person, and the Federation shall attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and its Federation Affiliates on behalf of that Person. Those sales (if any) may be made at any time and at any price. The Federation shall not be subject to any liability for failure to sell any such Class Z Shares on behalf of that Person or at any particular price or on any particular day. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be delivered to that Person, after deducting the costs of sale and any applicable Taxes.

(e) Fractional Class Z Shares

In any case where the aggregate number of Class Z Shares to be issued to a Noteholder pursuant to an Automatic Conversion includes a fraction of a Class Z Share, such number of Class Z Shares to be issued to such Noteholder shall be rounded down to the nearest whole number of Class Z Shares and no cash payment shall be made in lieu of such fractional Class Z Share.

(f) Recapitalizations, Reclassifications and Changes in the Class Z Shares

In the event of a capital reorganization, consolidation, merger or amalgamation of the Federation or comparable transaction affecting the Class Z Shares (whether outstanding or not) and, where no Class Z Shares are outstanding, any shares in the authorized capital of the Federation ranking equally with the Class Z Shares, the Federation shall take necessary action to ensure that Noteholders of NVCC Subordinated Notes receive or are entitled to receive, pursuant to an Automatic Conversion, such number of Class Z Shares or other securities that such Noteholders would have received if the Automatic Conversion occurred immediately prior to the earlier of the record date for such event and the time of such event and shall ensure that, to the extent that no Class Z Shares are outstanding as at the record date of any such capital reorganization, consolidation, merger or amalgamation, the Class Z Shares shall, once issued, be treated in the same manner as, and rank equally with, any equal ranking shares in the authorised capital of the Federation that were affected by the relevant reorganization, consolidation, merger or amalgamation of the Federation.

(g) Adjustments

Upon a Class Z Capital Share Reorganization at any time at which there are issued and outstanding Class Z Shares, the Conversion Price shall be adjusted so that it will equal the price determined by multiplying the Conversion Price in effect immediately prior to such effective date or record date of such event by a fraction:

(i) the numerator of which shall be the total number of Class Z Shares outstanding on such effective date or record date before giving effect to such Class Z Capital Share Reorganization; and

(ii) the denominator of which shall be the total number of Class Z Shares outstanding immediately after giving effect to such Class Z Capital Share Reorganization (including, in the case where securities exchangeable for or convertible into Class Z Shares are distributed, the number, without duplication, of Class Z Shares that would have been outstanding had all such securities been exchanged for or converted into Class Z Shares on such effective date or record date).

The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least one per cent. (1%) of the Conversion Price then in effect; provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least one per cent. (1%) of the Conversion Price.

In any case in which the definition of Conversion Price or Condition 6(f) requires that an adjustment will become effective immediately after a record date for an event described in this Condition 6, the Federation may defer, until the occurrence of such event, issuing to the Noteholders of NVCC Subordinated Notes upon an Automatic Conversion occurring after such record date and before the occurrence of such event, any additional Class Z Shares issuable upon such conversion by reason of the adjustment required by such event, provided, however, that the Federation shall deliver to such Noteholders evidence of such Noteholder's right to receive such additional Class Z Shares upon the occurrence of such event and the right to receive any dividends or other distributions made on such additional Class Z Shares declared in favor of holders of record of Class Z Shares on and after the date of the Automatic Conversion or such later date on which such Noteholders would, but for the provisions of this paragraph of Condition 6(g), have become the holder of record of such additional Class Z Shares.

If at any time a dispute arises with respect to adjustments provided for in the definition of Conversion Price or in Condition 6(f), such dispute shall be conclusively determined, subject to the consent if required of any stock exchange on which the Class Z Shares may be listed, by the Federation's Auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the board of directors of the Federation and any such determination shall be binding upon the Federation, the Noteholders and the other holders of Capital Stock of the Federation. Such auditors or accountants shall be given access to all necessary records of the Federation.

If the Federation sets a record date to take any action that would require an adjustment provided for in the definition of Conversion Price or in Condition 6(f) and before the taking of such action, the Federation legally abandons its plan to take such action, then no such adjustment shall be made.

The Federation shall from time to time, immediately after the occurrence of any Class Z Capital Share Reorganization or other event that requires an adjustment or readjustment as provided in the definition of Conversion Price, Condition 6(f) or this Condition 6(g), give notice to the relevant Fiscal Agent and, in accordance with Condition 17, to the Noteholders of NVCC Subordinated Notes specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(h) Agreement with Respect to a Non-Viability Trigger Event

By acquiring any NVCC Subordinated Note, each Noteholder or beneficial owner of an NVCC Subordinated Note or any interest therein, including any Person acquiring any such Note or interest therein after the date thereof, irrevocably consents to the principal amount of such NVCC Subordinated Note and any accrued interest due and payable thereon being deemed paid in full by the issuance of Class Z Shares upon the occurrence of a Non-Viability Trigger Event and the resulting Automatic Conversion, which occurrence and resulting Automatic Conversion shall occur without any further action on the part of such Noteholder or beneficial owner or any Agent.

(i) General

(i) Upon an Automatic Conversion, any accrued interest due and payable on the NVCC Subordinated Notes, together with the principal amount of such NVCC Subordinated Notes, shall be deemed paid in full by the issuance of Class Z Shares upon such conversion and the Noteholders shall have no further rights and the Federation shall have no further obligations under these Conditions, the NVCC Subordinated Notes or the Agency Agreement. If Taxes are required to be withheld from such payment of interest in the form of Class Z Shares, the number of Class Z Shares received by a Noteholder shall reflect an amount net of any applicable Tax and the Federation reserves the right not to deliver some or all, as applicable, of such Class Z Shares equivalent to the Taxes to be withheld. In such circumstances, the Federation will hold, as agent for such Persons, the Class Z Shares that would have otherwise been delivered to such Persons and the Federation will attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and Federation Affiliates, on behalf of such Persons to be retained by the Federation on behalf of such Persons. Those sales (if any) may be made at any time and at any price. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be remitted to the relevant authority in accordance with applicable law, and shall be credited to the Federation as payment on account of any payment made under or with respect to the NVCC Subordinated Notes. The Federation shall not be subject to any liability for failure to sell such Class Z Shares at any particular price or on any particular day.

(ii) Notwithstanding any other provision of these Conditions, the Notes or the Agency Agreement, the Automatic Conversion of the NVCC Subordinated Notes upon the occurrence of a Non-Viability Trigger Event shall not be an Event of Default and the only consequence of a Non-Viability Trigger Event shall be the Automatic Conversion of such NVCC Subordinated Notes into Class Z Shares.

(iii) Neither the Issuer nor any of its subsidiaries shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documenting tax that may arise or be paid as a consequence of the delivery of the Class Z Shares, which tax shall be borne solely by the Noteholder.

For the purposes of this Condition 6 only:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and, for greater certainty, when used with respect to the Federation, does not include Desjardins caisses which are members of the Federation. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Auditors" means an independent firm or firms of accountants duly appointed as auditors of the Federation.

"CDS" means The Canadian Depository for Securities Limited (and any successor thereto).

"Capital Stock" means the authorized capital stock of the Federation which is made up of the Internal Capital Stock and the External Capital Stock.

"Class Z Capital Share Reorganization" means any of (i) the issuance of Class Z Shares or securities exchangeable for or convertible into Class Z Shares to all holders of outstanding Class Z Shares as a stock dividend, (ii) the subdivision, re-division or change of the outstanding Class Z Shares into a greater

number of Class Z Shares, or (iii) the reduction, combination or consolidation of the outstanding Class Z Shares into a lesser number of Class Z Shares.

"Conversion Price" means**,** in respect of each NVCC Subordinated Note, C$10, unless otherwise specified in the applicable Final Terms and subject to adjustment in the event of a Class Z Capital Share Reorganization in accordance with Condition 6(g).

"Corporate Body" means a financial services cooperative, cooperative, federation of financial services cooperatives, corporation, association, company, limited liability company, unlimited liability company, joint-stock company, business trust or other legal person, and "Corporate Bodies" has a correlative meaning.

"External Capital Stock" means any Capital Stock of the Federation that does not constitute Internal Capital Stock.

"Federation Affiliates" means any Affiliate of the Federation.

"Ineligible Person" means (i) any Person whose address is in, or whom the Federation has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Federation of Class Z Shares or delivery of such shares by its transfer agent to that Person, pursuant to an Automatic Conversion, would require the Federation to take any action to comply with securities, financial cooperatives, banking or analogous laws of that jurisdiction, and (ii) any Person to the extent that the issuance by the Federation of Class Z Shares or delivery of such shares by its transfer agent to that Person, pursuant to an Automatic Conversion, would cause the Federation to be in violation of any law to which the Federation is subject.

"Internal Capital Stock" means any Capital Stock of the Federation which are held by members or auxiliary members of the Federation.

"Multiplier" means 1.50, unless otherwise specified in the applicable Final Terms.

"Note Value" means, in respect of each NVCC Subordinated Note, the principal amount of that NVCC Subordinated Note plus accrued and unpaid interest thereon as of the date of the Non-Viability Trigger Event, expressed in C$ on the basis of the Prevailing Exchange Rate.

"Person" means any individual, Corporate Body, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof, or any other entity.

"Prevailing Exchange Rate" means, unless otherwise specified in the applicable Final Terms, in respect of any currency, the indicative rate of exchange between the relevant currency and C$ reported by the Bank of Canada on the date immediately preceding the date of the Non-Viability Trigger Event (or, if not available on such date, the date on which such closing rate was last applicable prior to such date). If such exchange rate is no longer reported by the Bank of Canada, the relevant exchange rate shall be the simple average of the closing exchange rates between the relevant currency and C$ quoted at approximately the Specified Time on such date by three major banks selected by the Federation.

"Significant Holder" means any Person who beneficially owns directly, or indirectly through entities controlled by such Person or Persons associated with or acting jointly or in concert with such Person(s), a percentage of the total number of outstanding Capital Stock or other interests in the Federation that is in excess of any applicable requirements contained in applicable law, if any.

"Specified Time" means the time specified in the applicable Final Terms.

"Taxes" means any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the government of Canada, any province or territory of Canada or any political subdivision or any authority or agency therein or thereof having power to tax, or within any other jurisdiction in which the Federation is constituted, organized, or is otherwise carrying on business in, or is otherwise resident for tax purposes or any jurisdiction from or through which payments made by or on behalf of the Federation under or with respect to the NVCC Subordinated Notes are made.

"Threshold Number" means, as applicable, the number of Capital Stock issuable or deliverable to any Person that would cause that Person to become a Significant Holder, being the sum of (i) the total number of Capital Stock held by that Person immediately prior to the Automatic Conversion and (ii) the total number of Capital Stock otherwise issuable or deliverable to that Person by virtue of the operation of the Automatic Conversion, less (iii) the greatest number of Capital Stock that such Person could hold, directly or indirectly, without being a Significant Holder.

7. Conversion Option for NVCC Subordinated Notes

A Noteholder of NVCC Subordinated Notes of any Series may, at its option, subject to applicable law and only upon notice from the Federation, which may be given from time to time only with the prior written approval of the AMF and other required regulatory approvals, convert all, but not less than all, of the principal amount of NVCC Subordinated Notes of such Series held by such Noteholder on the date specified in the notice, together with accrued and unpaid interest thereon, into an equal aggregate principal amount of new Subordinated Indebtedness which qualifies as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline), as will be specified in the notice, and without the payment of any further consideration therefor. If given, such notice from the Federation shall be given not less than 30 days, nor more than 60 days prior to the date fixed for the conversion, set a date for conversion of the NVCC Subordinated Notes, describe the steps required to be taken by a holder of NVCC Subordinated Notes in order to exercise its conversion option, describe the nature of the new Subordinated Indebtedness and otherwise shall be given in accordance with Condition 17 herein.

8. Payments

(a) Method of Payment in respect of Bearer Notes

Subject as provided below:

(i) payments in a Specified Currency other than euro or U.S. dollars will be made by credit or transfer to an account in the Specified Currency (which, in the case of a payment in yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank located in the principal financial centre of the country of such Specified Currency;

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) with a bank outside of the United States specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in U.S. dollars will be made by credit or transfer to a U.S. dollar account maintained by the payee outside of the United States or, at the option of the payee, by a cheque drawn on a United States bank.

In no event will payment of amounts due in respect of Bearer Notes be made by a cheque mailed to an address in the United States (which expression, as used in this Condition 8, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

(b) Payments in respect of Global Bearer Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the relevant global Bearer Note against (except in the case of a global Bearer Note in NGN form) presentation or surrender, as the case may be, of such global Bearer Note at the specified office of the Fiscal Agent. A record of each payment made against presentation or surrender of such global Bearer Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Note by the Fiscal Agent or in the records of Euroclear or Clearstream, Luxembourg, as applicable, and such record shall be *prima facie* evidence that the payment in question has been made.

(c) Payments in respect of Definitive Bearer Notes

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the Specified Currency against surrender of Definitive Bearer Notes and payments of interest in respect of the definitive Bearer Notes will (subject as provided below) be made in the Specified Currency against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Notwithstanding anything in this Condition 8, if the Definitive Bearer Notes are denominated or payable in U.S. dollars, payments in respect of the Bearer Notes will only be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Federation has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount owing in respect of the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount owing in respect of the Bearer Notes at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Federation, adverse tax consequences to the Federation.

(d) Presentation of Bearer Notes, Coupons and Talons

Fixed Rate Bearer Notes in definitive form (other than Long Maturity Bearer Notes (as defined herein)) must be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time after the Relevant Date (as defined in Condition 11) in respect of such principal and before the expiration of the relevant period of prescription under Condition 16. Upon any Fixed Rate Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Bearer Note or Long Maturity Bearer Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons, shall be made in respect thereof. A "***Long Maturity Bearer Note***" is a Fixed Rate Bearer Note (other than a Fixed Rate Bearer Note which on issue had a Talon attached) whose Nominal Amount on issue is less than the aggregate interest payable thereon provided such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Nominal Amount of such Note.

(e) Payment of Accrued Interest on Redemption

If the due date for redemption of any Note in definitive form is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(f) General Provisions Applicable to All Payments

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 11 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11) any law implementing an intergovernmental approach thereto.

References to "***Specified Currency***" include any successor currency under applicable law.

Subject as provided below:

(i) the holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Federation will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid;

(ii) each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Federation to, or to the order of, the holder of the relevant Global Note; and

(iii) no person other than the holder of the relevant global Note shall have any claim against the Federation in respect of any payments due on that Global Note.

In certain limited circumstances in which payments in respect of a global Bearer Note are not made when due, owners of interests in such Global Note may become entitled to proceed directly against the Federation in accordance with the provisions of such Global Note.

(g) Payment Business Day

If the due date for payment of any amount due in respect of any Note is not a Payment Business Day, then the Holder thereof will not be entitled to payment thereof until (i) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Final Terms, the next day which is such a day or (ii) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Final Terms, the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment on the immediately preceding Payment Business Day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Business Day and a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4. For these purposes, "***Payment Business Day***" means:

(i) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) any Additional Financial Centre(s) (other than TARGET2) specified in the applicable Final Terms and if TARGET2 is specified as an Additional Financial Centre, a TARGET2 Business Day; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which, in the case of Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a TARGET2 Business Day.

(h) Conversion into United States Dollars

If the Federation is due to make a payment in a currency (the "***original currency***") other than United States Dollars in respect of any Note or Coupon and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Federation's control, the Federation will be entitled to satisfy its obligations in respect of such payment by making payment in United States Dollars on the basis of the spot exchange rate (the "***United States Dollar FX Rate***") at which the original currency is offered in exchange for United States Dollars in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the United States Dollar FX Rate is not available on that date, on the basis of an average of the United States Dollar FX Rate on each of the immediately preceding ten Business Days on which the United States Dollar FX Rate is available as determined by the Calculation Agent. For the avoidance of doubt, the United States Dollar FX Rate or fallback rate as aforesaid may be such that the resulting United States Dollars amount is zero and in such event no amount of United States Dollars or the original currency will be payable. Any payment made in United States Dollars or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 12.

For the purposes of this Condition 8(h), "**Calculation Agent**" means any entity specified in the applicable Final Terms or otherwise any entity appointed by the Issuer at the relevant time.

(i) Specific provisions in relation to payments in respect of certain types of Exempt Notes

In the case of Exempt Notes that are payable in instalments, payments of principal in respect of instalments (if any), other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant receipt. Each receipt must be presented for payment of the relevant instalment together with the relevant definitive Note against which the amount will be payable in respect of that instalment. If any definitive Note is redeemed or becomes repayable prior to the stated Maturity Date in respect thereof, principal will be payable on surrender of such definitive Note together with all unmatured receipts appertaining thereto. Receipts presented without definitive Notes to which they appertain and unmatured receipts do not constitute valid obligations of the Federation.

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, in relation to Notes redeemable in instalments, the Instalment Amounts.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons, shall be made in respect thereof.

(j) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under Condition 11 in respect of principal;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(vi) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 11 in respect of interest.

9. Agent and Paying Agents

The names of the initial Fiscal Agent and the other initial Paying Agents (collectively, the "***Agents***") and their initial specified offices are set out on the Notes. If any additional or other Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms. In acting under the Agency Agreement, the Agents will act solely as agents of the Federation and do not assume any obligations or relationships of agency or trust to or with the Noteholders or Couponholders, except that (without affecting the obligations of the Federation to the Noteholders and Couponholders to repay Notes and pay interest thereon) funds received by the Agent for the payment of principal of or interest on the Notes shall be held by it in trust for the Noteholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 16. The Federation agrees to perform and observe the obligations imposed upon it under the Agency Agreement and to cause the Agents to perform and observe the obligations imposed upon them under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Federation and its subsidiaries, if any, without being liable to account to the Noteholders or the Couponholders for any resulting profit.

The Federation is entitled to vary or terminate the appointment of any Agent (including the Fiscal Agent) or any other paying agent appointed under the terms of the Agency Agreement and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that:

(i) so long as the Notes of this Series are listed on any stock exchange or competent authority, there will at all times be a Paying Agent (which may be the Fiscal Agent) with a specified office in each location required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(ii) If any Definitive Bearer Notes are ever issued, the Federation will appoint and maintain a Paying Agent (which may be the Fiscal Agent) with a specified office in a city approved

by the Fiscal Agent in continental Europe and notify the Noteholders of such appointment in accordance with Condition 17; and

(iii) so long as any Notes are outstanding, there will at all times be a Fiscal Agent.

In addition, the Federation shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 8(c). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Fiscal Agent and the Noteholders in accordance with Condition 17 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency in which case, termination should be immediate or in the case of a Paying Agent ceasing to be a Participating FFI in which case termination will be immediate upon notice in writing) within 15 days before or after any Interest Payment Date.

For the purposes of this Condition, "***Participating FFI***" means a "foreign financial institution" that is a "participating foreign financial institution" (as each such term is defined pursuant to Sections 1471 through 1474 of the Code and any regulations thereunder or official interpretations thereof as from the effective date of withholding on "foreign passthru payments" (a term not yet defined by legislation or regulation). A participating foreign financial institution includes any financial institution that is deemed to be compliant with the provisions of section 1471(b) pursuant to an applicable agreement between the United States and another jurisdiction.

10. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8(d) and Condition 16. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

11. Taxation

All payments of principal and interest by or on behalf of the Federation in respect of the Notes or Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges are required by law or by the interpretation or administration thereof. In that event, the Federation will, subject to its right of redemption set out in Condition 5(b)(i), pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders or the Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Notes or Coupons, as the case may be, in the

absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(i) to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes or duties in respect of such Note or Coupon by reason of that person having any present or future connection with Canada other than the mere holding or use outside Canada, or ownership as a non-resident of Canada, of such Note or Coupon; or

(ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day, assuming, for this purpose, that day to have been a Payment Business Day (as defined in Condition 8(g)); or

(iii) where such withholding or deduction is imposed under Sections 1471 through 1474 of the Code, any current or future regulations thereunder or official interpretations thereof, any agreement described in Section 1471(b)(1) of the Code, any intergovernmental agreement entered into between the United States and any other country in connection with the implementation of the foregoing, and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement; or

(iv) to, or to a third party on behalf of, a Noteholder or Couponholder with whom the Federation is not dealing at arm's length within the meaning of the Income Tax Act (Canada) (the "**ITA**"); or

(v) to, or to a third party on behalf of, a Noteholder or Couponholder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the ITA) of the Federation; or

(vi) to, or to a third party on behalf of, a Noteholder or Couponholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority or paying agent in the place where the relevant Note or Coupon is presented for payment; or

(vii) where such withholding or deductions is imposed by reason of the payment or deemed payment being deemed to be paid as interest or a dividend to a non-resident of Canada (other than the Noteholder or Couponholder) pursuant to subsections 212(3.2) or 214(16) ITA; or

(viii) where such withholding or deduction is imposed by reason of any payment of principal of or interest on the Notes or Coupon by the Federation to any Noteholder or Couponholder (or beneficial owner), as the case may be, who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such

beneficiary, settlor, member or beneficial owner been the actual holder or beneficial owners of such Notes or Coupons.

If the Federation becomes subject generally at any time to any taxing jurisdiction other than, or in addition to, Canada, references in Condition 5(b)(i) and this Condition 11 to Canada shall be read and construed as references to Canada or any province or territory thereof and/or to such other taxing jurisdiction(s).

As used herein, "***Relevant Date***" means:

(A) the date on which such payment first becomes due; or

(B) if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, the date on which the full amount of such moneys having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 17.

12. Events of Default

(a) Senior Notes

If any of the following events ("***Events of Default***") should occur and be continuing, the holder of any Senior Note may, upon written notice of acceleration to both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), cause such Senior Note to become due and payable as of the date on which the said notice of acceleration is received by both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), at the Early Redemption Amount thereof (as described in Condition 5(e)), together with accrued interest, unless prior to the receipt of such notice by both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), the Federation shall have cured or otherwise made good such Event of Default in respect of the relevant Senior Notes:

(i) failure for 30 Business Days (as defined in Condition 4(b)) to pay when due any interest on any Senior Note;

(ii) failure for 30 Business Days (as defined in Condition 4(b)) to pay when due the principal of any Senior Note; or

(iii) the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act 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 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring,

provided that a holder of any Bail-inable Note may only exercise, or direct the exercise of, rights under this Condition 12(a) where an order has not been sought by the AMF in respect of any deposit

institution being part of the Groupe coopératif Desjardins and made by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act.

Notwithstanding the exercise of any rights by holders of Notes under this Condition 12(a) in respect of Bail-inable Notes, Bail-inable Notes will continue to be subject to the Resolution Powers (including the Bail-in Powers) of the AMF under and pursuant to the Deposit Institutions Act and the regulations promulgated thereunder, including the Prescribed Debt Regulations.

Neither a write-off or a conversion (in each case, in whole or in part) of Bail-inable Notes into Conversion Securities will be an Event of Default in relation to such Bail-inable Notes.

By its acquisition of the Bail-inable Notes, each Noteholder (including each holder of a beneficial interest in any Bail-inable Note), to the extent permitted by law, waives any and all claims, in law and/or in equity, against any Agent (in each case solely in its capacity as Agent), for, agrees not to initiate a suit against any Agent in respect of, and agrees that no Agent shall be liable for, any action that an Agent takes, or abstains from taking, in either case in accordance with the write-off or conversion (in each case, in whole or in part) of Bail-inable Notes into Conversion Securities pursuant to the Bail-in Powers.

(b) NVCC Subordinated Notes

In the event that the Federation shall become insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring (each an "***Event of Default***"), then, absent a Non-Viability Trigger Event, a holder of any NVCC Subordinated Note may, upon written notice to both the Federation and the Fiscal Agent, cause the entire principal amount of and accrued and unpaid interest on such NVCC Subordinated Note to become due and payable as of the date on which the said notice is received by both the Federation and the Fiscal Agent.

Notwithstanding any other provisions of these Conditions, the NVCC Subordinated Notes and the Agency Agreement and for greater certainty, none of (i) the non-payment or default in the payment of interest on the NVCC Subordinated Notes, (ii) a default in the performance of any other covenant or other obligation of the Federation in these Conditions, the NVCC Subordinated Notes or the Agency Agreement or (iii) the occurrence of an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event shall constitute an Event of Default under these Conditions, the NVCC Subordinated Notes and the Agency Agreement.

"**Exempt Restructuring**" means a resolution or order for wind-up, liquidation or dissolution of the Federation with a view to the amalgamation, consolidation, combination or merger of the Federation with or into another Person (a **"Successor in Business"**) or the conveyance, transfer, sale or lease of the Federation's properties and assets as an entirety to such Successor in Business where the amalgamation, consolidation, combination, merger, conveyance, transfer, sale or lease complies with the following conditions (as applicable):

(i) in case the Federation shall merge, amalgamate, consolidate or otherwise combine with a Successor in Business or sell or lease substantially all of the Federation's assets to a Successor in Business, the Successor in Business shall be a duly organized entity and shall be legally responsible for and assume, the obligations of the Federation under and pursuant to these Conditions and the Notes (which may be as a result of a substitution as principal debtor of a Successor in Business pursuant to Condition 13, operation of law or otherwise);

(ii) in case the Federation shall amalgamate with one or more federations of financial services cooperatives, such amalgamation shall be in accordance with the terms of Chapter IX, Division IX of the Cooperatives Act;

(iii) in the case of Senior Notes only, any such amalgamation, merger, combination or consolidation, or sale or lease of assets, would not result in an Event of Default as described in Condition 12(a)(i) or Condition 12(a)(ii), nor any event which, after the requirement for giving the Federation and the Fiscal Agent a notice of acceleration in accordance with Condition 12(a) and any requirements for lapse of time for the event to become a default were both disregarded, would become an Event of Default in respect of the Senior Notes as described in Condition 12(a)(i) or Condition 12(a)(ii); and

(iv) the Successor in Business has, as a part of such amalgamation, consolidation, combination, merger, conveyance, transfer, sale or lease, within ninety (90) days from the passing of the resolution or declaration or order for the wind-up, liquidation or dissolution of the Federation (or within such further period of time as may be sanctioned by the Noteholders by means of an Extraordinary Resolution), delivered to the Fiscal Agent a certificate signed by two authorised signatories of the Successor in Business and, other than in respect of sub-paragraph (II) below, (A) an opinion of independent legal advisors of recognised standing, stating that; (I) such amalgamation, merger, combination, consolidation, or sale or lease of assets complies with the conditions precedent described in subparagraph (i) and, if applicable, subparagraph (ii) of this definition of Exempt Restructuring, and (II) where Senior Notes are outstanding at the date of the passing of such resolution or declaration or order as aforesaid or at the date of the completion of any such amalgamation, consolidation, combination, merger or conveyance, transfer, sale or lease of properties and assets, such amalgamation, consolidation, combination, merger, or conveyance, transfer, sale or lease of properties and assets complies with subparagraph (iii), and (B) to the extent that the Exempt Restructuring results in the substitution of the Successor in Business pursuant to Condition 13, the conditions for such substitution as described in Condition 13 have been satisfied.

The Fiscal Agent shall make available the certificate and opinion of independent legal advisors as required by subparagraph (iv) of the definition of Exempt Restructuring at its offices for inspection by the Noteholders, upon reasonable request, at all reasonable times during normal business hours.

13. Substitution of Successor in Business

The Federation (and any Successor in Business which is substituted for the Federation in accordance with this Condition 13), may at any time subject to applicable law and to obtaining proper consents from regulatory authorities, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Senior Notes or, as the case may be, NVCC Subordinated Notes and, in

each case, the related Coupons, any Successor in Business to the Federation (or to any previous Successor(s) in Business to the Federation) (the "**Substitute**"), provided that no payment in respect of the Senior Notes or, as the case may be, the NVCC Subordinated Notes or, in each case, the related Coupons is at the relevant time overdue and provided further that, in respect of a substitution of the principal debtor under any Bail-inable Notes where the substitution would lead to a breach of the Federation's TLAC requirements (or, if applicable, the relevant TLAC requirements of any Successor in Business), the Federation (or the relevant Successor in Business) may only substitute itself as principal debtor with the prior written approval of the AMF. Effective at the time of the substitution, the Federation (or any relevant Successor in Business) shall be released from all its liabilities, in its capacity as issuer of the Notes, contained in the Senior Notes or, as the case may be, NVCC Subordinated Notes and related Coupons (if applicable).

The substitution shall be made pursuant to a deed poll ("**Deed Poll**"), and may take place only if:

(i) the Substitute shall agree to indemnify each Noteholder and (if applicable) each Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Senior Note or, as the case may be, NVCC Subordinated Note and any related Coupon as a result of any laws or regulations then in effect at the time of the substitution and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Conditions, the Senior Notes or, as the case may be, the NVCC Subordinated Notes and the related Coupons represent valid, legally binding and enforceable obligations of the Substitute and that all action, conditions and things required to be later fulfilled are done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Senior Notes or, as the case may be, the NVCC Subordinated Notes and the related Coupons represent its valid, legally binding and enforceable obligations have been taken, fulfilled and done and are in full force and effect;

(iii) the Substitute shall be or have become party to the Agency Agreement in its capacity as issuer of the Senior Notes or, as the case may be, NVCC Subordinated Notes, with any appropriate consequential amendments;

(iv) legal opinions addressed to the Fiscal Agent and the relevant managers or, as the case may be, the dealers (as set out in the applicable Final Terms) shall have been delivered to it from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in the Province of Québec, Canada as to the matters of the preceding conditions of this Condition 13 and the other matters reasonably specified in the Deed Poll; and

(v) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders in accordance with Condition 17, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

The Deed Poll shall amend the Conditions of the Senior Notes or, as the case may be, NVCC Subordinated Notes which the Substitute in its reasonable discretion and acting in good faith deems to be necessary or desirable with the intention that such Conditions shall reflect the Conditions which could have applied had the Substitute been the original issuer of the Notes. References in Condition 11 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

14. Meetings of and Consents of Noteholders; Modification and Amendment

The Agency Agreement contains provisions for convening meetings of Noteholders (or the holders of Notes of any one or more Series) to consider matters affecting their interests, including modifications by Extraordinary Resolution of the terms and conditions of the Notes (or the Notes of any one or more Series).

The quorum for any meeting convened to consider a resolution proposed as an Extraordinary Resolution shall be one or more persons holding or representing more than 50 per cent. of the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding, or at any adjourned such meeting, two or more persons being or representing Noteholders (or, as the case may be, the Notes of the relevant one or more Series) whatever the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding so held or represented, except that at any meeting the business of which includes consideration of proposals, *inter alia*, (i) to sanction the exchange or substitution for the Notes or the conversion of the Notes (or, as the case may be, the Notes of the relevant one or more Series) into shares, bonds or other obligations or securities of the Federation or any other body corporate; (ii) to postpone the Maturity Date or the dates on which interest is payable in respect of the Notes (or, as the case may be, the Notes of the relevant one or more Series); (iii) to reduce or cancel the nominal amount of, or interest on, or to reduce or vary the method of calculating the rate of interest on, the Notes (or, as the case may be, the Notes of the relevant one or more Series); (iv) to change the currency in which payments under the Notes (or, as the case may be, the Notes of the relevant one or more Series) and/or the Coupons appertaining thereto are to be made; or (v) to modify the majority required to pass an Extraordinary Resolution or the provisions concerning the quorum required at any meeting of holders of the Notes (or, as the case may be, the Notes of the relevant one or more Series), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting, not less than 25 per cent., of the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding.

Notwithstanding any other provision of these Conditions or the Agency Agreement, the consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(h) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 4(h), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to Condition 4(h).

The term "***Extraordinary Resolution***" is defined in the Agency Agreement to mean in effect, a resolution passed by the affirmative vote of the holders of not less than 66 2/3 per cent. of the votes cast at a meeting of the holders of the Notes (or, as the case may be, the Notes of the relevant one or more Series). In addition, the Agency Agreement provides that either (i) a resolution in writing signed on behalf

of the Noteholders of not less than 66 2/3 per cent. in principal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Noteholders) or (ii) consents given by way of electronic consents through the relevant clearing systems by or on behalf of Noteholders of not less than 66 2/3 per cent. in principal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding will take effect as if it were an Extraordinary Resolution.

Any Extraordinary Resolution duly passed will be binding on all Noteholders (or, as the case may be, the Notes of the relevant one or more Series) (whether or not they are present at such meeting or whether or not they signed a written resolution or consented electronically) and on all Couponholders relating to the relevant Notes.

The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification to any of the provisions of the Agency Agreement or the Notes which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on all the Noteholders and Couponholders (or, as the case may be, the Notes or Coupons of the relevant one or more Series) and, if the Fiscal Agent so requires, shall be notified to the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series) as soon as practicable thereafter in accordance with Condition 17.

Notwithstanding anything in this Condition 14, the prior written approval of the AMF is required to amend, or vary (i) the terms of any NVCC Subordinated Notes where such amendment or variation would affect the recognition of the NVCC Subordinated Notes as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline), or (ii) the terms of any Bail-inable Notes where such amendment or variation may affect the eligibility of the Notes as TLAC under the guidelines for TLAC that apply to the Federation (including the TLAC Guideline).

15. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be mutilated, defaced or destroyed or be lost or stolen, it may be replaced at the specified office of the Fiscal Agent in London (the "***Replacement Agent***") (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of the expenses incurred by the Federation and the Replacement Agent in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Federation and the Replacement Agent may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

16. Prescription

The Notes and Coupons will become void unless presented for payment within a period of three years from the Relevant Date (as defined in Condition 11) relating thereto. Any moneys paid by the Federation to the Fiscal Agent for the payment of principal or interest in respect of the Notes and remaining unclaimed when the Notes or Coupons become void shall forthwith be repaid to the Federation and all liability with respect thereto shall thereupon cease. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be

void pursuant to this Condition 16 or Condition 8(d) or any Talon which would be void pursuant to Condition 8(d).

17. Notices

Notices to Holders of Definitive Bearer Bonds will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*). The Federation shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

Until such time as any definitive Notes are issued, there may (provided that the rules of any relevant stock exchange or other relevant listing authority permit), so long as the Global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper, as set out in the foregoing paragraphs of this Condition 17, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes and related Coupons of this Series on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given to the Federation by any holder of the Notes of this Series shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Fiscal Agent. Whilst any of the Notes of this Series are represented by a Global Note, such notice may be given by any holder of a Note of this Series to the Fiscal Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

18. Currency Indemnity

Save as provided in Condition 8(h), if, under any applicable law and whether pursuant to a judgment being made or registered against the Federation or in the liquidation, insolvency or analogous process of the Federation or for any other reason, any payment under or in connection with the Notes is made or fails to be satisfied in a currency (the "***other currency***") other than that in which the relevant payment is expressed to be due (the "***required currency***") under the Notes, then, to the extent that the payment (when converted into the required currency at the rate of exchange on the date of payment or, if it is not practicable for the relevant Noteholder to purchase the required currency with the other currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by the relevant Noteholder falls short of the amount due under the terms of the Notes, the Federation shall, as a separate and independent obligation, indemnify and hold harmless the relevant Noteholder against the amount of such shortfall. For the purpose of this Condition 18, "rate of

exchange" means the noon spot rate at which the relevant Noteholder is able, on the London foreign currency exchange market on the relevant date, to purchase the required currency with the other currency as reasonably determined by the Issuer, and shall take into account any premium and other reasonable cost of exchange.

19. Further Issues

The Federation shall be at liberty from time to time without notice to, or the consent of, the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the Issue Date, the Interest Commencement Date, the date and amount of the first payment of interest thereon and/or the Issue Price) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

20. Governing Law; Submission to Jurisdiction

The Agency Agreement, Senior Notes, NVCC Subordinated Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein.

Each holder or beneficial owner of an interest in a Bail-inable Note is deemed to attorn to the jurisdiction of the courts in the Province of Québec in Canada with respect to the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes, and the laws of the Province of Québec and the federal laws of Canada applicable therein in respect of the application of the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes, as provided for in Condition 3(c).

PRO FORMA FINAL TERMS FOR BEARER NOTES OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Bearer Notes other than Exempt Notes issued under the Programme.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II / Directive 2014/65/EU (as amended, "MiFID II")]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.][1]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "SFA") – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the "MAS") Notice SFA 04-N12: Notice on the Sale of

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[1] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]][2]

THE NOTES ARE NOT INSURED UNDER THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) OR THE CANADA DEPOSIT INSURANCE CORPORATION ACT.

[THE NOTES (AND BENEFICIAL INTERESTS THEREIN) ARE (IN EACH CASE, IN WHOLE OR IN PART) SUBJECT TO WRITE-OFF OR CONVERSION INTO CONTRIBUTED CAPITAL SECURITIES OF THE FEDERATION, OF A DEPOSIT-TAKING INSTITUTION THAT IS PART OF THE GROUPE COOPÉRATIF DESJARDINS OR OF A LEGAL PERSON CONSTITUTED OR RESULTING FROM AN AMALGAMATION/CONTINUANCE OR OTHER CONVERSION CARRIED OUT FOR THE PURPOSES OF THE RESOLUTION OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, IN EACH CASE, BY THE AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC) UNDER SECTION 40.50 OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) AND REGULATIONS PROMULGATED THEREUNDER (INCLUDING, AMONG OTHERS, THE REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES (QUÉBEC)).][3]

FINAL TERMS

Final Terms dated [Signing Date of Issue]

Fédération des caisses Desjardins du Québec
(the "Issuer")

LEI: 549300B2Q47IR0CR5B54

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[2] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[3] Include for Bail-inable Notes only.

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes]

Under the €7,000,000,000 Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the "Terms and Conditions of the Bearer Notes" (the "**Conditions**") set forth in the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated [●] which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"). As used herein, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. [The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, together with all documents incorporated by reference therein, [is][are] available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from the offices of Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] which are incorporated by reference in the Base Prospectus dated 25 February 2020 which constitutes a base prospectus for the purposes of the Prospectus Regulation. As used herein, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated [●], which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Regulation (the " **Base Prospectus**") in order to obtain all the relevant information. [The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, including all documents incorporated by reference therein, are available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]

	(iii)	Date on which the Notes become fungible:	[Not Applicable] [The Notes shall be consolidated and form a single Series and be interchangeable for trading purposes with the [*insert description of the Series*] on [ ] [the Issue Date] [exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below [which is expected to occur on or about [*insert date*].]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount [of Notes admitted to trading]:		[ ]
	[(i)]	Series:	[ ] [*Insert total nominal amount of outstanding Notes including the Tranche which is the subject of these Final Terms*]
	[(ii)	Tranche:	[ ]]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable)*]
5.	(i)	Specified Denominations: [**]	[ ] *[Note – where multiple denominations above [ ] (or its equivalent) are being used, the following sample wording should be followed:* [ ] [and integral multiples of [ ] in excess thereof up to and including [ ].] [No Definitive Bearer Notes will be issued with a denomination above [ ].] *Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a minimum redemption value of £100,000 (or its equivalent in other currencies).*

[**] The minimum Specified Denomination of the Notes shall be €100,000 (or its equivalent in any other currency).

	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note – there must be a common factor in the case of two or more Specified Denominations*.]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*Specify/*Issue Date] [Not Applicable] (*N.B. an Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes*)
7.		Maturity Date:	[[ ][, subject to adjustment for payment day purposes only in accordance with the Modified Following Business Day Convention]] [Interest Payment Date falling in or nearest to [ ] [ ]]
8.		Interest Basis:	[[ ] per cent. Fixed Rate] [subject to change as indicated in paragraph 10 below] [+/– [ ] percent Floating Rate] [subject to change as indicated in paragraph 10 below] [[ ] per cent. to be reset on [ ] [and [ ]] and every [ ] anniversary thereafter Fixed Rate Reset] [[SONIA] [ ] Month [currency] EURIBOR] [ ] Month [currency] LIBOR] [Zero Coupon Note] (further particulars specified in paragraph [13/14/15/16] below)
9.		Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes would be redeemed on the Maturity Date at [par] / [[ ] per cent. of their nominal amount]

10.	Change of Interest Basis:		[[Not Applicable] [[Coupon Switch Option is applicable and the Coupon Switch Option Date is [ ]] [For these purposes and Condition 4(f): [Principal Financial Centre is [ ]] / [Notice Period is [ ]] /[Additional Business Centres [ ]]]] [Paragraph 13 applicable for the period from and including [ ] to but excluding [ ]] [Paragraph 15 applicable for the period from and including [ ] to but excluding the Maturity Date]
11.	Put/Call Options:		[Not Applicable] [Noteholder Put Option] (*Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes*) [Issuer Call Option] [(further particulars specified in paragraph [18/19] below)]
12.	(i)	Status of the Notes:	[Senior Notes] [NVCC Subordinated Notes]
	(ii)	Bail-inable Notes:	[Yes] [No] *(N.B. Bail-inable Notes can only be Senior Notes)*
	(iii)	Negative Covenant:	[Applicable] [Not Applicable] *(N.B. Negative Covenant may only be applicable to NVCC Subordinated Notes)*
	(iv)	Date Board approval for issuance of Notes obtained:	[ ] [and, [ ], respectively]] [Not Applicable] *(N.B. Only relevant where new resolution is required for the particular Tranche of Notes (including NVCC Subordinated Notes))*
	(v)	Automatic Conversion:	[Applicable] [Not Applicable] *(N.B. Automatic Conversion is only applicable to NVCC Subordinated Notes)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
		- Multiplier:	[ ] *(Insert amount if different than 1.50 or otherwise delete)*

- Conversion Price: [C$10]

  (N.B. This will be C$10, unless the Federation provides written notice of a change to the par value of the Class Z Shares)

- Prevailing Exchange Rate: [ ]

- Specified Time: [ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable] [Not Applicable]

    (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Rate [(s)] of Interest:	[ ] per cent. per annum [payable in arrear] on each Interest Payment Date
(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [up to and including the Maturity Date] [adjusted for payment day purposes only in accordance with the Business Day Convention specified in paragraph 13(iv) below] [adjusted for payment and interest accrual purposes in accordance with the Business Day Convention specified in paragraph 13(iv) below]
(iii)	Adjusted Fixed Interest Periods:	[Applicable] [Not Applicable]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v)	Additional Business Centre(s):	[ ] [Not Applicable]
(vi)	Fixed Coupon Amount[(s)]: *(applicable to Notes in definitive form only. For Notes in global form, see Condition 4(a) for calculation of interest)*	[[ ] per [ ] Calculation Amount] [Not Applicable]

	(vii)	Broken Amount(s): *(applicable to Notes issued in definitive form only. For Notes issued in global form, see Condition 4(a) for calculation of interest)*	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(viii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed)] *(See Condition 4(a) for definitions)* *(N.B. Day Count Fraction should be Actual/Actual (ICMA) for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed)*
	(ix)	Calculation Agent:	[Not Applicable] [ ]
	(x)	Determination Dates:	[Not Applicable] [[ ] in each year] *(Insert regular Interest Payment Dates, ignoring issue date or maturity date in the case of long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
14.	**Fixed Rate Reset Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[ ] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [from and including [ ]] [until and excluding [ ]]
	(iii)	First Reset Date:	[ ]
	(iv)	Second Reset Date:	[[ ]/Not Applicable]
	(v)	Anniversary Date:	[[ ]/Not Applicable]
	(vi)	Reset Determination Date(s):	[ ]
	(vii)	Reset Rate:	[[semi-annual] [annualised] [Mid-Swap Rate]] [Benchmark Gilt Rate] [Reference Bond]
	(viii)	Swap Rate Period:	[[ ]/Not Applicable]

	(ix)	Screen Page:	[ICESWAP1]/[ICESWAP2]/[ICESWAP3]/[ICESWAP4]/[ICESWAP5]/[ICESWAP6]/[ ]/[Not Applicable]
	(x)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[ ] day count basis][Not Applicable]
	(xi)	Floating Leg:	[[3]/[6]/[ ]-month [LIBOR]/[EURIBOR]/[ ] rate calculated on an[Actual/365]/[Actual/360]/[ ] day count basis]/[Not Applicable]
	(xii)	Margin(s):	[+/-] [ ] per cent. per annum
	(xiii)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount]
	(xiv)	Broken Amount(s):	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(xv)	Day Count Fraction:	[Actual / 365] [Actual / 365 (fixed)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] [Actual/Actual ICMA]
	(xvi)	Determination Dates:	[[ ] in each year/Not Applicable]
	(xvii)	Calculation Agent:	[ ]
	(xviii)	Relevant Time:	[11:00 a.m.]/[ ]] [Not Applicable]
	(xix)	First Reset Period Fallback:	[ ]
15.	**Floating Rate Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether LIBOR, EURIBOR or SONIA is the appropriate reference rate.)*
	(i)	Specified Period(s):	[ ] [Not Applicable]
	(ii)	Specified Interest Payment Dates:	[ ] [Not Applicable]

(iii)	First Interest Payment Date:	[ ]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment]
(v)	Additional Business Centre(s):	[ ] [Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination]
(vii)	Calculation Agent (responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)) if not the Agent:	[[ ] shall be the Calculation Agent]] [Not Applicable]
(viii)	Screen Rate Determination:	[Applicable] [Not Applicable]
	● Reference Rate:	[SONIA][[ ] month [currency] [LIBOR] [EURIBOR]]
	● Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling LIBOR or euro LIBOR), the first day of each Interest Period if sterling LIBOR, the second TARGET2 Business Day prior to the start of each Interest Period if EURIBOR or euro LIBOR, and the fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA.)*
	● Relevant Screen Page:	[ ] [Not Applicable] *(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*
	● Reference Banks:	[ ] [Not Applicable]
	● Specified Time:	[ ] [Not Applicable]
	● Relevant Financial Centre:	[London] [Eurozone] [Not Applicable]

	● Principal Financial Centre:	[ ] [Not Applicable]
	● Observation Look-Back Period:	[ ] [Not Applicable] *(only relevant to SONIA Reference Rate)*
(ix)	ISDA Determination:	[Applicable] [Not Applicable]
	● Floating Rate Option:	[ ]
	● Designated Maturity:	[ ]
	● Reset Date:	[ ]
(x)	Linear Interpolation:	[Not Applicable] [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Margin(s):	[[+/−][ ] per cent. per annum] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[ ] per cent. per annum] [The Minimum Rate of Interest is as specified in Condition 4(b)(ii)(G)]
(xiii)	Maximum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
(xiv)	Day Count Fraction:	[Actual / Actual] [Actual / 365 (Fixed)] [Actual / 365 (Sterling)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] *(See Condition 4(b)(iii) for definitions)*
16.	**Zero Coupon Note Provisions**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Method:	[Linear Accrual/Compounding Accrual]
(ii)	Accrual Yield:	[ ] per cent. per annum
(iii)	Reference Price:	[ ]
(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30 / 360][Actual / 360] [Actual / 365] [Actual/Actual (ICMA)]

(v) Determination Dates: [[ ] in each year] [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

17. Notice period for Condition 5(b)(i): Minimum period: [30] [ ] days
Maximum period: [60] [ ] days

18. **Issuer Call Option** [Applicable] [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [ ] [The First Call Date shall fall on [ ]]

(ii) Optional Redemption Amount(s): [ ] per Calculation Amount

(iii) Redeemable in part: [Yes] [No]

(If no, delete the remaining sub-paragraphs of this paragraph)

(a) Minimum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]

(b) Maximum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]

(iv) Notice period: Minimum period: [15] [ ] days
Maximum period: [30] [ ] days

(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the Agent.)

(v) Bail-inable Notes – TLAC Disqualification Event Call: [Applicable] [Not Applicable]

(Specify as being Applicable or Not Applicable for Bail-inable Notes, and as being Not Applicable for non Bail-inable Notes)

19.	**Noteholder Put Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph) (Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes)*
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii)	Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the applicable Agent.)*
20.	**Final Redemption Amount**		[Par] / [[ ] per Calculation Amount]
21.	**Early Redemption Amount**		
	Early Redemption Amount(s) payable on redemption for tax reasons[, upon the occurrence of a Special Event][, TLAC Disqualification Event] or on event of default:		[As per Condition 5(e)] [ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Bearer Notes:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note] [Permanent Global Note exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note]

23.	New Global Note or Classic Global Note form:	[New Global Note form] [Classic Global Note form]
24.	Payment Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention]
25.	Additional Financial Centre(s) relating to payment dates:	[Not Applicable] [ ] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which item 15(v) relates)*
26.	Calculation Agent for purpose of Condition 8(h):	[[ ] shall be the Calculation Agent] [The entity appointed by the Issuer in accordance with Condition 8(h)]

[**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Fédération des caisses Desjardins du Québec:

By: _____
Duly Authorized

PART B – OTHER INFORMATION

1. LISTING

(i) Listing/Admission to trading: [Application has been made by Fédération des caisses Desjardins du Québec (or on its behalf) for the Notes to be admitted to [the Official List of Euronext Dublin] and to trading on [the regulated market of Euronext Dublin] with effect from [*insert date*].

[Application will be made by Fédération des caisses Desjardins du Québec (or on its behalf) for the Notes to be admitted to [the Official List of Euronext Dublin] and to trading on [the regulated market of Euronext Dublin] with effect from [*insert date*].]

[Tranche[s] [ ] of the Notes is already admitted to the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin.] *(To be completed in the case of a fungible issue.)*

(ii) Estimate of total expenses related to Admission to trading: [ ] [Not Applicable]

2. RATINGS

Ratings: [Not Applicable] [The [Senior/NVCC Subordinated] Notes to be issued [have been] [are expected to be] specifically rated:

[S&P Canada: [ ]]
[Moody's Canada: [ ]]
[DBRS: [ ]]
[Fitch: [ ]]
[Any other Rating Agency: [ ]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[*insert credit rating agency*] is established in the [European Union] [United Kingdom] and has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority [and [*insert name of credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert credit rating agency*] is established in the [European Union] [United Kingdom] and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). [As such [*Insert credit rating agency*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[*Insert credit rating agency*] is not established in the European Union or United Kingdom and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). [*Insert credit rating agency*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[*Insert credit rating agency*] is not established in the European Union or United Kingdom and has not applied for registration under Regulation (EC) No, 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU or United Kingdom-registered credit rating agency*] in accordance with the CRA Regulation. [*Insert the name of the relevant EU or United Kingdom-registered credit rating agency*] is established in the [European Union] [United Kingdom] and registered under the CRA Regulation. [As such [*insert the legal name of the relevant EU or United Kingdom-registered credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant European Union or United Kingdom credit rating agency entity that applied for registration*] may be used in the European Union and the United Kingdom by the relevant market participants.]]

[[*insert credit rating agency*] is not established in the European Union or the United Kingdom and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it is certified in accordance with such Regulation. [[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the relevant competent

authority and [*insert credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert name of credit rating agency*] is not established in the European Union or the United Kingdom and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert name of credit rating agency]*, which is established in the [European Union] [United Kingdom], disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-European Union and non-United Kingdom credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert name of credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]. The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert name of credit rating agency*] may be used in the European Union and the United Kingdom by the relevant market participants.]]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[●] [Save for any fees payable to the [Managers/Dealers] and as described under "Subscription and Sale and Transfer and Selling Restrictions",] so far as Fédération des caisses Desjardins du Québec is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a Drawdown Prospectus in relation to the Tranche of Notes to be issued or, more generally, a Supplement to the Base Prospectus.*)] [Not Applicable]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[(i) Reasons for the offer:	[ ] [See ["Use of Proceeds"] in Base Prospectus/*Give details*] (*See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details here.*)
[(ii)] Estimated net proceeds:	[ ]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield: [ ]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] *(If the CFI and/or FISN is not required or requested as at the completion of the Final Terms, it/they should be specified to be "Not Applicable" while if it/they are not available as at the completion of the Final Terms, it/they should be specified to be "Not Available".)*
(v)	WKN or any other relevant codes:	[[ ]/Not Applicable]
(vi)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable] [*give name(s) and number(s)*]

(vii) Delivery:	Delivery [against / free of] payment
(viii) Names and addresses of additional Paying Agent(s) (if any) and if applicable a statement that it or they should be sole Paying Agent(s) for the Series:	[Not Applicable] [*give name(s) and address(es)*]
(ix) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as Common Safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [Not Applicable] *(Notes are not eligible to be used as collateral in the Eurosystem as of April 2018)*

7. DISTRIBUTION

(i) Method of distribution:	[Syndicated] [Non-Syndicated]
(ii) If syndicated, names of Managers:	[Not Applicable] [*Specify names*]
(iii) Date of Subscription Agreement:	[Not Applicable] [*Specify date*]

(iv) Stabilising Manager(s) (if any):	[Not Applicable] [*Specify names*]
(v) If non-syndicated, name of relevant Dealer:	[*Specify name*]
(vi) U.S. Selling Restrictions:	[Regulation S, Compliance Category 2]; [TEFRA C Rules apply] [TEFRA D Rules apply] [Excluded Transfer]
(vii) Canadian Selling Restrictions:	[Canadian Sales permitted] [Canadian Sales not permitted]
(viii) Prohibition of Sales to EEA and United Kingdom Retail Investors:	[Applicable] [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified)*
(ix) Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable] *(N.B. Advice should be taken from Belgian counsel before disapplying this selling restriction)*

8. EU BENCHMARKS REGULATION

EU Benchmarks Regulation: Article 29(2) statement on benchmarks:	[Not Applicable] Amounts payable under the Notes will be calculated by reference to [] which [is/are] provided by []. As at [ ], [ ] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, [ ] [does/do] not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation / the transitional provisions of Article 51 of the Benchmarks Regulation apply, such that [ ] [is/are] not currently required to obtain authorisation or registration (or, if located outside the EU or the United Kingdom, recognition, endorsement or equivalence).]]

PRO FORMA PRICING SUPPLEMENT FOR BEARER NOTES THAT ARE EXEMPT NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Bearer Notes that are Exempt Notes issued under the Programme.

Notes in italics in this Form of Pricing Supplement are intended for reference purposes only, will not appear in actual Pricing Supplement documents and are not binding on the Issuer.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – [*appropriate target market legend to be included.]*]

[PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.][1]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "SFA") – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the "MAS") Notice SFA 04-N12: Notice on the Sale of

[1] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]][2]

THE NOTES ARE NOT INSURED UNDER THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) OR THE CANADA DEPOSIT INSURANCE CORPORATION ACT.

[THE NOTES (AND BENEFICIAL INTERESTS THEREIN) ARE (IN EACH CASE, IN WHOLE OR IN PART) SUBJECT TO WRITE-OFF OR CONVERSION INTO CONTRIBUTED CAPITAL SECURITIES OF THE FEDERATION, OF A DEPOSIT-TAKING INSTITUTION THAT IS PART OF THE GROUPE COOPÉRATIF DESJARDINS OR OF A LEGAL PERSON CONSTITUTED OR RESULTING FROM AN AMALGAMATION/CONTINUANCE OR OTHER CONVERSION CARRIED OUT FOR THE PURPOSES OF THE RESOLUTION OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, IN EACH CASE, BY THE AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC) UNDER SECTION 40.50 OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) AND REGULATIONS PROMULGATED THEREUNDER (INCLUDING, AMONG OTHERS, THE REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES (QUÉBEC)).][3]

PRICING SUPPLEMENT

Pricing Supplement dated [Signing Date of Issue]

Fédération des caisses Desjardins du Québec
(the "Issuer")

LEI: 549300B2Q47IR0CR5B54

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes]

Under the €7,000,000,000 Global Medium Term Note Programme

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[2] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.
[3] Include for Bail-inable Notes only.

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer in a Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus or supplement a prospectus pursuant to the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated ● [and the supplemental Base Prospectus[es] dated ●] (the "**Base Prospectus**").[4]

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus and in the event of inconsistency between the Conditions in the Base Prospectus and any terms and conditions specified in this Pricing Supplement, the Terms and Conditions in this Pricing Supplement shall prevail. Reference in the Conditions to the "Final Terms" shall be deemed to be references to the terms set out below. The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, together with all documents incorporated by reference therein, [is][are] available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from the offices of Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus/Listing Particulars with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] which are incorporated by reference in the Base Prospectus dated ●.

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus dated ● [and the supplemental Base Prospectus[es] dated ●][5] (the "**Base Prospectus**").[6] [Full information on Fédération des caisses Desjardins du Québec and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base

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[4] Only include details of a supplemental Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[5] Only include details of a supplemental Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[6] Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

Prospectus and in the event of any inconsistency between the Terms and Conditions in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] and any terms and conditions specified in this Pricing Supplement, the terms and conditions in this Pricing Supplement shall prevail. Reference in the Conditions to the "Final Terms" shall be deemed to be references to the terms set out below. The Base Prospectus, including all documents incorporated by reference therein, are available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes become fungible:	[Not Applicable] [The Notes shall be consolidated and form a single Series and be interchangeable for trading purposes with the [*insert description of the Series*] on [ ] [the Issue Date] [exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [24] below [which is expected to occur on or about [*insert date*].]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		[ ]
	[(i)]	Series:	[ ] [*Insert total nominal amount of outstanding Notes including the Tranche which is the subject of this Pricing Supplement*
	[(ii)	Tranche:	[ ]]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable)*]

5.	(i)	Specified Denominations:	[ ] *[Note – where multiple denominations above [ ] (or its equivalent) are being used, the following sample wording should be followed:* [ ] [and integral multiples of [ ] in excess thereof up to and including [ ].] [No Definitive Bearer Notes will be issued with a denomination above [ ].] *Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a minimum redemption value of £100,000 (or its equivalent in other currencies).*
	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note – there must be a common factor in the case of two or more Specified Denominations*.]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*Specify/*Issue Date] [Not Applicable] (*N.B. an Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes*)
7.		Maturity Date:	[[ ][, subject to adjustment for payment day purposes only in accordance with the Modified Following Business Day Convention]] [Interest Payment Date falling in or nearest to [ ] [ ]]

8.	Interest Basis:	[SONIA][[ ] Month [currency] EURIBOR / LIBOR / Other (*specify reference rate*)] [[ ] per cent. Fixed Rate] [subject to change as indicated in paragraph 10 below] [+/– [ ] percent Floating Rate] [subject to change as indicated in paragraph 10 below] [[ ] per cent. to be reset on [ ] [and [ ]] and every [ ] anniversary thereafter Fixed Rate Reset] [Zero Coupon Note] [Index Linked Interest Note] [Dual Currency Interest Note] [Other (*specify*)] (further particulars specified in paragraph [13/14/15/16/17/18] below)
9.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Notes would be redeemed on the Maturity Date at [par] / [[ ] per cent. of their nominal amount]] [Index Linked Redemption Note] [Dual Currency Redemption Note] [Partly Paid Note] [Instalment Note] [Other (*specify*)]
10.	Change of Interest Basis:	[[Not Applicable] [[Coupon Switch Option is applicable and the Coupon Switch Option Date is [ ]] [For these purposes and Condition 4(f): [Principal Financial Centre is [ ]] / [Notice Period is [ ]] /[Additional Business Centres [ ]]]] [Paragraph 13 applicable for the period from and including [ ] to but excluding [ ]] [Paragraph 15 applicable for the period from and including [ ] to but excluding the Maturity Date] [*Specify details of any provision for convertibility of Notes into another interest basis*]
11.	Put/Call Options:	[Not Applicable] [Noteholder Put Option] (*Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes*) [Issuer Call Option] [(further particulars specified in paragraph [20/21] below)]

12.	(i)	Status of the Notes:	[Senior Notes] [NVCC Subordinated Notes]
	(ii)	Bail-inable Notes:	[Yes] [No] *(N.B. Bail-inable Notes can only be Senior Notes)*
	(iii)	Negative Covenant:	[Applicable] [Not Applicable] *(N.B. Negative Covenant may only be applicable to NVCC Subordinated Notes)*
	(iv)	Date Board approval for issuance of Notes obtained:	[ ] [and, [ ], respectively]] [Not Applicable] *(N.B. Only relevant where new resolution is required for the particular Tranche of Notes (including NVCC Subordinated Notes))*
	(v)	Automatic Conversion:	[Applicable] [Not Applicable] *(N.B. Automatic Conversion is only applicable to NVCC Subordinated Notes)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
		- Multiplier:	[ ] *(Insert amount if different than 1.50 or otherwise delete)*
		- Conversion Price:	[C$10] *(N.B. This will be C$10, unless the Federation provides written notice of a change to the par value of the Class Z Shares)*
		- Prevailing Exchange Rate:	[ ]
		- Specified Time:	[ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate [(s)] of Interest:	[ ] per cent. per annum [payable in arrear] on each Interest Payment Date

(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [up to and including the Maturity Date] [adjusted for payment day purposes only in accordance with the Business Day Convention specified in paragraph 13(iv) below] [adjusted for payment and interest accrual purposes in accordance with the Business Day Convention specified in paragraph 13(iv) below]
(iii)	Adjusted Fixed Interest Period(s):	[Applicable] [Not Applicable]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v)	Additional Business Centre(s):	[ ] [Not Applicable]
(vi)	Fixed Coupon Amount[(s)]: *(applicable to Notes in definitive form only. For Notes in global form, see Condition 4(a) for calculation of interest)*	[[ ] per [ ] Calculation Amount] [Each Fixed Coupon Amount shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest [HK$0.01 / HK$0.005] being rounded upwards] [Not Applicable]
(vii)	Broken Amount(s): *(applicable to Notes issued in definitive form only. For Notes issued in global form, see Condition 4(a) for calculation of interest)*	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
(viii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed)] *(N.B. Day Count Fraction should be Actual/Actual (ICMA) for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed)*
(ix)	Determination Dates:	[Not Applicable] [[ ] in each year] *(Insert regular Interest Payment Dates, ignoring issue date or maturity date in the case of long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
(x)	Calculation Agent:	[ ] [Not Applicable]

	(xi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
14.	**Fixed Rate Reset Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[ ] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [from and including [ ]] [until and excluding [ ]]
	(iii)	First Reset Date:	[ ]
	(iv)	Second Reset Date:	[[ ]/Not Applicable]
	(v)	Anniversary Date:	[[ ]/Not Applicable]
	(vi)	Reset Determination Date(s):	[ ]
	(vii)	Reset Rate:	[[semi-annual] [annualised] [Mid-Swap Rate]] [Benchmark Gilt Rate] [Reference Bond]
	(viii)	Swap Rate Period:	[[ ]/Not Applicable]
	(ix)	Screen Page:	[ICESWAP1]/[ICESWAP2]/[ICESWAP3]/[ICESWAP4]/ [ICESWAP5]/[ICESWAP6]/[ ]/[Not Applicable]
	(x)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[ ] day count basis][Not Applicable]
	(xi)	Floating Leg:	[[3]/[6]/[ ]-month [LIBOR]/[EURIBOR/[ ] rate calculated on an[Actual/365]/[Actual/360]/[ ] day count basis]/[Not Applicable]
	(xii)	Margin(s):	[+/-] [ ] per cent. per annum
	(xiii)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount]

	(xiv)	Broken Amount(s):	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(xv)	Day Count Fraction:	[Actual / 365] [Actual / 365 (fixed)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] [Actual/Actual ICMA]
	(xvi)	Determination Dates:	[[ ] in each year/Not Applicable]
	(xvii)	Calculation Agent:	[ ]
	(xviii)	Relevant Time:	[11:00 a.m.]/[ ]] [Not Applicable]
	(xix)	First Reset Period Fallback:	[ ]
15.	**Floating Rate Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether LIBOR, EURIBOR or SONIA is the appropriate reference rate.)*
	(i)	Specified Period(s):	[ ] [Not Applicable]
	(ii)	Specified Interest Payment Dates:	[ ] [Not Applicable]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/ Other *(give details)*]
	(v)	Additional Business Centre(s):	[ ] [Not Applicable]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination] *(give details)*

(vii)	Calculation Agent (responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)) if not the Agent:	[[ ] shall be the Calculation Agent] [Not Applicable]
(viii)	Screen Rate Determination:	[Applicable] [Not Applicable]
	● Reference Rate:	[SONIA][[ ] month [currency] [LIBOR] [EURIBOR] [ ]]
	● Interest Determination Date(s):	[ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling LIBOR or euro LIBOR), the first day of each Interest Period if sterling LIBOR, the second TARGET2 Business Day prior to the start of each Interest Period if EURIBOR or euro LIBOR, and the fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA.)*
	● Relevant Screen Page:	[ ] [Not Applicable] *(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*
	● Reference Banks:	[ ] [Not Applicable]
	● Specified Time:	[ ] [Not Applicable]
	● Relevant Financial Centre:	[London] [Eurozone] [Not Applicable]
	● Principal Financial Centre:	[ ] [Not Applicable]
	● Observation Look-Back Period:	[ ] [Not Applicable] *(only relevant to SONIA Reference Rate)*
(ix)	ISDA Determination:	[Applicable] [Not Applicable]
	● Floating Rate Option:	[ ]
	● Designated Maturity:	[ ]

	● Reset Date:	[ ]
(x)	Linear Interpolation:	[Not Applicable] [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Margin(s):	[[+/−][ ] per cent. per annum] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[ ] per cent. per annum] [The Minimum Rate of Interest is as specified in Condition 4(b)(ii)(G)]
(xiii)	Maximum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
(xiv)	Day Count Fraction:	[Actual / Actual] [Actual / 365 (Fixed)] [Actual / 365 (Sterling)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] *(See Condition 4(b)(iii) for definitions)*
(xv)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

16.	**Zero Coupon Note Provisions**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Method:	[Linear Accrual/Compounding Accrual]
(ii)	Accrual Yield:	[ ] per cent. per annum
(iii)	Any other formula/basis of determining "**Amortised Face Amount**" (as described in Condition 5(e)) or other amounts payable:	[ ]

	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30 / 360] [Actual / 360] [Actual / 365] [Actual/Actual (ICMA)] [Other (*specify*)]
	(v)	Determination Dates:	[[ ] in each year] [Not Applicable]
17.	**Index-Linked Interest Note / other variable-linked interest Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula/other variable:	[ ]
	(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)):	[ ]
	(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv)	Determination Date(s):	[ ]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi)	Interest or Interest Period(s):	[ ]
	(vii)	Specified Interest Payment Dates:	[ ]
	(viii)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / other (*give details*)]
	(ix)	Business Centre(s):	[ ]
	(x)	Minimum Rate / Amount of Interest:	[ ] [per cent.] per annum

	(xi)	Maximum Rate / Amount of Interest:	[ ] [per cent.] per annum
	(xii)	Day Count Fraction:	[ ]
18.	**Dual Currency Note Provisions**		[Applicable] [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[ ]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(iv)	Person to whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

19.	Notice period for Condition 5(b)(i):		Minimum period: [30] [ ] days Maximum period: [60] [ ] days
20.	**Issuer Call Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ] [The First Call Date shall fall on [ ]]
	(ii)	Optional Redemption Amount(s) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[ ] per Calculation Amount] [ ]

(iii)	Redeemable in part:		[Yes] [No] *(If no, delete the remaining sub-paragraphs of this paragraph)*
	(a)	Minimum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
	(b)	Maximum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
(iv)	Notice period:		Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the Agent.)*
(v)	Bail-inable Notes – TLAC Disqualification Event Call:		[Applicable] [Not Applicable] *(Specify as being Applicable or Not Applicable for Bail-inable Notes, and as being Not Applicable for non Bail-inable Notes)*
21.	**Noteholder Put Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph) (Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes)*
(i)	Optional Redemption Date(s):		[ ]
(ii)	Optional Redemption Amount(s) and/or the method of calculating the same (if required or if different from that set out in the Conditions):		[[ ] per Calculation Amount] [ ]

	(iii)	Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the applicable Agent.)*
22.	**Final Redemption Amount**		[Par] / [[ ] per Calculation Amount]
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/other variable:	[ ]
	(ii)	Party responsible for calculating the Final Redemption Amount (if not the Agent):	[ ]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv)	Determination Date(s):	[ ]
	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi)	Payment Date:	[ ]

(vii)	Minimum Final Redemption Amount:	[ ]
(viii)	Maximum Final Redemption Amount:	[ ]

23. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for tax reasons[, upon the occurrence of a Special Event] [, TLAC Disqualification Event] or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[As per Condition 5(e)] [[ ] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	[Bearer Notes:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note] [Permanent Global Note exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note] [other *(specify form of the Notes)*]
25.	New Global Note or Classic Global Note form:	[New Global Note form] [Classic Global Note form]
26.	Payment Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention]
27.	Additional Financial Centre(s) relating to payment dates:	[Not Applicable] [*give details*] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which item 15(v) relates)*
28.	Calculation Agent for purpose of Condition 8(h):	[[ ] shall be the Calculation Agent] [The entity appointed by the Issuer in accordance with Condition 8(h)]

29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable] [ ]
30.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable] [ ]
31.	Other terms and conditions	[Not Applicable] [*Insert new terms and conditions or amend or replace Terms and Conditions in the applicable Base Prospectus*]

[**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

RESPONSIBILITY

Fédération des caisses Desjardins du Québec accepts responsibility for the information contained in the Base Prospectus and this Pricing Supplement.

Signed on behalf of Fédération des caisses Desjardins du Québec:

By: _____
Duly Authorized

PART B – OTHER INFORMATION*

1. LISTING

(i) Listing/Admission to trading: [ ] [Not Applicable]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

(ii) Estimate of total expenses related to Admission to trading: [ ] [Not Applicable]

2. RATINGS

Ratings: The [Senior/NVCC Subordinated] Notes to be issued [have been] [have not been] [are expected to be] specifically rated:

[S&P Canada: [ ]]
[Moody's Canada: [ ]]
[DBRS: [ ]]
[Fitch: [ ]]
[Any other Rating Agency: [ ]]

(*The above disclosure should reflect where the issue has been specifically rated, that rating.*)

[**3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [ ]

[(ii)] Estimated net proceeds: [ ]

[(iii)] Estimated total expenses: [ ]]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

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* Certain items may not be required to be completed, including items 3 and 4.

[●] [Save for any fees payable to the [Managers/Dealers] and as described under "Subscription and Sale and Transfer and Selling Restrictions",] so far as Fédération des caisses Desjardins du Québec is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a Drawdown Prospectus in relation to the Tranche of Notes to be issued or, more generally, a Supplement to the Base Prospectus.*)] [Not Applicable]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield: [ ]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] *(If the CFI and/or FISN is not required or requested as at the completion of the Final Terms, it/they should be specified to be "Not Applicable" while if it/they are not available as at the completion of the Final Terms, it/they should be specified to be "Not Available".)*
(v)	WKN or any other relevant codes:	[[ ]/Not Applicable]
(vi)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable] [*give name(s) and number(s)*]

(vii)	Names and addresses of additional Paying Agent(s) (if any) and if applicable a statement that it or they should be sole Paying Agent(s) for the Series:	[Not Applicable] [*give name(s) and address(es)*]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as Common Safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [Not Applicable] *(Notes are not eligible to be used as collateral in the Eurosystem as of April 2018)*

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated] [Non-Syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable] [*Specify names*]

(iii) Date of Subscription Agreement:	[Not Applicable] [*Specify date*]
(iv) Stabilising Manager(s) (if any):	[Not Applicable] [*Specify names*]
(v) If non-syndicated, name of relevant Dealer:	[*Specify name*]
(vi) U.S. Selling Restrictions:	[Regulation S, Compliance Category 2]; [TEFRA C Rules apply] [TEFRA D Rules apply] [Excluded Transfer]
(vii) Canadian Selling Restrictions:	[Canadian Sales permitted] [Canadian Sales not permitted]
(viii) Prohibition of Sales to EEA and United Kingdom Retail Investors:	[Applicable] [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified)*
(ix) Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable] *(N.B. Advice should be taken from Belgian counsel before disapplying this selling restriction)*
(x) Additional or amended Selling Restrictions:	[Not Applicable] [*Give details]*
(xi) Additional tax disclosure:	[Not Applicable] [*Give details*]

[8**. ADDITIONAL DISCLOSURE**]

[Costs and charges disclosure: [ ] [ ]]

TERMS AND CONDITIONS OF THE REGISTERED NOTES

*The following are the Terms and Conditions of the Registered Notes (each a "**Condition**") which, as completed by the provisions of Part A of the applicable Final Terms or, in the case of Exempt Notes, as completed, supplemented, amended and/or replaced by the provisions of the applicable Pricing Supplement, and, if required, simplified by deletion of non applicable provisions, will be attached to, endorsed on or incorporated by reference into each global Note and definitive Note. The applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement (or in either case the relevant provisions thereof) will be endorsed on, or attached to, each global Registered Note and each definitive Note. All capitalized terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms or, as the case may be, the Pricing Supplement or, as the case may be, the Drawdown Prospectus.*

The Terms and Conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions as supplemented, amended and/or replaced to the extent described in such Drawdown Prospectus and, in such circumstances, as endorsed on, or attached to, or incorporated by reference into the relevant global Notes.

This Note is one of a Series of Notes issued by Fédération des caisses Desjardins du Québec (the "***Federation***" or the "***Issuer***"). References herein to the "***Notes***" shall mean with respect to the Notes of this Series (*as defined herein*) (i) in relation to any Notes represented by a global Note (a "***Global Note***"), units of the lowest Specified Denomination in the Specified Currency; (ii) any definitive Notes in registered form ("***Definitive Registered Notes***") whether or not issued in exchange for a Global Note issued in registered form (a "***Global Registered Note***"); (iii) any Global Registered Note issued subject to, and with the benefit of, an Amended and Restated Fiscal Agency Agreement dated 25 February 2020 (as further amended or supplemented from time to time in accordance with the terms thereof; the "***Registered Notes Agency Agreement***") made between the Issuer, Desjardins Florida Branch, The Bank of New York Mellon, London Branch, as fiscal agent (the "***Registered Fiscal Agent***", which expression shall include any successor appointed in accordance with the Registered Notes Agency Agreement), as transfer agent (the "***Transfer Agent***") and as European Paying Agent (the "***European Paying Agent***"), The Bank of New York SA/NV, Luxembourg Branch as European Registrar (the "***European Registrar***"), The Bank Of New York Mellon as U.S. registrar (the "***U.S. Registrar***" and, together with the European Registrar, the "***Registrars"*** and each individually, a "***Registrar"***), as U.S. Exchange Agent (the ***"U.S. Exchange Agent")*** and as U.S. paying agent (the "***U.S. Paying Agent***" and, together with the European Paying Agent, the "***Registered Notes Paying Agents***"; which expressions shall each include any successor appointed in accordance with the Registered Notes Agency Agreement. In addition to Registered Notes issuable under these Terms and Conditions for Registered Notes (the "***Terms and Conditions***"), the Issuer may also issue Notes in bearer form under an Amended and Restated Agency Agreement dated 25 February 2020 (as further amended or supplemented from time to time in accordance with the terms hereof, the "***Bearer Note Agency Agreement***") made between the Issuer, The Bank of New York Mellon, London Branch, as issuing and principal paying agent (the "***Bearer Fiscal Agent,***" which expression shall include any successor appointed in accordance with the Bearer Notes Agency Agreement) and the other paying agents named therein (the "***Bearer Notes Paying Agents***", which expression shall include the Bearer Fiscal Agent), and together with the Registered Note Paying Agents, the "***Paying Agents***" and each individually, a "***Paying Agent***"), which expressions shall each include any successor appointed in accordance with the Registered Notes Agency Agreement.

The term "***Agency Agreement***" when used herein shall mean the Registered Notes Agency Agreement. The term "***Fiscal Agent***" when used herein means the Registered Fiscal Agent. As used herein, "***Series***" means all Notes which are issued in the same form, denominated in the same currency and which have the same "***Maturity Date***", being a date on which Notes, other than Notes bearing interest on a floating rate basis ("***Floating Rate Notes***"), will be redeemed (unless previously redeemed or purchased and cancelled), or in the case of Floating Rate Notes, the month and year in which the Notes will be redeemed (unless previously redeemed or purchased and cancelled), as the case may be, interest and/or payment basis ("***Interest/Payment Basis***") and interest payment dates (if any) (all as indicated in the applicable Final Terms or, in the case of the Exempt Notes, the Pricing Supplement) and the terms of which (save for the date on which the Notes will be issued ("***Issue Date***"), the date from which the Notes, if interest-bearing, bear interest ("***Interest Commencement Date***"), the amount and date of the first payment of interest thereon and/or the price at which the Notes will be issued ("***Issue Price***") are otherwise identical; and the expressions "***Notes of the relevant Series***" and "***holders of Notes of the relevant Series***" and related expressions shall be construed accordingly. As used herein, "***Tranche***" means all Notes of the same Series with the same Issue Date, the terms of which are identical in all respects save that a Tranche may comprise Notes of more than one denomination. The Issuer may create and issue additional Tranches in accordance with Condition 19.

The final terms and conditions (or the relevant provisions thereof) applicable to this Tranche of Notes are set forth in Part A of the Final Terms attached to or endorsed on the Note which completes these Terms and Conditions or, if the Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (an "***Exempt Note***"), the final terms (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed herein which supplement these Terms and Conditions and which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replaced or modifies the Terms and Conditions for the purposes of this Note. References to the "applicable Final Terms" are to Part A the Final Terms (or the relevant provisions thereof) attached to, endorsed on or incorporated by reference into the Note. References to the "applicable Pricing Supplement" are, unless otherwise stated, to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the Note and any references in these Terms and Conditions to "applicable Final Terms" shall be deemed to include a reference to the "applicable Pricing Supplement" in the case of a Tranche of Exempt Notes.

The holders of the Notes (the "***Noteholders***", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1) are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them.

A copy of the Agency Agreement (which contains the form of Final Terms) is available for inspection during normal business hours and upon reasonable notice at the principal office of the Fiscal Agent in New York and London, England. A copy of the Agency Agreement is available for collection without charge from the registered office of the Federation in Lévis, Québec, Canada. Copies of the applicable Final Terms can be viewed on the website of Euronext Dublin and at the registered offices of the Issuer or the specified offices of the European Paying Agent, save that Pricing Supplements may only be viewed by a Noteholder on production of evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of Euronext Dublin, the Final Terms can be viewed on the website of Euronext Dublin. If a Note is not so listed but it is

not an Exempt Note, the Final Terms can be viewed on the website of Euronext Dublin at http://www.ise.ie as the competent authority of the home member state for such Notes.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In these Terms and Conditions, "***Euro"*** means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes of this Series are issuable in registered form ("***Registered Notes***") in the Specified Currency and the Specified Denominations and, in the case of definitive Notes, serially numbered, save that the minimum denomination of each Note other than an Exempt Note will be at least €100,000 (or, if the Notes are denominated in any currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency. None of the Specified Denominations will be exchangeable for any other Specified Denominations.

Unless otherwise stated in the applicable Pricing Supplement in the case of Exempt Notes only, the minimum Specified Denomination for (i) Registered Notes offered under Rule 144A (as defined below) only shall be not less than US$200,000 (or its equivalent in any other currency) and (ii) Registered Notes offered under Rule 144A and Regulation S (as defined below) shall be not less than US$200,000 (or an amount in a Specified Currency that is not U.S. dollars, which is not less than €100,000 or the equivalent thereof at the date of issue of the Notes).

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, if Specified Denominations are expressed as such, the Notes shall be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) specified in the applicable Final Terms and (unless otherwise specified in the applicable Final Terms) higher integral multiples of at least 1,000 in the relevant currency as specified in the relevant Final Terms (the "***Integral Amount***").

Unless this is an Exempt Note, this Note is a Fixed Rate Note, a Fixed Rate Reset Note, a Floating Rate Note, a Zero Coupon Note or any appropriate combination thereof, depending upon the Interest/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Fixed Rate Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Note, a Dual Currency Interest Note or any other type of Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note is a Senior Note (which may be a Bail-inable Note (as defined below)) or a NVCC Subordinated Note depending upon the Status of the Notes indicated in the applicable Final Terms.

Subject as set out below, title to Registered Notes will pass by due endorsement in the relevant register. The Federation shall procure that the Fiscal Agent keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Notes and particulars of the Registered Notes held by them. Such registration shall be noted on the Registered Notes by the Fiscal Agent. Except as required by applicable law or regulatory requirement, the Federation, the Fiscal Agent and any Paying Agent may deem and treat the registered holder or holders of Registered Notes in the relevant Register as the absolute owner or owners thereof for all purposes whatsoever notwithstanding any notice to the contrary.

Any reference herein to ***"Noteholders", "holder of Notes"*** and related expressions means the several persons who are for the time being holders of outstanding Registered Notes (being, the registered owners thereof as reflected in the relevant registers), except that for so long as any of the Registered Notes are represented by a Global Note, each person who is for the time being shown in the records of The Depository Trust Company (***"DTC"***) and/or Euroclear Bank SA/NV (***"Euroclear"***) and/or Clearstream Banking S.A. (***"Clearstream, Luxembourg"***) as the holder of a particular principal amount of such Registered Notes (a "***Relevant Account Holder***") (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) (in which regard any certificate or other document issued by DTC and/or Euroclear and Clearstream, Luxembourg as to the principal amount of such Registered Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Federation, the Fiscal Agent and any Paying Agent as a holder of such principal amount of such Registered Notes for all purposes other than for the payment of principal, premium (if any) and interest on such Securities, the right to which shall be vested, as against the Federation and the Fiscal Agent, solely in the person in whose name the Global Registered Note is registered. Similar rights as those made available to Relevant Account Holders in the preceding sentences may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the Final Terms.

References to Euroclear, Clearstream, Luxembourg or DTC shall, whenever the context so permits, except in relation to Registered Notes held under the New Safekeeping Structure for registered global securities, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms as may otherwise be approved by the Federation and the Fiscal Agent.

2. Transfer of Registered Notes

A Registered Note may, upon the terms and subject to the terms and conditions set forth in the Agency Agreement and as required by law, be transferred in whole or in part only (provided that such part is a Specified Denomination specified in the Final Terms) upon the surrender of the Registered Note to be transferred, together with a form of transfer duly completed and executed, at the specified office of the Fiscal Agent. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

Each new Registered Note to be issued upon the registration of the transfer of a Registered Note will, within three Relevant Banking Days of the transfer date be available for collection by each relevant Holder at the specified office of the Fiscal Agent or, at the option of the Holder requesting such transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer received by the Fiscal Agent after the applicable Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Fiscal Agent until the day following the due date for such payment.

Transfers of beneficial interests in Rule 144A Global Notes (as defined herein) and Regulation S Global Notes (as defined herein) will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. The laws of some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Registered Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Registered Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. A beneficial interest in a Global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Global Registered Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Registered Note registered in the name of a nominee for DTC shall be limited to transfers of such Global Registered Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

Subject as otherwise provided in this Condition 2, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part in the authorized denominations set out in the applicable Final Terms. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Fiscal Agent or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their, attorney or attorneys duly authorized in writing, and (ii) complete and deposit such other certifications as may be required by the Fiscal Agent or, as the case may be, the relevant Transfer Agent, and (b) the Fiscal Agent or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Fiscal Agent may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided above, the Fiscal Agent or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Fiscal Agent or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with, any applicable fiscal or

other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred.

In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will (in addition to the new Definitive Registered Note in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) so sent by uninsured mail to the address specified by the transferor.

For the purposes of these Terms and Conditions:

(a) "***Distribution Compliance Period***" means the period that ends 40 days after the completion of the distribution of the relevant Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

(b) "***QIB***" means a "qualified institutional buyer" within the meaning of Rule 144A;

(c) "***Registered Notes***" means Registered Notes (whether in definitive form or represented by a Global Registered Note and whether a Regulation S Global Note or a Rule 144A Global Note);

(d) "***Regulation S***" means Regulation S under the Securities Act;

(e) "***Regulation S Global Note***" means a Global Registered Note representing Registered Notes sold outside the United States and to or for the account of non-U.S. persons (within the meaning of Regulation S) in reliance on Regulation S;

(f) "***Relevant Banking Day***" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Fiscal Agent is located;

(g) "***Rule 144A***" means Rule 144A under the Securities Act;

(h) "***Rule 144A Global Note***" means a Global Registered Note representing Registered Notes sold in the United States to QIBs in reliance on Rule 144A;

(i) "***Securities Act***" means the U.S. Securities Act of 1933, as amended; and

(j) "***transfer date***" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer.

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Federation or the Fiscal Agent, but upon payment by the applicant of (or the giving by the applicant of

such indemnity as the Federation or the Fiscal Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

In the event of a partial redemption of Notes under Condition 6, the Federation shall not be required to register the transfer of any Registered Note, or part of a Registered Note called for partial redemption.

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person, in either case, who will hold their interest through a Rule 144A Global Note, will only be made:

(a) upon receipt by the Fiscal Agent of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "***Transfer Certificate***"), copies of which are available from the specified office of the Fiscal Agent or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Federation of such satisfactory evidence as the Federation may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Rule 144A Registered Note in global or definitive form. Prior to the end of the applicable Distribution Compliance Period, beneficial interests in Regulation S Notes registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period: (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (B) such certification requirements will no longer apply to such transfers.

Transfers of Rule 144A Registered Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registered Fiscal Agent of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Rule 144A Global Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Federation of such satisfactory evidence as the Federation may reasonably require, which may include an opinion of United States counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Registered Notes, or upon specific request for removal of the legend therein, the Fiscal Agent shall deliver only Registered Notes or refuse to remove the Legend therein, as the case may be, unless there is delivered to the Federation such satisfactory evidence as may reasonably be required by the Federation, which may include an opinion of United States counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither transferors nor transferees may require transfers to be registered (i) on the business day prior to the due date for any payment of principal or interest in respect of the Global Notes and (ii) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Definitive Registered Notes.

3. Definitive Notes

Beneficial interests in a Global Registered Note will be exchangeable (free of charge) by the Issuer in whole (but not in part) at the option of the registered Holders thereof for security-printed Definitive Registered Notes only if such exchange is permitted by applicable law and one of the following events has occurred: (i) in the case of a DTC Global Note, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Global Registered Note, clearing system(s) through which it is cleared and settled is closed for business for a continuous period of at least 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and a successor or successors is or are not appointed by the Issuer within 90 days from the commencement of such closure, announcement or cessation of business, or (iii) an Event of Default as described in Condition 12 occurs.

4. Status of Notes

(a) Status of Senior Notes

This Condition 4(a) will apply in respect of all Senior Notes of the Federation issued hereunder.

Senior Notes constitute direct, unsecured and unsubordinated obligations of the Federation and 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 and subject to the exercise of resolution powers of the Autorité des marchés financiers (Québec) (the "**AMF**") (the "**Resolution Powers**"), if applicable. Notwithstanding the foregoing, in the event of the winding-up,

insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Senior Notes will rank equally in right of payment with all deposit liabilities and other unsecured and unsubordinated liabilities of the entities of the Groupe coopératif Desjardins (as defined in an Act respecting financial services cooperatives (Québec) (the "**Cooperatives Act**")) (the "**Groupe coopératif Desjardins**"), except as may be provided by law and subject to the exercise of the Resolution Powers, if applicable.

(b) Status of NVCC Subordinated Notes

This Condition 4(b) will apply in respect of all NVCC Subordinated Notes of the Federation issued hereunder.

NVCC Subordinated Notes constitute direct unsecured debt obligations representing Subordinated Indebtedness and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the NVCC Subordinated Notes shall rank:

(i) subordinate in right of payment to the prior payment in full of all Indebtedness of the Federation then outstanding other than Subordinated Indebtedness (the "**Higher Ranked Indebtedness**"), whether now outstanding or hereafter incurred;

(ii) in right of payment equally with and not prior to Subordinated Indebtedness (other than any Subordinated Indebtedness which by its terms ranks subordinate to the NVCC Subordinated Notes) of the Federation then outstanding, in each case, whether now outstanding or hereafter incurred; and

(iii) senior to (A) any instrument of the Federation that constitutes Tier 1 Capital, and (B) any Subordinated Indebtedness which by its terms ranks subordinate to the NVCC Subordinated Notes, in each case, whether now outstanding or hereafter incurred.

The Federation agrees and each Noteholder, by his, her or its acquisition of such NVCC Subordinated Notes, is deemed to irrevocably agree and shall be deemed conclusively to have agreed, for the benefit of the present and future holders of Higher Ranked Indebtedness that, upon the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the Federation shall have no obligation to repay the NVCC Subordinated Notes or any interest due thereon until all Higher Ranked Indebtedness of the Federation have been reimbursed or paid, or the funds necessary to satisfy all Higher Ranked Indebtedness has been deposited for payment.

If the applicable Final Terms specify that Negative Covenant is applicable, so long as any of the applicable NVCC Subordinated Notes remain outstanding, the Federation shall not create, issue or incur any Indebtedness subordinate in right of payment to the deposit liabilities of the Federation (including, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), the deposit liabilities of other entities forming part of the Groupe coopératif Desjardins) which, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, would rank in right of payment in priority to the NVCC Subordinated Notes.

Upon the occurrence of a Non-Viability Trigger Event, the subordination provisions of the NVCC Subordinated Notes will not be relevant as each outstanding NVCC Subordinated Note shall automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Noteholders (which, for the purposes of Condition 7, includes each holder of a beneficial interest in the NVCC Subordinated Notes), into fully-paid and non-assessable Class Z Shares, in accordance with Condition 7 (an "**Automatic Conversion**").

The NVCC Subordinated Notes do not constitute deposits that are insured under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act.

For the purposes of these Conditions:

"**AMF**" means the Autorité des marchés financiers (Québec), and any successor institution thereof.

"**AMF Guideline**" means the AMF Guideline for Capital Adequacy Requirements (Ligne directrice sur les normes relatives à la suffisance du capital de base (Coopératives de services financiers)), effective1 January 2020, as such guideline (or any Section thereof) may be amended from time to time.

"**C$**" means Canadian Dollars.

"**Class Z Shares**" means the Class Z-Contingent Capital shares of the Federation having a par value of C$10.

"**Cooperatives Act**" means the Act Respecting Financial Services Cooperatives (CQLR, chapter C-67.3), and any statute hereafter enacted in substitution therefor, as such act, or substituted statute, may be amended from time to time.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Indebtedness**" at any time means all deposit liabilities and other liabilities of the Federation (including, as the context requires, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), all deposit liabilities and other liabilities and obligations of entities forming part of the Groupe coopératif Desjardins, namely the Federation, the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation) which in accordance with the accounting rules established for financial services cooperatives pursuant to the Cooperatives Act or with IFRS, as the case may be, would be included in determining the total liabilities of the Federation at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Federation.

"**Non-Viability Trigger Event**" means an "élément déclencheur" within the meaning set out in the AMF Guideline, Section 2.5.1, Principle 3, as such term may be amended or superseded by the AMF from time to time, which term currently provides that each of the following constitutes a triggering event:

(i) the AMF publicly announces that the Federation has been advised, in writing, that the AMF is of the opinion that the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the NVCC Subordinated Notes and other contingent instruments issued by the Federation, the viability of the Federation could be restored or maintained; or

(ii) a federal or provincial government in Canada publicly announces that the Federation has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Federation would have been determined by the AMF to be non-viable as a result of the Federation's risk-based capital ratios.

For the purposes of (ii) above, the term "equivalent support" means support for a non-viable deposit-taking institution that enhances the institution's risk-based capital ratios or its funding that is provided on terms other than normal terms and conditions. For greater certainty, and without limitation, "equivalent support" does not, for these purposes, include (i) emergency liquidity assistance provided by the Bank of Canada at or above the bank rate, (ii) open bank liquidity assistance provided by the AMF according to the Deposit Institutions Act (as defined below) at or above its cost of funds or (iii) support, including conditional, limited guarantees, provided by the AMF in accordance with the Deposit Institutions Act to facilitate a transaction, including an acquisition or amalgamation.

"**Subordinated Indebtedness**" means Indebtedness of the Federation that by its terms provides that such Indebtedness will, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, be subordinate in right of payment to all deposit liabilities and other liabilities of the Federation (including, as the context requires, in the event of a merger, amalgamation, combination or consolidation of the members of the Groupe coopératif Desjardins (by law or otherwise), all deposit liabilities and other liabilities and obligations of other entities forming part of the Groupe coopératif Desjardins, namely the Federation, the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation) which in accordance with the accounting rules established for financial services cooperatives pursuant to the Cooperatives Act or with IFRS, as the case may be, would be included in determining the total liabilities of the Federation at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Federation, except those that, by their terms, rank equally with or are subordinate to such Indebtedness.

"**Tier 1 Capital**" means fonds propres de la catégorie 1 or fonds propres de base, within the meaning of such terms as set out in the AMF Guideline, Section 2.1.1.

"**Tier 2 Capital**" means fonds propres de la catégorie 2 or fonds propres complémentaires, within the meaning of such terms as set out in the AMF Guideline, Section 2.1.1.3.

"Total Capital" means fonds propres, within the meaning of such term as set out in the AMF Guideline, Chapter 2.

(c) Status of Bail-inable Notes

This Condition 4(c) will apply in respect of all Senior Notes issued by the Federation that are identified as "Bail-inable Notes" in the applicable Final Terms (the "**Bail-inable Notes**").

Pursuant to Section 40.50 of the Deposit Institutions and Deposit Protection Act (Québec) (the **"Deposit Institutions Act"**) and regulations promulgated thereunder (including, among others, the Regulation respecting the Classes of Negotiable and Transferable Unsecured Debts and the Issuance of such Debts and of Shares (Québec) which came into force on 31 March 2019 (the "**Prescribed Debt Regulations**")), all Senior Notes issued on or after 31 March 2019 that are perpetual or have a term to

maturity of more than 400 days (including explicit or embedded extension options) and that are assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and that are not otherwise excluded under the Prescribed Debt Regulations (including structured notes (as such term is defined in the Prescribed Debt Regulations)), will be identified as Bail-inable Notes in the applicable Final Terms.

By its acquisition of an interest in Bail-inable Notes, each Noteholder (which, for the purposes of this Condition 4(c), includes each holder of a beneficial interest in the Bail-inable Notes) is deemed to represent, acknowledge and is deemed to agree that:

(i) it is bound (A) by the Deposit Institutions Act, including the provisions dealing with the powers conferred on the AMF under the second paragraph of Section 40.50 of the Deposit Institutions Act and under the Prescribed Debt Regulations, and by their effect on the Bail-inable Notes and (B) by the other laws and regulations applicable in Québec to the application of the Deposit Institutions Act and the Prescribed Debt Regulations to the Bail-inable Notes;

(ii) it attorns to the jurisdiction of the courts of Québec and, where applicable, Canada with respect to the application of the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes;

(iii) it has represented and warranted to the Issuer that the Issuer has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in the Bail-inable Notes; and

(iv) the items mentioned in subparagraphs (i) and (ii) are binding on it despite any terms of the Bail-inable Notes (including the provisions of these Conditions), any other law governing the Bail-inable Notes or any agreement, arrangement or understanding between the parties with respect to the Bail-inable Notes.

Each Noteholder (or beneficial owner) of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary markets and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such Noteholder (or beneficial owner) shall be deemed to acknowledge, accept and agree to be bound by, and consent to, the same provisions specified herein to the same extent as the Noteholders (or beneficial owners) that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by, and consent to, the terms of the Bail-inable Notes related to the Resolution Powers (including the Bail-in Powers).

Noteholders (and beneficial owners) of Bail-inable Notes will have no further rights in respect of such Bail-inable Notes to the extent that such Bail-inable Notes are, in whole or in part, written-off or converted into contributed capital securities of the Federation, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion ("**Conversion Securities**") carried out for the purposes of the resolution of the Federation (a "**Bail-in Conversion**") by the AMF pursuant to Section 40.50 of the Deposit Institutions Act and regulations promulgated thereunder (including, among others, the Prescribed Debt Regulations) (the "**Bail-in Powers**"), other than those rights provided under the recapitalization regime (including under the indemnification process) for Québec domestic systemically important financial institutions belonging to a cooperative group (the "**Bail-in Regime**"); and by its acquisition of an interest in

the Bail-inable Notes, each Noteholder or beneficial owner of a Bail-inable Note is deemed to irrevocably consent to the write-off of the written-off portion, or the conversion pursuant to a Bail-in Conversion of the converted portion, of the principal amount of such Bail-inable Note (and any accrued and unpaid interest thereon), as applicable with, in the case of the Bail-in Conversion, the converted portion of the principal amount of such Bail-inable Note (and any accrued and unpaid interest thereon) being deemed paid in full by the issuance of Conversion Securities upon the occurrence of a Bail-in Conversion, which Bail-in Conversion shall occur without any further action on the part of that Noteholder (or beneficial owner or any Agent); provided that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that Noteholder or beneficial owner provided for under the Bail-in Regime.

By its acquisition of an interest in a Bail-inable Note, each Noteholder or beneficial owner of an interest in such Bail-inable Note is deemed to have authorised, directed and requested Euroclear and Clearstream, Luxembourg and any direct participant in such clearing system or other intermediary through which it holds such Bail-inable Note to take any and all necessary action, if required, to implement the write-off of Bail-inable Notes pursuant to the exercise of Bail-in Powers or Bail-in Conversion or any other action pursuant to the Resolution Powers (including the Bail-in Powers) with respect to any Bail-inable Note, as may be imposed on it, without any further action or direction on the part of that Noteholder (or beneficial owner or any Agent), except as may be required in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or the intermediary, as applicable.

(d) Waiver of set-off and netting rights in relation to Bail-inable Notes

No Noteholder or beneficial owner of an interest in the Bail-inable Notes may exercise, or direct the exercise, claim or plead any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Federation arising under, or in connection with, the Bail-inable Notes and each Noteholder or beneficial owner of an interest in the Bail-inable Notes shall, by virtue of its acquisition of any Bail-inable Note (or an interest therein), be deemed to have irrevocably and unconditionally waived all such rights of set-off, netting, compensation or retention. Notwithstanding the foregoing, if any amounts due and payable to any Noteholder or beneficial owner of an interest in the Bail-inable Notes by the Federation in respect of, or arising under, the Bail-inable Notes are purportedly discharged by set-off, netting, compensation or retention, without limitation to any other rights and remedies of the Federation under applicable law, such Noteholder or beneficial owner of an interest shall be deemed to receive an amount equal to the amount of such discharge and, until such time as payment of such amount is made, shall hold such amount in trust for the Federation and, accordingly, any such discharge shall be deemed not to have taken place and such set off, netting, compensation or retention shall be ineffective.

(e) Status of all Notes

At the date hereof, all liabilities for borrowed money of the Federation are unsecured.

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation, under the Deposit Institutions Act or the Canada Deposit Insurance Corporation Act or by any governmental agency and are not guaranteed by any member of Desjardins Group (as described in the Base Prospectus referred to in the applicable Final Terms).

5. Interest

(a) Fixed Rate Note and Fixed Rate Reset Note Provisions

This Condition 5(a) applies to Fixed Rate Notes and Fixed Rate Reset Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and fixed rate reset interest and must be read in conjunction with this Condition 5(a) (and, in the case of the Day Count Fractions applicable to Fixed Rate Reset Notes, Condition 5(b)) for full information on the manner in which interest is calculated on Fixed Rate Notes and Fixed Rate Reset Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Reset Periods, Reset Dates and Reset Rate(s) (if applicable), the Maturity Date, the Fixed Coupon Amount (if applicable), any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, any applicable Determination Date and any Calculation Agent.

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date so specified if that does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the initial Broken Amount specified in the applicable Final Terms. If the Maturity Date is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to but excluding the Maturity Date will amount to the final Broken Amount specified in the applicable Final Terms.

Interest will be paid, in respect of Fixed Rate Notes, subject to and in accordance with the provisions of Condition 9.

If the Fixed Rate Notes are in definitive form, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on and including such date will, where an applicable Fixed Coupon Amount and, if applicable, Broken Amount are specified in the applicable Final Terms, amount to such Fixed Coupon Amount and, if applicable Broken Amount.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount and, if applicable, Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

1. in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

2. in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in

the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Each Fixed Rate Reset Note bears interest on its outstanding nominal amount:

(i) from and including the Interest Commencement Date up to but excluding the First Reset Date at the Initial Rate of Interest;

(ii) in the First Reset Period, at the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, subject as provided in this Condition 5(a), in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 5(a) provided that, where specified in the applicable Final Terms, a Day Count Fraction outlined in Condition 5(b)(iii) may apply to a Fixed Rate Reset Note.

Save as otherwise provided herein, the provisions applicable to Fixed Rate Notes shall apply to Fixed Rate Reset Notes.

For the purposes of these Conditions:

"***Anniversary Date(s)***" means each date specified as such in the applicable Final Terms;

"***Benchmark Gilt***" means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Calculation Agent, with the advice of the Reset Reference Banks, may determine to be appropriate;

"***Benchmark Gilt Rate***" means, in respect of a Reset Period, the gross redemption yield (as calculated by the Calculation Agent, after consultation with the Federation, in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reset Reference Banks at 3:00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the First Reset Period, the Benchmark Gilt Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Calculation Agent***" shall mean, for the purposes of the definitions in relation to Fixed Rate Reset Notes (including without limitation any Subsequent Reset Rate of Interest), the Issuer or, if so specified in the applicable Final Terms, a financial institution of international repute appointed by the Federation at its own expense for these purposes, and in no event shall be the Fiscal Agent.

"***Day Count Fraction***" means in respect of the calculation of an amount of interest in accordance with this Condition 5(a) for any period of time (from and including the first day of such period to but excluding the last) (which may be for a Fixed Interest Period or, if applicable, the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date) (the "***Calculation Period***"):

(A) if "***Actual/Actual (ICMA)***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes or any Fixed Rate Reset Notes:

(a) in the case of Notes where the number of days in the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(B) if "***30/360***" is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a 360-day year consisting of 12 months of 30 days) divided by 360;

(C) if "***Actual/360***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes, the actual number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by 360; and

(D) if "***Actual/365 (Fixed)***" is specified in the applicable Final Terms in relation to any Fixed Rate Notes, the actual number of days in the Calculation Period divided by 365;

"***dealing day***" means a day, other than a Saturday or Sunday, on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

"***Determination Date***" means the date specified in the applicable Final Terms or, if none is specified, it means the Interest Payment Date;

"***Determination Period***" means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"***First Reset Date***" means the date specified as such in the applicable Final Terms;

"***First Reset Period***" means the period from and including the First Reset Date up to but excluding the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the date fixed for redemption of the Notes (if any);

"***First Reset Rate of Interest***" means the rate of interest as determined by the Calculation Agent on the Reset Determination Date corresponding to the First Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"***Fixed Interest Period***" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

"***Initial Rate of Interest***" means the initial rate of interest per annum specified in the applicable Final Terms;

"***Margin***" means the margin (expressed as a percentage) in relation to the relevant Reset Period specified as such in the applicable Final Terms;

"***Mid-Swap Quotations***" means the arithmetic mean of the bid and offered rates:

(i) if the Specified Currency is Sterling, for a semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Sterling which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 5(h)) the 6-month LIBOR rate (calculated on an Actual/365 day count basis), unless as otherwise specified in the applicable Final Terms;

(ii) if the Specified Currency is euro, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 5(h)) the 6-month EURIBOR

rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the applicable Final Terms;

(iii) if the Specified Currency is US dollars, for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in US dollars which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 5(h)) the 3-month LIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the applicable Final Terms; and

(iv) if the Specified Currency is not Sterling, euro or US dollars, for the Fixed Leg (as set out in the Final Terms) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a Floating Leg (as set out in the applicable Final Terms; and subject as otherwise provided pursuant to Condition 5(h));

"***Mid-Swap Rate***" means in respect of a Reset Period, (i) the applicable semi-annual or annualised (as specified in the applicable Final Terms) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the applicable Final Terms) as displayed on the Screen Page at 11:00 a.m. or any other Relevant Time specified in the applicable Final Terms (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than semi-annual or annual Interest Payment Dates, shall be adjusted by and in the manner determined by, the Calculation Agent, after consultation with the Federation) or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 5(h)), the relevant Reset Reference Bank Rate;

"***Reference Bond***" means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Calculation Agent in its discretion after consultation with the Federation as having an actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Calculation Agent, after consultation with the Federation) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of comparable maturity to the relevant Reset Period;

"***Reference Bond Dealer***" means each of five banks which are primary government securities dealers or market makers in pricing corporate bond issuances, as selected by the Calculation Agent in its discretion after consultation with the Federation;

"***Reference Bond Dealer Quotations***" means, with respect to each Reference Bond Dealer and the Reset Determination Date, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) as

at approximately 11:00 a.m. (or any other Relevant Time as specified in the applicable Final Terms) in the principal financial centre of the Specified Currency on the Reset Determination Date and quoted in writing to the Calculation Agent by such Reference Bond Dealer;

"***Reference Bond Price***" means, with respect to a Reset Determination Date, (a) the arithmetic mean of the Reference Bond Dealer Quotations for that Reset Determination Date, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than four such Reference Bond Dealer Quotations, the arithmetic mean of all such quotations, or (c) if the Calculation Agent obtains only one Reference Bond Dealer Quotation or if the Calculation Agent obtains no Reference Bond Dealer Quotations, the Subsequent Reset Rate of Interest shall be that which was determined on the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Reference Bond Rate***" means, in respect of a Reset Period, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price;

"***Reset Determination Date***" means, in respect of a Reset Period, (a) each date specified as such in the applicable Final Terms or, if none is so specified, (b) (i) if the Specified Currency is Sterling, the first Business Day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two TARGET2 Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period and, (iv) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

"***Reset Date***" means each of the First Reset Date, the Second Reset Date and each of the Anniversary Dates (if any) as is specified in the applicable Final Terms;

"***Reset Period***" means the First Reset Period or a Subsequent Reset Period;

"***Reset Rate***" means (a) if 'Mid-Swap Rate' is specified in the applicable Final Terms, the relevant Mid-Swap Rate; (b) if 'Benchmark Gilt Rate' is specified in the applicable Final Terms, the relevant Benchmark Gilt Rate; or (c) if 'Reference Bond Rate' is specified in the applicable Final Terms, the relevant Reference Bond Rate;

"***Reset Reference Bank Rate***" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (or any other Relevant Time specified in the applicable Final Terms or Pricing Supplement) in the principal financial centre of the Specified Currency on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided.

If no quotations are provided, the Reset Reference Bank Rate will be determined by (i) in the case of each Reset Period other than the First Reset Period, the Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, an amount as set out in the applicable Final Terms as the "**First Reset Period Fallback**";

"***Reset Reference Banks***" means (i) in the case of the calculation of a Reset Reference Bank Rate, five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Federation or (ii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers selected by the Calculation Agent in its discretion after consultation with the Federation;

"***Screen Page***" means Reuters screen page "ICESWAP1", "ICESWAP2", "ICESWAP3", "ICESWAP4", "ICESWAP5" or "ICESWAP6" as specified in the applicable Final Terms or such other page on Thomson Reuters or any other information service as is specified in the applicable Final Terms, or such other screen page as may replace it on Thomson Reuters or any other information service or, as the case may be, on such other information service that may replace Thomson Reuters or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

"***Second Reset Date***" means the date specified as such in the applicable Final Terms;

"***Subsequent Reset Period***" means the period from and including the Second Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

"***Subsequent Reset Rate of Interest***" means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent on the Reset Determination Date corresponding to such Subsequent Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"***sub-unit***" means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent;

"***Swap Rate Period***" means the period or periods specified as such in the applicable Final Terms; and

"***U.S. Government Securities Business Day***" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(b) Floating Rate Note Provisions

This Condition 5(b) applies, save in relation to the Day Count Fractions specified in Condition 5(b)(iii), to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify, as applicable, any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the

applicable Business Day definition, the Business Day Convention, any Additional Business Centers, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Fiscal Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify, among other items, the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s), Reference Banks and Relevant Screen Page.

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an "***Interest Payment Date***") in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each, an "***Interest Payment Date***") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest shall be payable in respect of each Interest Period. In these Conditions, "***Interest Period***" means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(5) "**No Adjustment**", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

In this Condition 5, "***Business Day***" means, unless specified otherwise in the applicable Final Terms, a day that meets all the following applicable requirements:

(aa) for all Notes, a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in The City of New York or Toronto generally are authorized or obligated by law, regulation or executive order to close;

(bb) if the Note has LIBOR specified to be the applicable Reference Rate, also a London business day;

(cc) if the Note has a Specified Currency other than US dollars or euros, is also a day on which banking institutions in the Principal Financial Center of the country issuing such Specified Currency are not authorized or obligated by law, regulation or executive order to close; and

(dd) if the Note has EURIBOR specified to be the applicable Reference Rate or has a Specified Currency of euros, or has LIBOR specified to be the applicable Rate of Interest and for which the Designated LIBOR Currency is euros, also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) ("***TARGET2***") is open (a "***TARGET2 Business Day***").

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in one of the manners set out below and specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus the Margin (if any, as indicated in the applicable Final Terms). For the purposes of this Condition 5(b)(iii), "***ISDA Rate***" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as

amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "***ISDA Definitions***") and under which:

(1) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms;

(2) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date (as defined in the ISDA Definitions) is either:

(A) if the relevant Floating Rate Option is based on LIBOR or EURIBOR, the first day of the Interest Period; or

(B) in any other case, the day as specified in the applicable Final Terms.

The ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined below) in the event that the specified Floating Date is not available and such provisions shall apply to Floating Rate Notes as if incorporated in these Conditions.

For the purposes of this sub-paragraph (A), "***Floating Rate***", "***Calculation Agent***", "***Floating Rate Option***", "***Designated Maturity***" and "***Reset Date***" have the meanings given to those terms in the ISDA Definitions, provided that, for these purposes, the Calculation Agent shall, in no event, be the Fiscal Agent.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Calculation Agent will be deemed to have discharged its obligations under Condition 5(b)(iii) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) Screen Rate Determination by Calculation Agent for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the applicable Final Terms shall also specify a Reference Rate, and the Calculation Agent shall determine the Rate of Interest in respect of any Interest Period as either (1) the rate (if there is only one quotation on the Relevant Screen Page); or (2) the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 per cent.) of the offered rates (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date (as defined herein) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent, and in the manner provided in the following provisions:

(1) CD Rate

If "CD Rate" is specified in the applicable Final Terms, this Note will bear interest at the interest rate (calculated with reference to the applicable CD Rate and the

Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***CD Rate***" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CD Rate, which date will be the second Business Day before the applicable Interest Reset Date (each such date a "***CD Rate Interest Determination Date***"), the rate on such date for negotiable US dollar certificates of deposit having the Index Maturity specified in the applicable Final Terms as published on the source specified in the applicable Final Terms or, if not so published by 3:00 p.m., New York City time, on the related CD Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the rate on such CD Rate Interest Determination Date for negotiable US dollar certificates of deposit of the Index Maturity specified in the applicable Final Terms as published on the source specified in the applicable Final Terms, or such other recognized electronic source used for the purpose of displaying such rate, under the heading specified in the applicable Final Terms. If such rate is not yet published on the source specified in the applicable Final Terms or another recognized electronic source by 3:00 p.m., New York City time, on the related CD Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on such CD Rate Interest Determination Date, of three leading non-bank dealers in negotiable US dollar certificates of deposit in New York City (which may include the Dealers or their affiliates) selected by the Issuer for negotiable US dollar certificates of deposit of major United States money center banks with a remaining maturity closest to the Index Maturity specified in the applicable Final Terms in an amount that is representative for a single transaction in that market at that time; provided, however, that if fewer than the three dealers so selected by the Issuer are quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date for the prior Interest Period.

(2) CMT Rate

If "CMT Rate" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to the applicable CMT Rate and the applicable Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***CMT Rate***" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CMT Rate, which date will be the second Business Day before the applicable Interest Reset Date (each such date a "***CMT Rate Interest Determination Date***"), any of the following rates displayed on the Designated CMT Reuters Page (as defined below) under the caption "... Treasury Constant Maturities ... Federal Reserve Board Release H.15... Mondays Approximately 3:45 p.m.," under the column for the Designated CMT Maturity Index (as defined below) for:

(i) if the Designated CMT Reuters Page specified in the applicable Final Terms is "Reuters Page FRBCMT" (or any other page as may replace such page on such service) ("***Reuters Page FRBCMT***"), the rate for the relevant CMT Rate Interest Determination Date; or

(ii) if the Designated CMT Reuters Page specified in the applicable Final Terms is the "Reuters Page FEDCMT" (or any other page as may replace such page on such service) ("***Reuters Page FEDCMT***"), the weekly or monthly average, for the week that ends immediately before the week in which the relevant CMT Rate Interest Determination Date falls, or for the month that ends immediately before the month in which the relevant CMT Rate Interest Determination Date falls, as applicable.

If the CMT Rate cannot be determined in the manner above, the following procedures will apply:

(a) if the applicable rate referred to above is not displayed on the relevant CMT Reuters Page by 3:00 p.m. New York City time on the applicable CMT Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at the time), the CMT Rate will be the percentage equal to the yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index and for such CMT Rate Interest Determination Date as published in H.15(519) opposite the caption "Treasury Constant Maturities", or

(b) if the rate referred to in clause (a) does not so appear in H.15(519) by 3:00 p.m. New York City time on the applicable CMT Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at the time), the CMT Rate will be the rate for the period of the particular Designated CMT Maturity Index as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the Issuer determines to be comparable to the applicable rate formerly displayed on the Designated CMT Reuters Page and published in H.15(519), or

(c) if the rate referred to in clause (b) is not so published by 3:00 p.m. New York City time on the applicable CMT Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at the time), the CMT Rate will be the rate on such CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three primary United States government securities dealers in The City of New York (which may include the Dealers or their affiliates) (each, a "***Reference Dealer***"), selected by the Issuer from five Reference Dealers selected by the Issuer and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for the most recently issued Treasury Notes (as defined below) with an original maturity of approximately the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(d) if fewer than three prices referred to in clause (c) are provided as requested, the CMT Rate will be the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Issuer from five Reference Dealers selected by the Issuer and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for Treasury Notes (as defined below) with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time and if two such United States Treasury Notes with an original maturity greater than the Designated CMT Maturity Index have remaining terms to maturity equally close to such Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used, or

(e) if fewer than five but more than two prices referred to in clause (d) are provided as requested, the CMT Rate will be the rate on

the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or

(f) if fewer than three prices referred to in clause (e) are provided as requested, the CMT Rate will be the CMT Rate in effect on the particular CMT Rate Interest Determination Date.

"***Designated CMT Reuters Page***" means the display on Reuters, or any successor service, on the page designated in the Final Terms or any other page as may replace that page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no Reuters page is specified in the Final Terms, the Designated CMT Reuters Page will be FEDCMT, for the most recent week. If Reuters Page FEDCMT applies but the applicable Final Terms does not specify whether the weekly or monthly average applies, the weekly average will apply.

"***Designated CMT Maturity Index***" means the original period to maturity of the US Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the Final Terms with respect to which the CMT Rate will be calculated. If no maturity is specified in the Final Terms, the Designated CMT Maturity Index will be two years.

"***H.15(519)***" means the weekly statistical release published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

"***Treasury Notes***" are direct, non-callable, fixed rate obligations of the U.S. government.

(3) Commercial Paper Rate

If the "Commercial Paper Rate" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to the applicable Commercial Paper Rate and the Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***Commercial Paper Rate***" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate, which date will be the second Business Day before the applicable Interest Reset Date (each such date a "**Commercial Paper Rate Interest Determination Date**"), the Money Market Yield (as defined below) on the Commercial Paper Interest Determination Date of

the rate for U.S. dollar commercial paper having the Index Maturity specified in the applicable Final Terms as published in H.15(519) (as defined above) opposite the caption "Commercial Paper—Financial" or, if not so published by 3:00 p.m., New York City time, on the related Commercial Paper Interest Determination Date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the Money Market Yield on such Commercial Paper Rate Interest Determination Date for commercial paper having the Index Maturity specified in the applicable Final Terms as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Commercial Paper—Financial". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on such Commercial Paper Interest Determination Date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 a.m., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of US dollar commercial paper in New York City (which may include the Dealers or their affiliates) selected by the Issuer for commercial paper having the Index Maturity specified in the applicable Final Terms placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization; *provided, however,* that if the dealers so selected by the Issuer are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"***H.15 Daily Update***" means the daily update of H.15(519), published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

"***Money Market Yield***" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "***D***" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "***M***" refers to the actual number of days in the applicable Interest Reset Period.

(4) EURIBOR

If "EURIBOR" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to EURIBOR and the Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***EURIBOR***" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to EURIBOR, which date will be the second TARGET2 Business Day preceding the applicable Interest Reset Date (each such date a "***EURIBOR Interest Determination Date***"), EURIBOR will be the rate for deposits in Euro as sponsored, calculated and published jointly by the European Banking Federation and ACI - The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing such rate, having the Index Maturity as specified in the applicable Final Terms commencing on the applicable Interest Reset Date, that appears on Reuters on page EURIBOR01 (or any other page as may replace such page on such service) ("***Reuters Page EURIBOR01***") as of 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date; or if no such rate so appears, EURIBOR on such EURIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a EURIBOR Interest Determination Date on which no rate appears on the Reuters Page EURIBOR01 as specified in (i) above, the Issuer will request the principal Euro-zone office of each of four major reference banks (which may include the Dealers or their affiliates) in the Euro-zone interbank market, as selected by the Issuer, to provide the Calculation Agent with its offered quotation for deposits in Euro for the period of the Index Maturity specified in the applicable Final Terms commencing on the applicable Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time. If at least two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of such quotations.

(iii) If fewer than two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date by four major banks (which may include the Dealers or their affiliates) in the Euro-zone selected by the Issuer for loans in Euro to leading Euro-zone banks, having the Index Maturity specified in the applicable Final Terms commencing on that Interest Reset Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time.

(iv) If the banks so selected by the Issuer are not quoting as mentioned in the preceding sentence, EURIBOR determined as of such EURIBOR Interest Determination Date will be EURIBOR in effect on such EURIBOR Interest Determination Date.

"***Euro-zone***" means the region comprising Member States of the European Union that have adopted the single currency in accordance with the relevant treaty of the European Union, as amended.

(5) Federal Funds Rate

If "Federal Funds Rate" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to the applicable Federal Funds Rate and the Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"Federal Funds Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate, which date will be the second Business Day before the applicable Interest Reset Date (each such date a "***Federal Funds Rate Interest Determination Date***"),

(i) if "Federal Funds (Effective) Rate" is the specified Federal Funds Rate in the applicable Final Terms the Federal Funds Rate as of the Federal Funds Rate Interest Determination Date shall be the rate with respect to such date for US dollar federal funds as published in H.15(519) opposite the heading "Federal funds (effective)" and that appears on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) ("***Reuters Page FEDFUNDS1***") under the heading "EFFECT" or, if such rate is not so published by 5:00 p.m., New York City time, on such Federal Funds Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the rate for the Federal Funds Rate Interest Determination Date for US dollar federal funds as published in H.15 Daily

Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Federal funds (effective)". If such rate does not appear on Reuters Page FEDFUNDS1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 5:00 p.m., New York City time, on such Federal Funds Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), then the Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight US dollar federal funds arranged by three leading dealers of US dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Issuer prior to 9:00 a.m., New York City time, on that Federal Funds Rate Interest Determination Date; *provided, however,* that if the three dealers so selected by the Issuer are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on the immediately preceding Federal Funds Rate Interest Determination Date;

(ii) if "Federal Funds Target Rate" is the specified Federal Funds Rate in the applicable Final Terms the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 5:00 p.m., New York City time, on the Federal Funds Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters on page USFFTARGET= (or any other page as may replace such page on such service) ("***Reuters Page USFFTARGET=***"). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 5:00 p.m., New York City time, on the related Federal Funds Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight US Dollar federal funds arranged by three leading brokers of US Dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Issuer prior to 9:00 a.m., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however*, that if the brokers so selected by the Issuer are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal

Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

(6) LIBOR

If "LIBOR" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to LIBOR and the Margin, if any) specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***LIBOR***" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to LIBOR, which date will be the second London business day preceding the Interest Reset Date, unless the Designated LIBOR Currency is pounds sterling, in which case such date will be the Interest Reset Date (each such date a "***LIBOR Interest Determination Date***"), LIBOR will be the rate for deposits in the Designated LIBOR Currency for a period of the Index Maturity specified in such Final Terms commencing on the applicable Interest Reset Date, that appears on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or if no such rate so appears, LIBOR on such LIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which no rate appears on the Designated LIBOR Page as specified in clause (i) above, the Issuer will request the principal London offices of each of four major banks (which may include the Dealers or their affiliates) in the London interbank market, as selected by the Issuer, to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity specified in the applicable Final Terms commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks (which may include the Dealers or their affiliates) in such

Principal Financial Center selected by the Issuer for loans in the Designated LIBOR Currency to leading European banks, having the Index Maturity specified in the applicable Final Terms commencing on the related Interest Reset Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time; *provided, however,* that if the banks so selected by the Issuer are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"***Designated LIBOR Currency***" means the currency specified in the applicable Final Terms as to which LIBOR shall be calculated or, if no such currency is specified in the applicable Final Terms, US dollars.

"***Designated LIBOR Page***" means the display on Reuters (or any successor service) on the "LIBOR01" or "LIBOR02" page (or any other page as may replace such page on such service), as specified in the applicable Final Terms (or any other page as may replace such page on such service or successor service), for the purpose of displaying the London interbank rates of major banks (which may include affiliates of the Dealers) for the Designated LIBOR Currency.

"***London business day***" is any day on which dealings in the Designated LIBOR Currency are transacted or, with respect to any future date, are expected to be transacted in the London interbank market.

"***Principal Financial Center***" means for this sub-paragraph (6) (i) the capital city of the country issuing the Specified Currency, or (ii) the capital city of the country to which the Designated LIBOR Currency, if applicable, relates, except, in each case, that with respect to US Dollars, Australian Dollars, Canadian Dollars, Euro, New Zealand Dollars, South African Rand and Swiss Francs, the "Principal Financial Center" shall be The City of New York, Sydney, Toronto, The City of London (solely in the case of the Designated LIBOR Currency), Wellington, Johannesburg and Zurich, respectively.

(7) Prime Rate

If "Prime Rate" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to the applicable Prime Rate and the Margin, if any) as specified in the applicable Final Terms *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***Prime Rate***" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate, which date will be the second Business Day before the applicable Interest Reset Date (each such date a "***Prime Rate Interest***

Determination Date"), the rate on such Prime Rate Interest Determination Date as such rate is published in H.15(519) (as defined above) opposite the caption "Bank Prime Loan" or, if not published prior to 5:00 p.m., New York City time, on the related Prime Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update (as defined above), or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Bank Prime Loan". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 5:00 p.m., New York City time, on the related Prime Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), then the Prime Rate shall be the arithmetic mean, as determined by the Calculation Agent, of the rates of interest publicly announced by each bank that appears on Reuters on page USPRIME1 (or any other page as may replace such page on such service for the purpose of displaying prime rates or base lending rates of major United States banks ("***Reuters Page USPRIME1***")) as such bank's prime rate or base lending rate as of 11:00 a.m., New York City time, on such Prime Rate Interest Determination Date. If fewer than four such rates so appear on Reuters Page USPRIME1 for such Prime Rate Interest Determination Date by 5:00 p.m., New York City time on the related Prime Rate Interest Determination Date, then the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360 day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include the Dealers or their affiliates) in New York City selected by the Issuer; *provided, however,* that if the banks so selected by the Issuer are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date or, if no Prime Rate was in effect on such Prime Rate Interest Determination Date, the rate on such Floating Rate Note for the following Interest Reset Period shall be the Initial Interest Rate.

(8) Treasury Rate

If "Treasury Rate" is specified in the applicable Final Terms, this Note will bear interest at the rates (calculated with reference to the applicable Treasury Rate and the Margin, if any) as specified in the applicable Final Terms; *provided, however,* that the interest rate in effect for the period, if any, from the Issue Date or the Coupon Switch Option Date, as applicable, to but excluding the Initial Interest Reset Date will be the Initial Interest Rate.

"***Treasury Rate***" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined by reference to the Treasury Rate, which date will be the day of the week in which the Interest Reset Date falls on which Treasury Bills (as defined below) would normally be auctioned *(Treasury Bills are usually sold at auction on the Monday of each*

week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday), *provided that*, if, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the Treasury Interest Determination Date relating to the Interest Reset Date occurring in the next succeeding week, and *provided further, that* if the auction is held on a day that would otherwise be an Interest Reset Date, then the Interest Reset Date will instead be the first business day following the auction date (each such date a "***Treasury Rate Interest Determination Date***"), the rate from the auction held on such Treasury Rate Interest Determination Date (the "***Auction***") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the applicable Final Terms under the caption "INVEST RATE" on the display on Reuters or any successor service on page USAUCTION 10 (or any other page as may replace such page on such service) ("***Reuters Page USAUCTION 10***") or page USAUCTION 11 (or any other page as may replace such page on such service) ("***Reuters Page USAUCTION 11***") or, if not so published by 3:00 p.m., New York City time, on the related Treasury Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the Bond Equivalent Yield (as defined below) of the auction rate of such Treasury Bills as announced by the US Department of the Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the applicable Final Terms is not so announced by the US Department of the Treasury, or if no such Auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having a remaining maturity closest to the Index Maturity specified in the applicable Final Terms, as published in H.15(519) opposite the caption "US government securities/Treasury bills/secondary market" or, if not yet published by 3:00 P.M., New York City time, on the related Treasury Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), the rate on such Treasury Rate Interest Determination Date of such Treasury Bills having a remaining maturity closest to the Index Maturity specified in the applicable Final Terms, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "US government securities/Treasury bills/secondary market". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related Treasury Rate Interest Determination Date (unless the calculation is made earlier and the rate is available from that source at that time), then the Treasury Rate will be calculated by the Calculation Agent and will be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on such Treasury Rate Interest Determination Date, of three primary US government securities dealers (which may include the Dealers or their affiliates) selected by the Issuer, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Final Terms, as the case may be; *provided, however,* that if the dealers so selected by the Issuer are not quoting as mentioned in this

sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

"***Bond Equivalent Yield***" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "***D***" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal,

"***N***" refers to 365 or 366, as the case may be, and

"***M***" refers to the actual number of days in the applicable Interest Reset Period.

(C) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such minimum, and if a Maximum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Rate of Interest for such Interest Period shall in no event exceed such maximum. Unless otherwise specified in the applicable Final Terms, the Minimum Rate of Interest shall be zero.

Whether or not a Maximum Rate applies, the interest rate on any Registered Note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by US federal law of general application.

Under current New York law, the maximum rate of interest with some exceptions, for any loan in an amount less than US$250,000 is 16% and for any loan in the amount of US$250,000 or more but less than US$2,500,000 is 25% per annum on a simple interest basis. These limits do not apply to loans of US$2,500,000 or more.

(D) In this Condition unless stated otherwise:

"***Calculation Agent"*** means the relevant Fiscal Agent or such other entity specified in the applicable Final Terms as the person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s) or such other amounts as may be specified in the applicable Final Terms.

"***EURIBOR***" means the Euro-zone interbank offered rate.

"***Eurozone***" means the region comprised of Member States of the European economic and monetary union that adopt the euro as the single currency in accordance with the Treaty establishing the European Community, as amended.

"***Initial Interest Reset Date***" is the first Interest Reset Date occurring after the Issue Date or the Coupon Switch Option Date.

"***Interest Reset Date***" refers to each date on which the interest rate payable on this Floating Rate Note resets and such reset rate becomes effective. The applicable rate of interest on the relevant Series of Floating Rate Notes will reset daily, weekly, monthly, quarterly, semi-annually, annually or, in the case of Exempt Notes, at some other interval specified in the applicable Final Terms. Except as otherwise specified in the applicable Final Terms or except if ISDA Determination is specified in the applicable Final Terms, the Interest Reset Date will be as follows:

(i) for Floating Rate Notes that reset daily, each Business Day;

(ii) for Floating Rate Notes that reset weekly and Treasury Rate is not specified to be the applicable Rate of Interest, the Wednesday of each week;

(iii) for Floating Rate Notes where Treasury Rate is specified to be the applicable Rate of Interest and that reset weekly, the Tuesday of each week, except as otherwise provided for in Condition 5(b)(iii)(F)(8);

(iv) for Floating Rate Notes that reset monthly, the third Wednesday of each month;

(v) for Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

(vi) for Floating Rate Notes that reset semi-annually, the third Wednesday of each of two months of each year as specified in the applicable Final Terms; and

(vii) for Floating Rate Notes that reset annually, the third Wednesday of one month of each year as specified in the applicable Final Terms.

For a Floating Rate Note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest Interest Reset Date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

(a) The rate of interest in effect from the Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate.

(b) For Floating Rate Notes that reset daily or weekly, the interest rate in effect for each day following the second business day before an interest payment date to, but excluding, the interest payment date, and for each day following the second business day before the Maturity Date to, but excluding, the Maturity Date, will be the rate of interest in effect on that second business day.

If any Interest Reset Date for a Floating Rate Note would otherwise be a day that is not a Business Day, the Interest Reset Date will be postponed to the next day that is a Business Day.

For a Floating Rate Note where either LIBOR or EURIBOR is specified to be the applicable Rate of Interest, if that Business Day is in the next succeeding calendar month, the Interest Reset Date will be the immediately preceding Business Day.

"***Interest Reset Period***" means the number of days for which interest is being calculated or the period specified in the applicable Final Terms.

"***LIBOR***" means the London interbank offered rate.

"***Reference Rate***" has the meaning attributed to it in the applicable Final Terms.

"***Reuters***" means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this Base Prospectus or the applicable Final Terms, or any replacement page or pages on that service.

(iii) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after each time at which the Rate of Interest is to be determined in accordance with these Conditions (or, if appropriate, such other time as is customary in the Principal Financial Centre of the country of the Specified Currency) on each "***Interest Determination Date***", determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms) for the relevant Interest Period. The Calculation Agent will calculate the amount of interest (each an "***Interest Amount***") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Notes shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The determination of the Rate of Interest and calculation of each Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

"***Day Count Fraction***" means, in respect of the calculation of an amount of interest in accordance with Condition 5(b) for any Calculation Period:

(A) if "***Actual/Actual***" or "***Actual/Actual (ISDA)***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the

actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(B) if "***Actual/365 (Fixed)***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(C) if "***Actual/365 (Sterling)***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case the last day of the Calculation Period falls in a leap year, 366;

(D) if "***Actual/360***" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(E) if "***30/360***", "***360/360***" or "***Bond Basis***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "***30E/360***" or "***Eurobond Basis***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"***Y_2***" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***M_1***" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"***M_2***" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***D_1***" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"***D_2***" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(G) if "***30E/360 (ISDA)***" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"***Y_1***" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"***Y_2***" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***M_1***" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"***M_2***" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"***D_1***" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"***D_2***" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(iv) Linear Interpolation

Where Linear Interpolation is specified as being applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which

rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as are designated by the Issuer in writing to the Calculation Agent.

"***Designated Maturity***" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(v) Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified by the relevant Fiscal Agent (in the case of Floating Rate Notes which are listed on the Official List of the Central Bank of Ireland and admitted to trading on the regulated market of Euronext Dublin ("***Euronext Dublin***")) to Euronext Dublin and, if applicable, to any other stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or admitted to trading, and to be given in accordance with the provisions of Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the relevant Fiscal Agent to each stock exchange on which this Note, if it is a Floating Rate Note, is for the time being listed. For the purposes of this subparagraph (v), the expression "***London Business Day***" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

(c) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(e)(iii)(B). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the relevant Final Terms.

(d) Accrual of Interest

Each Note will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note; and (ii) the day on which the relevant Fiscal Agent has notified the holder thereof (either in accordance with Condition 17 or individually) of receipt of all sums due in respect thereof up to that date. Such interest will accrue at a rate per annum equal to (A) the Fixed Rate, in the case of Fixed Rate Notes; (B) the Amortisation Yield, in the case of Zero Coupon Notes; or (C) the Rate of Interest in the case of Floating Rate Notes.

(e) Interest Act (Canada) Disclosure

For the purposes of disclosure pursuant to the Interest Act (Canada), where in any Note a rate of interest is to be calculated on the basis of a year of 360 days (or any period that is less than a calendar year), the yearly rate of interest to which the 360 day (or such other applicable period that is less than a calendar year) rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360 (or such other period that is less than a calendar year, as the case may be).

The Issuer confirms that it fully understands and is able to calculate the rate of interest applicable to the Notes based on the methodology for calculating per annum rates provided for in the paragraph above if applicable. The Issuer hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Notes or any transaction document, that the interest payable under the Notes and the calculation thereof has not been adequately disclosed to the Issuer, whether pursuant to Section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

(f) Coupon Switch Option Provisions

(i) *Application:* This Condition 5(f) is applicable to the Notes only if the Coupon Switch Option is specified in the applicable Final Terms and each such Note shall bear interest on the following basis.

(ii) The Final Terms shall specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable to the Notes from (and including) the Issue Date to (but excluding) the Coupon Switch Option Date. The Final Terms shall also specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 5(f) only, shall be five Business Days prior to the Coupon Switch Option Date or such other notice period as may be specified in the Final Terms) to exercise its Coupon Switch Option, from (and including) the Coupon Switch Option Date, interest shall accrue on the basis set out in the applicable Final Terms as applying following the Coupon Switch Date.

For the purpose of this Condition 5(f), "***Business Day***" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in the Principal Financial Center (as defined in Condition 5(b)(ii)(B)(6)) and any Additional Business Centres (other than TARGET2) specified in the applicable Final Terms and if TARGET2 is specified as an Additional Business Centre, a TARGET2 Business Day.

(g) Exempt Notes

The rate or amount of interest in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Exempt Notes are Index Linked Interest Notes, the provisions of Condition 5(b) and other related provisions of Condition 5 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes were references to Index Linked Interest Notes.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Exempt Note and otherwise as specified in the applicable Pricing Supplement.

(h) Benchmark Discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part(s) thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(h)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(h)(iii)) and any Benchmark Amendments (in accordance with Condition 5(h)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(h) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(h).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(h)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(h)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(h)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as

the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate (as the case may be) and the applicable Adjustment Spread (if any) is determined in accordance with this Condition 5(h) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(h)(v), vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

No consent of Noteholders shall be required in connection with effecting the relevant Successor Rate or Alternative Rate (as may be applicable), any Adjustment Spread and/or any Benchmark Amendments, or varying these Conditions and/or the Agency Agreement to give effect to such changes pursuant to this Condition 4(h), including the execution of any documents thereto or the taking of any steps by the Issuer or any parties to any relevant documents (if required).

In connection with any such variation in accordance with this Condition 5(h)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(h) will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Successor Rate or Alternative Rate (as may be applicable), the Adjustment Spread and/or the Benchmark Amendments, if any.

No later than one Business Day following the date of notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(h); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate (as the case may be) and the applicable Adjustment Spread.

The Fiscal Agent shall make available such certificate at its offices for inspection by the Noteholders, upon reasonable request, at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

In no event shall the Calculation Agent be responsible for choosing any substitute for any Original Reference Rate, or for making any adjustments to any Substitute Rate or Alternative Rate or Adjustment Spread thereon, the Business Day Convention, Interest Determination Dates, Reset Determination Date or any other relevant methodology for calculating any such Substitute Rate or Alternative Rate or Adjustment Spread, or for determining whether any Benchmark Event has occurred, even in circumstances where the Issuer has not made such determinations. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or any Independent Adviser in compliance with this Condition 5(h) and will have no liability in connection with the foregoing or for such actions taken at the direction of the Issuer. At no time shall the Calculation Agent have any responsibility in connection therewith.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(h) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 5(a) or 5(b)(ii) will continue to apply unless and until the Fiscal Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and in either case, the applicable Adjustment Spread (if any) and Benchmark Amendments, in accordance with Condition 5(h)(v).

For the avoidance of doubt, if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date or Reset Determination Date, as the case may be, no Successor Rate or Alternative Rate (as the case may be) is determined pursuant to this Condition 5(h), the original benchmark or screen rate (as applicable) and the fallback provisions provided for in Conditions 5(a) or 5(b)(ii) will continue to apply for the purposes of determining such Rate of Interest (or component part(s) thereof) on such Interest Determination Date or Reset Determination Date, as the case may be.

For the avoidance of doubt, the foregoing paragraph shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date or Reset Determination Date, as the case may be, only, and the Rate of Interest applicable to

any subsequent Interest Periods or Reset Periods, as the case may be is subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(h).

(vii) Definitions:

As used in this Condition 5(h):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and:

(A) in the case of a Successor Rate, is the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) if no such recommendation in the case of a Successor Rate has been made and, at all times, in the case of an Alternative Rate, is the spread, formula or methodology which the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(C) if the Issuer determines that no such industry standard is recognised or acknowledged, is the spread, formula or methodology which the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines to be appropriate.

"**Alternative Rate**" means an alternative to the Reference Rate which the Issuer determines in accordance with Condition 5(h)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part(s) thereof) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(h)(iv).

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist or be published; or

(B) the later of (a) the date of a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely and no successor administrator has been appointed that will continue publication of the Original Reference Rate and (b) the date falling six months prior to the specified date referred to in (a); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) the later of (a) the date of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences on or before a specified date, and (b) the date falling six months prior to the specified date referred to in (a); or

(E) it has or will prior to the next Interest Determination Date or Reset Determination Date become unlawful for the Fiscal Agent, any other Paying Agent, any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (as amended from time to time), if applicable); or

(F) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative of its relevant underlying market or may no longer be used.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer, at its own expense under Condition 5(h)(i).

"**Original Reference Rate**" means either (i) the originally-specified benchmark or screen rate (as applicable) used to determine the relevant Rate of Interest (or any component part(s) thereof including, without limitation, any component mid-swap floating leg) on the Notes or (ii) any Successor Rate or Alternative Rate which replaces the Original Reference Rate pursuant to the operation of this Condition 5(h).

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(A) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank for the currency to which the Reference Rate relates, (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6. Redemption and Purchase

(a) At Maturity

Unless previously repaid, each Note will be repaid by the Federation at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) Early Redemption for Tax Reasons and upon a Special Event and TLAC Disqualification Event

(i) Early Redemption for Tax Reasons

If, as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or in the administration or interpretation of any such laws or regulations, which change becomes effective on or after the latest Issue Date of the Notes of this Series, the Federation would, on the occasion of the next payment due in respect of the Notes of this Series, be required to pay additional amounts as provided in Condition 11, the Federation may, at its option, having given not more than the maximum period nor less than the minimum period of notice specified in the applicable Final Terms to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of this Series, and provided that, in the case of Bail-inable Notes where the redemption would lead to a breach of the Federation's TLAC requirements, such redemption will be subject to the prior written approval of the AMF and, in relation to the redemption of NVCC Subordinated Notes in all cases, such redemption will be subject to the prior written approval of the AMF, at any time or, if the Notes of this Series are Floating Rate Notes, on any Interest Payment Date redeem all, but not some, of the Notes of this Series, each at its Early Redemption Amount referred to in Condition 6(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption. Upon the expiry of such notice, the Federation shall be bound to redeem the Notes of this Series accordingly.

(ii) Early Redemption upon Special Event

This Condition 6(b)(ii) applies to NVCC Subordinated *Notes only.*

The Federation may, at its option at any time on or after a Special Event Redemption Date, with the prior written approval of the AMF and having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of the relevant Series at any time redeem all (but not less than all) of the NVCC Subordinated Notes, each at its Early Redemption Amount referred to in Condition 6(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption.

For the purposes of this Condition 6(b)(ii):

"**Regulatory Event**" means, as determined in a letter from the AMF to the Federation, the date on which the NVCC Subordinated Notes will no longer be recognized in full as eligible Tier 2 Capital of the Federation or will no longer be eligible to be included in full as risk-based Total Capital on a consolidated basis under the AMF Guideline.

"**Relevant Taxing Jurisdiction**" means the government of Canada, any province or territory of Canada or any political subdivision or any authority or agency therein or thereof having power to tax, or within any other jurisdiction in which the Federation is constituted, organized, or is otherwise carrying on business in, or is otherwise resident for tax purposes or any jurisdiction from or through which payments made by or on behalf of the Federation under or with respect to the NVCC Subordinated Notes are made.

"**Special Event**" means a Regulatory Event or a Tax Event, as the case may be.

*"***Special Event Redemption Date**" means the date of the occurrence of a Regulatory Event or Tax Event, as the case may be.

"**Tax Event**" means the Federation has received an opinion of independent counsel of recognized standing experienced in such matters to the effect that, as a result of:

(i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of any Relevant Taxing Jurisdiction;

(ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "**Administrative Action**"); or

(iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position,

in the case of each of (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority (irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of the issue of the NVCC Subordinated Notes), there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Federation is, or may be, subject to more than a de minimus amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid up capital with respect to the NVCC Subordinated Notes or the treatment of the NVCC Subordinated Notes (including the treatment by the Federation of interest on the NVCC Subordinated Notes), as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority.

(iii) Early Redemption due to TLAC Disqualification Event

This Condition 6(b)(iii) applies to Bail-inable Notes only.

Where a TLAC Disqualification Event Call is specified as being applicable in the relevant Final Terms relating to a Series of Bail-inable Notes, the Federation may, having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the Notes of the relevant Series, at any time within 90 days following a TLAC Disqualification Event, redeem all, but not some, of the Notes of the relevant Series, each at its Early Redemption Amount referred to in Condition 5(e), together, if appropriate, with interest accrued to, but excluding, the date of redemption.

A "**TLAC Disqualification Event**" means the AMF has advised the Federation in writing that the relevant Series of Bail-inable Notes will no longer be recognized in full as TLAC under the AMF's guideline on Total Loss Absorbing Capacity in effect from time to time as interpreted by the AMF, provided that a TLAC Disqualification Event will not occur where the exclusion of the relevant Series of Bail-inable Notes from the Federation's TLAC requirements is due to the remaining maturity of such Series of Bail-inable Notes being less than any period prescribed by any relevant eligibility criteria applicable as of the Issue Date of the first Tranche of such Series of Bail-inable Notes.

(c) Early Redemption at the Option of the Federation (Issuer Call Option)

*This Condition 6(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for tax reasons, a Special Event or a TLAC Disqualification Event), such option being referred to as an "**Issuer Call**". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, whether the Notes are redeemable in part and any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.*

If an Issuer Call Option is specified in the applicable Final Terms, the Federation may, having given not more than the maximum period nor less than the minimum period of notice, as specified in the applicable Final Terms, to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders

of the Notes of this Series, redeem all or, if so specified in the Final Terms, some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) indicated in the applicable Final Terms together, if appropriate, with interest accrued to, but excluding any such Optional Redemption Date(s), provided that, in respect of NVCC Subordinated Notes, such redemption takes place on or after the First Call Date which shall be at least 5 years following the Issue Date and provided further that, in respect of Bail-inable Notes where the redemption would lead to a breach of the Federation's TLAC requirements and, in respect of NVCC Subordinated Notes at all times, such redemption will be subject to the prior written approval of the AMF. For the purposes of this Condition 6(c), First Call Date shall have the meaning given to it in the applicable Final Terms.

In the event of a redemption of some only of such Notes, such redemption must be for an amount not less than the Minimum Redemption Amount or not greater than the Maximum Redemption Amount, as indicated in the applicable Final Terms. In the case of partial redemption of Registered Notes, the Registered Notes shall be redeemed (as far as may be practicable) *pro rata* to their outstanding principal amounts, provided always that the amount redeemed in respect of each Registered Note shall be equivalent to the minimum Specified Denomination or an integral multiple thereof and subject further to compliance with the rules of Euroclear, Clearstream, Luxembourg and/or DTC, such partial redemption to be reflected in the records of Euroclear, Clearstream, Luxembourg and/or DTC as either a pool factor or a reduction in nominal amount, at their discretion. Notes denominated in sterling may only be redeemed pursuant to this paragraph following one year from the Issue Date.

(d) Early Redemption at the Option of the Noteholders (Noteholder Put Option)

*This Condition 6(d) applies to Notes (other than Bail-inable Notes or NVCC Subordinated Notes) which are subject to redemption prior to the Maturity Date at the option of Noteholders, such option being referred to as a "**Noteholder Put Option**". The applicable Final Terms contain provisions applicable to any Noteholder Put Option and must be read in conjunction with Condition 6(d) for full information on any Noteholder Put Option. In particular, the Final Terms will identify the Option Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.*

If and to the extent a Noteholder Put Option is specified in the applicable Final Terms, upon the holder of any Note (other than a Bail-inable Note and a NVCC Subordinated Note) giving to the Federation in accordance with Condition 17 not more than the maximum period nor less than the minimum period of notice as specified in the applicable Final Terms, the Federation will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together, if appropriate, with interest accrued to, but excluding such Optional Redemption Date. Registered Notes may be redeemed under this Condition 6(d) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of any Note the holder of the relevant Note must, if the relevant Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg and DTC, deliver, at the specified office of relevant Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address

to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2, accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note, the holder of this Note must, within the notice period, give notice to the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or DTC (as the case may be) (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them or by DTC (as the case may be) to the Registrar by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or DTC (as the case may be) from time to time and, if this Note is represented by a Global Note the terms of which require presentation for recording changes to its nominal amount, at the same time present or procure the presentation of the relevant Global Note to the Registrar for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph (d) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 12.

(e) Early Redemption Amounts

For the purposes of paragraph (b) above and Condition 12, Notes will be redeemed at an amount (the "***Early Redemption Amount***") calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be greater or less than the Issue Price, at the amount set out in the applicable Final Terms; or

(iii) in the case of Zero Coupon Notes, at an amount (the "***Amortised Face Amount***") equal to the sum of:

(A) (i) the Reference Price specified in the applicable Final Terms; and

(ii) (a) if Compounding Accrual is specified in the applicable Final Terms, the product of the Accrual Yield (compounded annually) being applied to the Reference Price or (b) if Linear Accrual is specified in the applicable Final Terms, the product of the Accrual Yield (without any compounding) being applied to the Reference Price,

where:

"***Accrual Yield***" means the rate specified as such in the applicable Final Terms; and

"***Reference Price***" means the amount specified as such in the applicable Final Terms, which is the product of the Issue Price and the Calculation Amount,

from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or

(B) if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(b) above or upon its becoming due and repayable as provided in Condition 12 is not paid or available for payment when due, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note calculated as provided above as though the references in Condition 6(e)(iii)(A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "***Reference Date***") which is the earlier of:

(1) the date on which all amounts due in respect of the Note have been paid; and

(2) the date on which the full amount of the moneys repayable has been received by the relevant Fiscal Agent and notice to that effect has been given in accordance with Condition 17.

The calculation of the Amortised Face Amount in accordance with this Condition 6(e)(iii)(B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with interest at a rate per annum equal to the Accrual Yield. Where any such calculation is to be made for a period of less than a full year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30 / 360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365) or (iv) Actual/Actual (ICMA) (as defined in Condition 4(a) except that the Calculation Period will commence on (and include) the Issue Date of the first Tranche of the Notes and end on

(but exclude) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and repayable).

(f) Purchases

Subject to any applicable legal or regulatory restrictions, the Federation or any of its subsidiaries may at any time purchase Notes in the open market or by private treaty at any price, provided that, in respect of Bail-inable Notes, where the purchase of such Bail-inable Notes would lead to a breach of the Federation's TLAC requirements and, in respect of NVCC Subordinated Notes at all times, such purchase will be subject to the prior written approval of the AMF. If purchases are made by tender, tenders must be available to all holders of Notes of the relevant Series alike.

(g) *Cancellation*

All Notes redeemed or purchased by the Federation as aforesaid will be cancelled forthwith, and may not be resold or reissued.

(h) *Specific Redemption provisions applicable to certain types of Exempt Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Amount Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Any Note which is repayable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of definitive Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant receipt (which must be presented with the Note to which it appertains) and, in the case of the final instalment, against surrender of the relevant Notes, all as more fully described in Condition 7(g).

Partly-Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified in the applicable Pricing Supplement.

(i) Redemption Irrevocable

A notice of redemption under this Condition 6 shall be irrevocable, except that (i) in the case of Bail-inable Notes, an order sought by the AMF and made by the resolution board pursuant to Section 40.12 of the Act which involves any deposit institution being part of the Groupe coopératif Desjardins prior to the date fixed for redemption and (ii) in the case of NVCC Subordinated Notes, the occurrence of a Non-Viability Trigger Event prior to the date fixed for redemption shall, in each case, automatically rescind such notice of redemption and, in such circumstances, no Bail-inable Notes or, as the case may be, NVCC Subordinated Notes shall be redeemed and no payment in respect of the Bail-inable Notes or, as the case may be, NVCC Subordinated Notes shall be due and payable. Bail-inable Notes continue to be subject to the exercise of Bail-in Powers prior to their payment in full.

7. Automatic Conversion of NVCC Subordinated Notes on Non-Viability Trigger Event

This Condition applies to NVCC Subordinated Notes only.

(a) Automatic Conversion

NVCC Subordinated Notes constitute Tier 2 Capital of the Federation in accordance with the AMF Guideline. Upon the occurrence of a Non-Viability Trigger Event, each outstanding NVCC Subordinated Note shall automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Noteholders (which, for the purposes of this Condition 7, includes each holder of a beneficial interest in the NVCC Subordinated Notes), into fully-paid and non-assessable Class Z Shares, in accordance with this Condition 7.

The Federation shall have no liability to any Noteholder for any delay in the receipt of the evidence of beneficial ownership of the Class Z Shares resulting from the Federation's compliance with applicable operational and organizational law requirements. The procedures set forth in this Condition 7 are subject to change to reflect changes in clearing system practices or the issuance of the NVCC Subordinated Notes in definitive form. If the NVCC Subordinated Notes are held in definitive form at the time of the Automatic Conversion, the Federation will provide Noteholders with a notice describing, among other things, how the Federation intends to deliver the evidence of beneficial ownership of the Class Z Shares and requesting such Noteholders to provide the Federation with their relevant securities account information for the purpose of receiving such evidence of beneficial ownership. Any issuance of Class Z Shares may be made through a global certificate or a non-certificated position in CDS or any other clearing system.

(b) Conversion Rate

The number of Class Z Shares into which each NVCC Subordinated Note is convertible at the time of an Automatic Conversion shall be equal to the quotient obtained by dividing (a) the Multiplier multiplied by the Note Value, by (b) the Conversion Price.

(c)*Time of Automatic Conversion*

An Automatic Conversion is deemed to be effected immediately and permanently following the occurrence of a Non-Viability Trigger Event and the rights of the Noteholders thereof shall cease at such time and the Person or Persons entitled to receive Class Z Shares upon an Automatic Conversion shall be treated for all purposes as having become the holder or holders of record of such Class Z Shares at such time. Subject to Condition 7(d), as promptly as practicable after the occurrence of a Non-Viability Trigger Event, the Federation shall announce the Automatic Conversion by way of a press release and shall give notice of the Automatic Conversion to the relevant Fiscal Agent and, in accordance with Condition 17, to the holders of the NVCC Subordinated Notes of the relevant Series. From and after the Automatic Conversion, the NVCC Subordinated Notes shall cease to be outstanding, the Noteholders shall cease to be entitled to interest thereon including any interest accrued but unpaid as of the date of the Automatic Conversion, and any certificates representing the NVCC Subordinated Notes shall represent only the right to receive, upon surrender thereof, the applicable number of Class Z Shares determined in accordance with Condition 7(b). An Automatic Conversion shall be mandatory and binding upon both the Federation and all Noteholders of Subordinated NVCC Notes, notwithstanding anything else including, without limitation: (i) any prior action to or in furtherance of a redemption or conversion of the NVCC Subordinated Notes pursuant to these Conditions; and (ii) any delay or impediment to the issuance or delivery of the Class Z Shares to the Noteholders.

(d) Right not to deliver Class Z Shares

Notwithstanding any other provision of this Condition 7, upon an Automatic Conversion, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z Shares issuable thereupon to any Person whom the Federation has reason to believe is an Ineligible Person. In such circumstances, the Federation shall hold, as agent for such Ineligible Persons, the Class Z Shares otherwise deliverable to such Ineligible Persons and the Federation will attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and Federation Affiliates on behalf of such Ineligible Persons. Those sales (if any) may be made at any time and at any price. The Federation shall not be subject to any liability for failure to sell such Class Z Shares on behalf of such Ineligible Persons or at any particular price or on any particular day. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be divided among the Ineligible Persons in proportion to the number of Class Z Shares that would otherwise have been delivered to them upon the Automatic Conversion after deducting the costs of sale and any applicable Taxes.

Notwithstanding any other provision of this Condition 7, upon an Automatic Conversion, the Federation reserves the right not to deliver some or all, as applicable, of the Class Z Shares to any Person who, by virtue of the operation of the Automatic Conversion, would become a Significant Holder. In such circumstances, the Federation shall hold, as agent of that Person, the Threshold Number of Class Z Shares otherwise deliverable to such Person, and the Federation shall attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and its Federation Affiliates on behalf of that Person. Those sales (if any) may be made at any time and at any price. The Federation shall not be subject to any liability for failure to sell any such Class Z Shares on behalf of that Person or at any particular price or on any particular day. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be delivered to that Person, after deducting the costs of sale and any applicable Taxes.

(e) Fractional Class Z Shares

In any case where the aggregate number of Class Z Shares to be issued to a Noteholder pursuant to an Automatic Conversion includes a fraction of a Class Z Share, such number of Class Z Shares to be issued to such Noteholder shall be rounded down to the nearest whole number of Class Z Shares and no cash payment shall be made in lieu of such fractional Class Z Share.

(f) Recapitalizations, Reclassifications and Changes in the Class Z Shares

In the event of a capital reorganization, consolidation, merger or amalgamation of the Federation or comparable transaction affecting the Class Z Shares (whether outstanding or not) and, where no Class Z Shares are outstanding, any shares in the authorized capital of the Federation ranking equally with the Class Z Shares, the Federation shall take necessary action to ensure that Noteholders of NVCC Subordinated Notes receive or are entitled to receive, pursuant to an Automatic Conversion, such number of Class Z Shares or other securities that such Noteholders would have received if the Automatic Conversion occurred immediately prior to the earlier of the record date for such event and the time of such event and shall ensure that to the extent that no Class Z Shares are outstanding as at the record date of any such capital reorganization, consolidation, merger or amalgamation, the Class Z Shares shall, once issued be treated in the same manner as, and rank equally with, any equal ranking shares in the authorised capital of the Federation that were affected by the relevant reorganization, consolidation, merger or amalgamation of the Federation.

(g) Adjustments

Upon a Class Z Capital Share Reorganization at any time at which there are issued and outstanding Class Z Shares, the Conversion Price shall be adjusted so that it will equal the price determined by multiplying the Conversion Price in effect immediately prior to such effective date or record date of such event by a fraction:

(i) the numerator of which shall be the total number of Class Z Shares outstanding on such effective date or record date before giving effect to such Class Z Capital Share Reorganization; and

(ii) the denominator of which shall be the total number of Class Z Shares outstanding immediately after giving effect to such Class Z Capital Share Reorganization (including, in the case where securities exchangeable for or convertible into Class Z Shares are distributed, the number, without duplication, of Class Z Shares that would have been outstanding had all such securities been exchanged for or converted into Class Z Shares on such effective date or record date).

The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least one per cent. (1%) of the Conversion Price then in effect; provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least one per cent. (1%) of the Conversion Price.

In any case in which the definition of Conversion Price or Condition 7(f) requires that an adjustment will become effective immediately after a record date for an event described in this Condition 7, the Federation may defer, until the occurrence of such event, issuing to the Noteholders of NVCC Subordinated Notes upon an Automatic Conversion occurring after such record date and before the occurrence of such event, any additional Class Z Shares issuable upon such conversion by reason of the adjustment required by such event, provided, however, that the Federation shall deliver to such Noteholders evidence of such Noteholder's right to receive such additional Class Z Shares upon the occurrence of such event and the right to receive any dividends or other distributions made on such additional Class Z Shares declared in favor of holders of record of Class Z Shares on and after the date of the Automatic Conversion or such later date on which such Noteholders would, but for the provisions of this paragraph of Condition 7(g), have become the holder of record of such additional Class Z Shares.

If at any time a dispute arises with respect to adjustments provided for in the definition of Conversion Price or in Condition 7(f), such dispute shall be conclusively determined, subject to the consent if required of any stock exchange on which the Class Z Shares may be listed, by the Federation's Auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the board of directors of the Federation and any such determination shall be binding upon the Federation, the Noteholders and the other holders of Capital Stock of the Federation. Such auditors or accountants shall be given access to all necessary records of the Federation.

If the Federation sets a record date to take any action that would require an adjustment provided for in the definition of Conversion Price or in Condition 7(f) and before the taking of such action, the Federation legally abandons its plan to take such action, then no such adjustment shall be made.

The Federation shall from time to time, immediately after the occurrence of any Class Z Capital Share Reorganization or other event that requires an adjustment or readjustment as provided in the definition of Conversion Price, Condition 7(f) or this Condition 7(g), give notice to the relevant Fiscal Agent and, in accordance with Condition 17, to the Noteholders of NVCC Subordinated Notes specifying

the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(h) Agreement with Respect to a Non-Viability Trigger Event

By acquiring any NVCC Subordinated Note, each Noteholder or beneficial owner of a NVCC Subordinated Note or any interest therein, including any Person acquiring any such Note or interest therein after the date thereof, irrevocably consents to the principal amount of such NVCC Subordinated Note and any accrued interest due and payable thereon being deemed paid in full by the issuance of Class Z Shares upon the occurrence of a Non-Viability Trigger Event and the resulting Automatic Conversion, which occurrence and resulting Automatic Conversion shall occur without any further action on the part of such Noteholder or beneficial owner or any Agent.

(i) General

(i) Upon an Automatic Conversion, any accrued interest due and payable on the NVCC Subordinated Notes, together with the principal amount of such NVCC Subordinated Notes, shall be deemed paid in full by the issuance of Class Z Shares upon such conversion and the Noteholders shall have no further rights and the Federation shall have no further obligations under these Conditions, the NVCC Subordinated Notes or the Agency Agreement. If Taxes are required to be withheld from such payment of interest in the form of Class Z Shares, the number of Class Z Shares received by a Noteholder shall reflect an amount net of any applicable Tax and the Federation reserves the right not to deliver some or all, as applicable, of such Class Z Shares equivalent to the Taxes to be withheld, in such circumstances, the Federation will hold, as agent for such Persons, the Class Z Shares that would have otherwise been delivered to such Persons and the Federation will attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and Federation Affiliates on behalf of such Persons to be retained by the Federation on behalf of such Persons. Those sales (if any) may be made at any time and at any price. The net proceeds received by the Federation from the sale of any such Class Z Shares shall be remitted to the relevant authority in accordance with applicable law, and shall be credited to the Federation as payment on account of any payment made under or with respect to the NVCC Subordinated Notes. The Federation shall not be subject to any liability for failure to sell such Class Z Shares at any particular price or on any particular day.

(ii) Notwithstanding any other provision of these Conditions, the Notes or the Agency Agreement, the Automatic Conversion of the NVCC Subordinated Notes upon the occurrence of a Non-Viability Trigger Event shall not be an Event of Default and the only consequence of a Non-Viability Trigger Event shall be the Automatic Conversion of such NVCC Subordinated Notes into Class Z Shares.

(iii) Neither the Issuer nor any of its subsidiaries shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documenting tax that may arise or be paid as a consequence of the delivery of the Class Z Shares, which tax shall be borne solely by the Noteholder.

For the purposes of this Condition 7 only:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and, for greater certainty, when used with respect to the Federation, does not include Desjardins caisses which are members of the Federation. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether

through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Auditors" means an independent firm or firms of accountants duly appointed as auditors of the Federation.

"CDS" means The Canadian Depository for Securities Limited (and any successor thereto).

"Capital Stock" means the authorized capital stock of the Federation which is made up of the Internal Capital Stock and the External Capital Stock.

"Class Z Capital Share Reorganization" means any of (i) the issuance of Class Z Shares or securities exchangeable for or convertible into Class Z Shares to all holders of outstanding Class Z Shares as a stock dividend, (ii) the subdivision, re-division or change of the outstanding Class Z Shares into a greater number of Class Z Shares, or (iii) the reduction, combination or consolidation of the outstanding Class Z Shares into a lesser number of Class Z Shares.

"Conversion Price" means**,** in respect of each NVCC Subordinated Note, C$10, unless otherwise specified in the applicable Final Terms or Pricing Supplement and subject to adjustment in the event of a Class Z Capital Share Reorganization in accordance with Condition 7(g).

"Corporate Body" means a financial services cooperative, cooperative, federation of financial services cooperatives, corporation, association, company, limited liability company, unlimited liability company, joint-stock company, business trust or other legal person, and "Corporate Bodies" has a correlative meaning.

"External Capital Stock" means any Capital Stock of the Federation that does not constitute Internal Capital Stock.

"Federation Affiliates" means any Affiliate of the Federation.

"Ineligible Person" means (i) any Person whose address is in, or whom the Federation has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Federation of Class Z Shares or delivery of such shares by its transfer agent to that Person, pursuant to an Automatic Conversion, would require the Federation to take any action to comply with securities, financial cooperatives, banking or analogous laws of that jurisdiction, and (ii) any Person to the extent that the issuance by the Federation of Class Z Shares or delivery of such shares by its transfer agent to that Person, pursuant to an Automatic Conversion, would cause the Federation to be in violation of any law to which the Federation is subject.

"Internal Capital Stock" means any Capital Stock of the Federation which are held by members or auxiliary members of the Federation.

"Multiplier" means 1.50, unless otherwise specified in the applicable Final Terms.

"Note Value" means, in respect of each NVCC Subordinated Note, the principal amount of that NVCC Subordinated Note plus accrued and unpaid interest thereon as of the date of the Non-Viability Trigger Event, expressed in C$ on the basis of the Prevailing Exchange Rate.

"Person" means any individual, Corporate Body, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof, or any other entity.

"Prevailing Exchange Rate" means, unless otherwise specified in the applicable Final Terms or Pricing Supplement, in respect of any currency, the indicative rate of exchange between the relevant currency

and C$ reported by the Bank of Canada on the date immediately preceding the date of the Non-Viability Trigger Event (or, if not available on such date, the date on which such closing rate was last applicable prior to such date). If such exchange rate is no longer reported by the Bank of Canada, the relevant exchange rate shall be the simple average of the closing exchange rates between the relevant currency and C$ quoted at approximately the Specified Time on such date by three major banks selected by the Federation.

"Significant Holder" means any Person who beneficially owns directly, or indirectly through entities controlled by such Person or Persons associated with or acting jointly or in concert with such Person(s), a percentage of the total number of outstanding Capital Stock or other interests in the Federation that is in excess of any applicable requirements contained in applicable law, if any.

"Specified Time" means the time specified in the applicable Final Terms.

"Taxes" means any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the government of Canada, any province or territory of Canada or any political subdivision or any authority or agency therein or thereof having power to tax, or within any other jurisdiction in which the Federation is constituted, organized, or is otherwise carrying on business in, or is otherwise resident for tax purposes or any jurisdiction from or through which payments made by or on behalf of the Federation under or with respect to the NVCC Subordinated Notes are made.

"Threshold Number" means, as applicable, the number of Capital Stock issuable or deliverable to any Person that would cause that Person to become a Significant Holder, being the sum of (i) the total number of Capital Stock held by that Person immediately prior to the Automatic Conversion and (ii) the total number of Capital Stock otherwise issuable or deliverable to that Person by virtue of the operation of the Automatic Conversion, less (iii) the greatest number of Capital Stock that such Person could hold, directly or indirectly, without being a Significant Holder.

8. Conversion Option for NVCC Subordinated Notes

A Noteholder of NVCC Subordinated Notes of any Series may, at its option, subject to applicable law and only upon notice from the Federation, which may be given from time to time only with the prior written approval of the AMF and other required regulatory approvals, convert all, but not less than all, of the principal amount of NVCC Subordinated Notes of such Series held by such Noteholder on the date specified in the notice, together with accrued and unpaid interest thereon, into an equal aggregate principal amount of new Subordinated Indebtedness which qualifies as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline), as will be specified in the notice, and without the payment of any further consideration therefor. If given, such notice from the Federation shall be given not less than 30 days, nor more than 60 days prior to the date fixed for the conversion, set a date for conversion of the NVCC Subordinated Notes, describe the steps required to be taken by a holder of NVCC Subordinated Notes in order to exercise its conversion option, describe the nature of the new Subordinated Indebtedness and otherwise shall be given in accordance with Condition 17 herein.

9. Payments

(a) Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender of the Registered Note at the specified office of the Fiscal Agent or any of the Paying Agents. Such payments will be made by electronic transfer to the Designated Account (as defined herein) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register of holders of the Registered Notes maintained by the Fiscal Agent (i) in the case of Definitive Registered Notes, at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Fiscal Agent is located) before the relevant due date and (ii) in the case of Global Registered Notes, at the close of business on the business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, are open for business) before the relevant due date. Notwithstanding the previous sentence, if a holder does not have a **"*Designated Account*"**, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined herein). For these purposes, **"*Designated Account*"** means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a **"*Designated Bank*"** and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the Principal Financial Centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Fiscal Agent is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on (i) in relation to Global Notes, the first business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, are open for business); and (ii) in relation to Definitive Registered Notes, the close of business on the fifteenth day, (whether or not such fifteenth day is a Business Day), in each case, prior to the relevant due date (such relevant date referred to in (i) or (ii), the **"*Record Date*"**) at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Fiscal Agent not less than three Business Days in the city where the specified office of the Fiscal Agent is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Fiscal Agent is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal in respect of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or

expenses shall be charged to such holders by the Fiscal Agent in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee, Euroclear or Clearstream, Luxembourg, as applicable, as registered holder of a Global Registered Note will be paid in accordance with the applicable policies in effect from time to time of the depositary or clearing system. Under these policies, the Issuer will pay directly to the depositary, its nominee or the applicable clearing system. All amounts payable to DTC or its nominee in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer of immediately available funds by the Fiscal Agent to an account in the relevant Specified Currency of the U.S. Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement. None of the Federation or the Fiscal Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

For a summary of current policies with respect to Foreign Currency Notes, please see "Special Provisions Relating To Foreign Currency Notes – DTC Notes"

(b) Payment of Accrued Interest on Redemption

If the due date for redemption of any Note in definitive form is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) General Provisions Applicable to All Payments

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 11 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "***Code***") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11) any law implementing an intergovernmental approach thereto.

References to "**Specified Currency**" include any successor currency under applicable law.

Subject as provided below:

(i) the holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Federation will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid;

(ii) each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or DTC as the holder of a particular nominal amount of Notes must look solely to Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, for his share of each payment so made by the Federation to, or to the order of, the holder of the relevant Global Note; and

(iii) no person other than the holder of the relevant global Note shall have any claim against the Federation in respect of any payments due on that Global Note.

(d) Payment Business Day

If the due date for payment of any amount due in respect of any Note is not a Payment Business Day, then the Holder thereof will not be entitled to payment thereof until (i) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Final Terms, the next day which is such a day or (ii) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Final Terms, the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment on the immediately preceding Payment Business Day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Business Day and a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5. For these purposes, "***Payment Business Day***" means:

(i) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) any Additional Financial Centre(s) (other than TARGET2) specified in the applicable Final Terms and if TARGET2 is specified as an Additional Financial Centre, a TARGET2 Business Day; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (which, in the case of Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a TARGET2 Business Day.

(e) Conversion into United States Dollars

If the Federation is due to make a payment in a currency (the "***original currency***") other than United States Dollars in respect of any Note and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Federation's control, the Federation will be entitled to satisfy its obligations in respect of such payment by making payment in United States Dollars on the basis of the spot exchange rate (the "***United States Dollar FX Rate***") at which the original currency is offered in exchange for United States Dollars in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the United States Dollar FX Rate

is not available on that date, on the basis of an average of the United States Dollar FX Rate on each of the immediately preceding ten Business Days on which the United States Dollar FX Rate is available as determined by the Calculation Agent. For the avoidance of doubt, the United States Dollar FX Rate or fallback rate as aforesaid may be such that the resulting United States Dollars amount is zero and in such event no amount of United States Dollars or the original currency will be payable. Any payment made in United States Dollars or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 12.

For the purposes of this Condition 9(e), "***Calculation Agent***" means any entity specified in the applicable Final Terms or otherwise any entity appointed by the Issuer at the relevant time.

(f) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under Condition 11 in respect of principal;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(vi) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 11 in respect of interest.

(g) Specific payment provisions relating to certain types of Exempt Notes

In the case of Notes redeemable in instalments, payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made in the same manner as payment of interest in respect of such Registered Note specified in Condition 9(a). Payment of final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Note specified in Condition 9(a).

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, in relation to Notes redeemable in instalments, the Instalment Amount.

10. Agent and Paying Agents

The names of the initial Fiscal Agent, the transfer agent and the exchange agent and the other initial Registered Notes Paying Agents (collectively, the "***Agents***") and their initial specified offices are set out

on the Notes. If any additional or other Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms. In acting under the Agency Agreement, the Agents will act solely as agents of the Federation and do not assume any obligations or relationships of agency or trust to or with the Noteholders, except that (without affecting the obligations of the Federation to the Noteholders to repay Notes and pay interest thereon) funds received by the Agent for the payment of principal of or interest on the Notes shall be held by it in trust for the Noteholders until the expiration of the relevant period of prescription under Condition 16. The Federation agrees to perform and observe the obligations imposed upon it under the Agency Agreement and to cause the Agents to perform and observe the obligations imposed upon them under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Federation and its subsidiaries, if any, without being liable to account to the Noteholders for any resulting profit.

The Federation is entitled to vary or terminate the appointment of any Agent (including the Fiscal Agent) or any other paying agent appointed under the terms of the Agency Agreement and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that:

(i) so long as the Notes of this Series are listed on any stock exchange or competent authority, there will at all times be a Paying Agent (which may be the Fiscal Agent) and/or a Transfer Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(ii) so long as any Notes are outstanding, there will at all times be a Fiscal Agent; and

(iii) so long as any of the Global Registered Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an exchange agent with a specified office in the United States.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Fiscal Agent and the Noteholders in accordance with Condition 14 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency in which case, termination should be immediate or in the case of a Paying Agent ceasing to be a Participating FFI in which case termination will be immediate upon notice in writing) within 15 days before or after any Interest Payment Date.

For the purposes of this Condition, "***Participating FFI***" means a "foreign financial institution" that is a "participating foreign financial institution" (as each such term is defined pursuant to Sections 1471 through 1474 of the Code, and any regulations thereunder or official interpretations thereof) as from the effective date of withholding on "foreign passthru payments" (a term not yet defined by legislation or regulation). A participating foreign financial institution includes any financial institution that is deemed to be compliant with the provisions of section 1471(b) of the Code pursuant to an applicable agreement between the United States and another jurisdiction.

11. Taxation

All payments of principal and interest by or on behalf of the Federation in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges are required by law or by the interpretation or administration thereof. In that event, the Federation will, subject to its right of redemption set out in Condition 6(b)(i), pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes or duties in respect of such Note by reason of that person having any present or future connection with Canada other than the mere holding or use outside Canada, or ownership as a non-resident of Canada, of such Note; or

(ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day, assuming, for this purpose, that day to have been a Payment Business Day (as defined in Condition 9(d)); or

(iii) where such withholding or deduction is imposed under Sections 1471 through 1474 of the Code, any current or future regulations thereunder or official interpretations thereof, any agreement described in Section 1471(b)(1) of the Code, any intergovernmental agreement entered into between the United States and any other country in connection with the implementation of the foregoing, and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement; or

(iv) to, or to a third party on behalf of, a Noteholder with whom the Federation is not dealing at arm's length within the meaning of the Income Tax Act (Canada) (the "**ITA**"); or

(v) to, or to a third party on behalf of, a Noteholder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the **ITA**) of the Federation; or

(vi) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority or paying agent in the place where the relevant Note is presented for payment; or

(vii) where such withholding or deductions is imposed by reason of the payment or deemed payment being deemed to be paid as interest or a dividend to a non-resident of Canada (other than the Noteholder) pursuant to subsections 212(3.2) or 214(16) ITA; or

(viii) where such withholding or deduction is imposed by reason of any payment of principal of or interest on the Notes by the Federation to any Noteholder (or beneficial owner), as the case may be, who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder or beneficial owners of such Notes.

If the Federation becomes subject generally at any time to any taxing jurisdiction other than, or in addition to, Canada, references in Condition 6(b)(i) and this Condition 11 to Canada shall be read and construed as references to Canada or any province or territory thereof and/or to such other taxing jurisdiction(s).

As used herein, "***Relevant Date***" means:

(A) the date on which such payment first becomes due; or

(B) if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, the date on which the full amount of such moneys having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 17.

12. Events of Default

(a) Senior Notes

If any of the following events ("***Events of Default***") should occur and be continuing, the holder of any Senior Note may, upon written notice of acceleration to both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), cause such Senior Note to become due and payable as of the date on which the said notice of acceleration is received by both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), at the Early Redemption Amount thereof (as described in Condition 6(e)), together with accrued interest, unless prior to the receipt of such notice by both the Federation and the Fiscal Agents (with a copy to the U.S. Registrar), the Federation shall have cured or otherwise made good such Event of Default in respect of the relevant Senior Notes:

(i) failure for 30 Business Days (as defined in Condition 5(b)) to pay when due any interest on any Senior Note;

(ii) failure for 30 Business Days (as defined in Condition 5(b)) to pay when due the principal of any Senior Note; or

(iii) the Federation becomes insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act 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 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring;

provided that a holder of any Bail-inable Note may only exercise, or direct the exercise of, rights under this Condition 12(a) where an order has not been sought by the AMF in respect of any deposit institution being part of the Groupe coopératif Desjardins and made by the resolution board pursuant to Section 40.12 of the Deposit Institutions Act.

Notwithstanding the exercise of any rights by holders of Notes under this Condition 12(a) in respect of Bail-inable Notes, Bail-inable Notes will continue to be subject to the Resolution Powers (including the Bail-in Powers) of the AMF under and pursuant to the Deposit Institutions Act and the regulations promulgated thereunder, including the Prescribed Debt Regulations.

Neither a write-off or a conversion (in each case, in whole or in part) of Bail-inable Notes into Conversion Securities will be an Event of Default in relation to such Bail-inable Notes.

By its acquisition of the Bail-inable Notes, each Noteholder (including each holder of a beneficial interest in any Bail-inable Note), to the extent permitted by law, waives any and all claims, in law and/or in equity, against any Agent (in each case solely in its capacity as Agent), for, agrees not to initiate a suit against any Agent in respect of, and agrees that no Agent shall be liable for, any action that an Agent takes, or abstains from taking, in either case in accordance with the write-off or conversion (in each case, in whole or in part) of Bail-inable Notes into Conversion Securities pursuant to the Bail-in Powers.

(b) NVCC Subordinated Notes

In the event that the Federation shall become insolvent or bankrupt or subject to the winding-up, liquidation or dissolution provisions of the Cooperatives Act 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 other than, in each case, for the purposes of, or as part of, an Exempt Restructuring (each an "***Event of Default***"), then, absent a Non-Viability Trigger Event, a holder of any NVCC Subordinated Note may, upon written notice to both the Federation and the Fiscal Agent, cause the entire principal amount of and accrued and unpaid interest on such NVCC Subordinated Note to become due and payable as of the date on which the said notice is received by both the Federation and the Fiscal Agent.

Notwithstanding any other provisions of these Conditions, the NVCC Subordinated Notes and the Agency Agreement and for greater certainty, none of (i) the non-payment or default in the payment of interest on the NVCC Subordinated Notes, (ii) a default in the performance of any other covenant or other obligation of the Federation in these Conditions, the NVCC Subordinated Notes or the Agency Agreement or (iii) the occurrence of an Automatic Conversion upon the occurrence of a Non-Viability Trigger Event

shall constitute an Event of Default under these Conditions, the NVCC Subordinated Notes and the Agency Agreement.

"**Exempt Restructuring**" means a resolution or order for wind-up, liquidation or dissolution of the Federation with a view to the amalgamation, consolidation, combination or merger of the Federation with or into another Person (a **"Successor in Business"**) or the conveyance, transfer, sale or lease of the Federation's properties and assets as an entirety to such Successor in Business where the amalgamation, consolidation, combination, merger, conveyance, transfer, sale or lease complies with the following conditions (as applicable):

(i) in case the Federation shall merge, amalgamate, consolidate or otherwise combine with a Successor in Business or sell or lease substantially all of the Federation's assets to a Successor in Business, the Successor in Business shall be a duly organized entity and shall be legally responsible for and assume the obligations of the Federation under and pursuant to these Conditions and the Notes (which may be as a result of a substitution as principal debtor of a Successor in Business pursuant to Condition 13, operation of law or otherwise);

(ii) in case the Federation shall amalgamate with one or more federations of financial services cooperatives, such amalgamation shall be in accordance with the terms of Chapter IX, Division IX of the Cooperatives Act;

(iii) in the case of Senior Notes only, any such amalgamation, merger, combination or consolidation, or sale or lease of assets, would not result in an Event of Default as described in Condition 12(a)(i) or Condition 12(a)(ii), nor any event which, after the requirement for giving the Federation and the Fiscal Agent a notice of acceleration in accordance with Condition 12(a) and any requirements for lapse of time for the event to become a default were both disregarded, would become an Event of Default in respect of the Senior Notes as described in Condition 12(a)(i) or Condition 12(a)(ii); and

(iv) the Successor in Business has, as a part of such amalgamation, consolidation, combination, merger, conveyance, transfer, sale or lease, within ninety (90) days from the passing of the resolution or declaration or order for the wind-up, liquidation or dissolution of the Federation (or within such further period of time as may be sanctioned by the Noteholders by means of an Extraordinary Resolution), delivered to the Fiscal Agent a certificate signed by two authorised signatories of the Successor in Business and, other than in respect of sub-paragraph (II) below; (A) an opinion of independent legal advisors of recognised standing, stating that; (I) such amalgamation, merger, combination, consolidation, or sale or lease of assets complies with the conditions precedent described in subparagraph (i) and, if applicable, subparagraph (ii) of this definition of Exempt Restructuring, and (II) where Senior Notes are outstanding at the date of the passing of such resolution or declaration or order as aforesaid or at the date of the completion of any such amalgamation, consolidation, combination, merger or conveyance, transfer, sale or lease of properties and assets, such amalgamation, consolidation, combination, merger, or conveyance, transfer, sale or lease of properties and assets complies with subparagraph (iii), and (B) to the extent that the Exempt Restructuring results in the substitution of the Successor in Business pursuant to Condition 13, the conditions for such substitution as described in Condition 13 have been satisfied.

The Fiscal Agent shall make available the certificate and opinion of independent legal advisors as required by subparagraph (iv) of the definition of Exempt Restructuring at its offices for inspection by the Noteholders, upon reasonable request, at all reasonable times during normal business hours.

13. Substitution of Successor in Business

The Federation (and any Successor in Business which is substituted for the Federation in accordance with this Condition 13), may at any time subject to applicable law and to obtaining proper consents from regulatory authorities, without the consent of the Noteholders, substitute for itself as principal debtor under the Senior Notes or, as the case may be, NVCC Subordinated Notes, any Successor in Business to the Federation (or to any previous Successor(s) in Business to the Federation) (the "**Substitute**"), provided that no payment in respect of the Senior Notes or, as the case may be, the NVCC Subordinated Notes is at the relevant time overdue and provided further that, in respect of a substitution of the principal debtor under any Bail-inable Notes where the substitution would lead to a breach of the Federation's TLAC requirements (or, if applicable, the relevant TLAC requirements of any Successor in Business), the Federation (or the relevant Successor in Business) may only substitute itself as principal debtor with the prior written approval of the AMF. Effective at the time of the substitution, the Federation (or any relevant Successor in Business) shall be released from all its liabilities, in its capacity as issuer of the Notes, contained in the Senior Notes or, as the case may be, NVCC Subordinated Notes.

The substitution shall be made pursuant to a deed poll ("**Deed Poll**"), and may take place only if:

(i) the Substitute shall agree to indemnify each Noteholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Senior Note or, as the case may be, NVCC Subordinated Note as a result of any laws or regulations then in effect at the time of the substitution and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Conditions, the Senior Notes or, as the case may be, the NVCC Subordinated Notes represent valid, legally binding and enforceable obligations of the Substitute and that all action, conditions and things required to be later fulfilled are done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Senior Notes or, as the case may be, the NVCC Subordinated Notes represent its valid, legally binding and enforceable obligations have been taken, fulfilled and done and are in full force and effect;

(iii) the Substitute shall be or have become party to the Agency Agreement in its capacity as issuer of the Senior Notes or, as the case may be, NVCC Subordinated Notes, with any appropriate consequential amendments;

(iv) legal opinions addressed to the Fiscal Agent and the relevant initial purchasers, managers or, as the case may be, dealers (as set out in the applicable Final Terms) shall have been delivered to it from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in

(i) above and in the Province of Québec, Canada as to the matters of the preceding conditions of this Condition 13 and the other matters reasonably specified in the Deed Poll; and

(v) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders in accordance with Condition 17, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

The Deed Poll shall amend the Conditions of the Senior Notes or, as the case may be, NVCC Subordinated Notes which the the Substitute in its reasonable discretion and acting in good faith deems to be necessary or desirable with the intention that such Conditions shall reflect the Conditions which could have applied had the Substitute been the original issuer of the Notes. References in Condition 11 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

14. Meetings of and Consents of Noteholders; Modification and Amendment

The Agency Agreement provides that the Registered Notes and the Agency Agreement may be amended by the Issuer and the Fiscal Agent without the consent of the Noteholders with respect to:

(i) any modification which is in the Issuer's and the relevant Dealer(s) (as defined in the Agency Agreement) opinion not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Registered Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

The Issuer and the Fiscal Agent may amend the Registered Notes or the Agency Agreement with the written consent of the holders of at least a majority in principal amount of the Registered Notes then outstanding voting as a single class, subject to the next succeeding paragraph; *provided however* that without the consent of each Noteholder affected thereby, no amendment may:

(i) reduce the amount of Registered Notes whose holders must consent to an amendment;

(ii) reduce the rate of or extend the time for payment of interest on any Registered Note;

(iii) reduce the principal or extend the stated maturity date of any Registered Note;

(iv) reduce the premium or amount payable upon the redemption of any Registered Note or change the time at which any Registered Note may be redeemed in accordance with its terms;

(v) make any Registered Note payable in currency other than that stated in such Registered Note;

(vi) expressly subordinate any Registered Note to any other indebtedness of the Issuer save as permitted in accordance with its terms;

(vii) impair the right of any Noteholder to receive payment of principal, premium, if any, and interest on such Noteholder's Registered Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Noteholder's Registered Notes; or

(viii) make any amendment to the events of default as described in Condition 12.

Notwithstanding any other provision of these Conditions or the Agency Agreement, the consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 5(h) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 5(h), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to Condition 5(h). Save as provided below, all outstanding Registered Notes shall vote and consent together on all matters (as to which any of such Registered Notes may vote) as one class and no Series of Registered Notes shall have the right to vote or consent as a separate class on any matter; *provided, however*, that:

(i) an amendment which in the opinion of the Issuer affects the Registered Notes of only one Series shall be voted on and consented to solely by the holders of the Registered Notes of that Series;

(ii) an amendment which in the opinion of the Issuer affects the Registered Notes of more than one Series but does not give rise to a conflict of interest between the holders of Registered Notes of any of the Series so affected shall be voted on and consented to by the Holders of the Registered Notes of all the Series so affected voting as a single class; and

(iii) an amendment which in the opinion of the Issuer affects the Registered Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Registered Notes of one Series or group of Series so affected and the holders of the Registered Notes of another Series or group of Series so affected shall be voted on and consented to by the Holders of the Registered Notes of each Series or group of Series so affected voting in separate classes, such that the consent of each such class shall be required before an amendment shall be effected.

A consent to an amendment or a waiver by a Noteholder shall bind the Noteholder and every subsequent holder of that Registered Note or portion of the Registered Note that evidences the same debt as the consenting Noteholder's Note, even if notation of the consent or waiver is not made on the Registered Note.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to the Agency Agreement. If a record date is fixed, then those persons who were Noteholders at such record date (or their duly designated proxies), and only those persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such persons continue to be Noteholders after such record date. No such consent, irrespective of when given, shall be valid or effective for more than 120 days after such record date.

Notwithstanding anything in this Condition 14, the prior written approval of the AMF is required to amend or vary (i) the terms of any NVCC Subordinated Notes where such amendment or variation would affect the recognition of the NVCC Subordinated Notes as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline), or (ii) the terms of any Bail-inable Notes where such amendment or variation may affect the eligibility of the Notes as TLAC under the guidelines for TLAC that apply to the Federation (including the TLAC Guideline).

15. Replacement of Notes

Should any Note be mutilated, defaced or destroyed or be lost or stolen, it may be replaced at the specified office of the Fiscal Agent or any Transfer Agent (the "***Replacement Agent***") (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of the expenses incurred by the Federation and the Replacement Agent in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Federation and the Replacement Agent may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. Prescription

The Notes will become void unless presented for payment within a period of two years from the date on which related payment of principal or interest shall have become due and payable and monies sufficient therefor shall have been duly made available for payment.

17. Notices

Notices to Holders of Definitive Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Fiscal Agent) at their respective addresses as recorded in the register kept by the Fiscal Agent, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Federation shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed, including on the website of the relevant stock exchange or relevant authority if required by those rules.

Until such time as any definitive Notes are issued, there may (provided that the rules of any relevant stock exchange or other relevant listing authority permit), so long as the Global Notes for this Series are held in their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or DTC, be substituted for such mailing of notice, as set out in the foregoing paragraphs of this Condition 17, the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or DTC.

Notices to be given to the Federation by any holder of the Notes of this Series shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Fiscal Agent. Whilst any of the Notes of this Series are represented by a Global Note, such notice may be given by any holder of a Note of this Series to the Fiscal Agent via Euroclear, Clearstream, Luxembourg and/or DTC, as the case

may be, in such manner as the Fiscal Agent and Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

18. Currency Indemnity

Save as provided in Condition 9(e), if, under any applicable law and whether pursuant to a judgment being made or registered against the Federation or in the liquidation, insolvency or analogous process of the Federation or for any other reason, any payment under or in connection with the Notes is made or fails to be satisfied in a currency (the "***other currency***") other than that in which the relevant payment is expressed to be due (the "***required currency***") under the Notes, then, to the extent that the payment (when converted into the required currency at the rate of exchange on the date of payment or, if it is not practicable for the relevant Noteholder to purchase the required currency with the other currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by the relevant Noteholder falls short of the amount due under the terms of the Notes, the Federation shall, as a separate and independent obligation, indemnify and hold harmless the relevant Noteholder against the amount of such shortfall. For the purpose of this Condition 15, "rate of exchange" means the noon spot rate at which the relevant Noteholder is able, on the London foreign currency exchange market on the relevant date, to purchase the required currency with the other currency as reasonably determined by the Issuer, and shall take into account any premium and other reasonable cost of exchange.

19. Further Issues

The Federation shall be at liberty from time to time without notice to, or the consent of, the Noteholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the Issue Date, the Interest Commencement Date, the date and amount of the first payment of interest thereon and/or the Issue Price) and so that the same shall be consolidated and form a single Series with the outstanding Notes, provided, that if such additional Notes are not fungible with the outstanding Notes of that Series for U.S. federal income tax purposes, the additional Notes must have a separate CUSIP number.

20. Governing Law; Submission to Jurisdiction

Each of the Agency Agreement, Senior Notes and NVCC Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of New York, except that:

(i) with respect to Bail-inable Notes, the provisions in Condition 4(a) relating to ranking, the provisions in the third and fourth paragraphs of Condition 4(c) relating to the bail-in agreement by holders and beneficial owners of Bail-inable Notes and the provisions of the second sentence of the next paragraph will be governed by the laws of the Province of Québec and the laws of Canada applicable therein and

(ii) with respect to NVCC Subordinated Notes, the provisions in Condition 4(b) relating to ranking and the provisions in Condition 7 relating to Automatic Conversion upon the occurrence of a

Non-Viability Trigger Event will be governed by the laws of the Province of Québec and the laws of Canada applicable therein.

The Issuer irrevocably agrees that any legal suit, action or proceeding against it brought under the Agency Agreement or the Senior Notes issued thereunder may be instituted in any state or federal court in the Borough of Manhattan, The City of New York, New York, and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such proceeding and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. Notwithstanding the foregoing, each holder or beneficial owner of an interest in a Bail-inable Note is deemed to attorn to the jurisdiction of the courts in the Province of Québec in Canada with respect to the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes, and the laws of the Province of Québec and the federal laws of Canada applicable therein in respect of the application of the Deposit Institutions Act, the Prescribed Debt Regulations and the other laws and regulations applicable in Québec with respect to the Bail-inable Notes, as provided for in Condition 4(c).

The Issuer (i) has irrevocably appointed CT Corporation System as its authorized agent (the "***Authorized Agent***") upon which process may be served in any such action arising under the Agency Agreement or the Notes issued thereunder which may be instituted in any state or federal court in the Borough of Manhattan, The City of New York, New York, (ii) expressly consents to the jurisdiction of any such court in respect of any such action and (iii), to the fullest extent permitted by law, waives any other requirements of or objections to personal jurisdiction with respect thereto. The Issuer represents and warrants that the Authorized Agent has agreed to act as said agent for service of process, and the Issuer agrees to take any and all action, including the filing of any and all documents, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of such service to the Issuer shall be deemed, in every respect, effective service of process upon the Issuer. To the extent that the Issuer may be entitled in any jurisdiction in which judicial proceedings may at any time be commenced under the Agency Agreement or the Notes issued thereunder, to claim for itself or its revenues or assets any immunity from suit, jurisdiction, attachment in aid or execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations under the Agency Agreement or the Notes issued thereunder and to the extent that in any such jurisdiction there may be attributed to the Issuer such an immunity (whether or not claimed), the Issuer hereby irrevocably agrees not to claim and irrevocably waives such immunity to the maximum extent permitted by law.

In connection with any action or proceeding instituted in the United States, the Issuer, the Fiscal Agent and the holders of the Notes issued under the Agency Agreement agree that any legal suit, action and proceeding arising out of the Agency Agreement or the Notes issued thereunder shall be brought in the United States District Court for the Southern District of New York or in a New York State Court in the County of New York and that, in connection with any such action or proceeding, submit to the jurisdiction of, and venue in, such court. Each of such parties hereto also irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of under the Agency Agreement or the Notes issued thereunder.

PRO FORMA FINAL TERMS FOR REGISTERED NOTES OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Registered Notes other than Exempt Notes issued under the Programme.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II / Directive 2014/65/EU (as amended, "MiFID II")]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.][1]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "SFA") – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the "MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]][2]

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[1] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

THE NOTES ARE NOT INSURED UNDER THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) OR THE CANADA DEPOSIT INSURANCE CORPORATION ACT.

[THE NOTES (AND BENEFICIAL INTERESTS THEREIN) ARE (IN EACH CASE, IN WHOLE OR IN PART) SUBJECT TO WRITE-OFF OR CONVERSION INTO CONTRIBUTED CAPITAL SECURITIES OF THE FEDERATION, OF A DEPOSIT-TAKING INSTITUTION THAT IS PART OF THE GROUPE COOPÉRATIF DESJARDINS OR OF A LEGAL PERSON CONSTITUTED OR RESULTING FROM AN AMALGAMATION/CONTINUANCE OR OTHER CONVERSION CARRIED OUT FOR THE PURPOSES OF THE RESOLUTION OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, IN EACH CASE, BY THE AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC) UNDER SECTION 40.50 OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) AND REGULATIONS PROMULGATED THEREUNDER (INCLUDING, AMONG OTHERS, THE REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES (QUÉBEC)).][3]

FINAL TERMS

Final Terms dated [Signing Date of Issue]

Fédération des caisses Desjardins du Québec
(the "Issuer")

LEI: 549300B2Q47IR0CR5B54

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] (the "Notes")

Under the €7,000,000,000 Global Medium Term Note Programme

[3] Include for Bail-inable Notes only.

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the "Terms and Conditions of the Registered Notes" (the "**Conditions**") set forth in the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated ●] which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"). As used herein, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. [The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, together with all documents incorporated by reference therein, [is][are] available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from the offices of Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] which are incorporated by reference in the Base Prospectus dated 25 February 2020 which constitutes a base prospectus for the purposes of the Prospectus Regulation. As used herein, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated ●], which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**") in order to obtain all the relevant information. [The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, including all documents incorporated by reference therein, are available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes become fungible:	[Not Applicable] [The Notes shall be consolidated and form a single Series and be interchangeable for trading purposes with the [*insert description of the Series*] on [ ] [the Issue Date].]

2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount [of Notes admitted to trading]:		[ ]
	[(i)]	Series:	[ ] [*Insert total nominal amount of outstanding Notes including the Tranche which is the subject of these Final Terms*]
	[(ii)	Tranche:	[ ]]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable)*]
5.	(i)	Specified Denominations: [**]	[ ] *[Note – where multiple denominations above [ ] (or its equivalent) are being used, the following sample wording should be followed:* [[ ] [and integral multiples of [ ] in excess thereof up to and including [ ].] *Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a minimum redemption value of £100,000 (or its equivalent in other currencies).*

[**] The minimum Specified Denomination of the Notes shall be €100,000 (or its equivalent in any other currency). The minimum Specified Denomination for (i) Registered Notes offered under Rule 144A only shall be not less than US$200,000 (or its equivalent in any other currency) and (ii) Registered Notes offered under Rule 144A and Regulation S shall be not less than US$200,000 (or an amount in a Specified Currency that is not U.S. dollars, which is not less than €100,000 or the equivalent thereof at the date of issue of the Notes)

	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note – there must be a common factor in the case of two or more Specified Denominations.*]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*Specify/*Issue Date] [Not Applicable] (*N.B. an Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes*)
7.		Maturity Date:	[[ ][, subject to adjustment for payment day purposes only in accordance with the Modified Following Business Day Convention]] [Interest Payment Date falling in or nearest to [ ] [ ]]
8.		Interest Basis:	[[ ] per cent. Fixed Rate] [subject to change as indicated in paragraph 10 below] [[+/– [ ] percent [*Insert one of Floating Rate options below*] Floating Rate] [subject to change as indicated in paragraph 10 below] [[ ] per cent. to be reset on [ ] [and [ ]] and every [ ] anniversary thereafter Fixed Rate Reset] [[ ] Month [currency] EURIBOR] [[ ] Month [currency] LIBOR] [CD Rate] [CMT Rate] [Commercial Paper Rate] [Federal Funds Rate] [Prime Rate] [Treasury Rate] [Zero Coupon] (further particulars specified in paragraph [13/14/15/16] below)
9.		Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes would be redeemed on the Maturity Date at [par] / [[ ] per cent. of their nominal amount]

10.	Change of Interest Basis:		[[Not Applicable] [[Coupon Switch Option is applicable and the Coupon Switch Option Date is [ ]] [For these purposes and Condition 4(f): [Principal Financial Centre is [ ]] / [Notice Period is [ ]] /[Additional Business Centres [ ]]]] [Paragraph 13 applicable for the period from and including [ ] to but excluding [ ]] [Paragraph 15 applicable for the period from and including [ ] to but excluding the Maturity Date]
11.	Put/Call Options:		[Not Applicable] [Noteholder Put Option] (*Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes*) [Issuer Call Option] [(further particulars specified in paragraph [18/19] below)]
12.	(i)	Status of the Notes:	[Senior Notes] [NVCC Subordinated Notes]
	(ii)	Bail-inable Notes:	[Yes] [No] *(N.B. Bail-inable Notes can only be Senior Notes)*
	(iii)	Negative Covenant:	[Applicable] [Not Applicable] *(N.B. Negative Covenant may only be applicable to NVCC Subordinated Notes)*
	(iv)	Date Board approval for issuance of Notes obtained:	[ ] [and, [ ], respectively]] [Not Applicable] *(N.B. Only relevant where new resolution is required for the particular Tranche of Notes (including NVCC Subordinated Notes))*
	(v)	Automatic Conversion:	[Applicable] [Not Applicable] *(N.B. Automatic Conversion is only applicable to NVCC Subordinated Notes)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
		- Multiplier:	[ ] *(Insert amount if different than 1.50 or otherwise delete)*

- Conversion Price: [C$10]

  (N.B. This will be C$10, unless the Federation provides written notice of a change to the par value of the Class Z Shares)

- Prevailing Exchange Rate: [ ]

- Specified Time: [ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable] [Not Applicable]

    (If not applicable, delete the remaining sub-paragraphs of this paragraph)

    (i) Rate [(s)] of Interest: [ ] per cent. per annum [payable in arrear] on each Interest Payment Date

    (ii) Interest Payment Date(s): [ ] [and [ ]] in each year [up to and including the Maturity Date] [adjusted for payment day purposes only in accordance with the Business Day Convention specified in paragraph 13(iv) below] [adjusted for payment and interest accrual purposes in accordance with the Business Day Convention specified in paragraph 13(iv) below]

    (iii) Adjusted Fixed Interest Periods: [Applicable] [Not Applicable]

    (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

    (v) Additional Business Centre(s): [ ] [Not Applicable]

    (vi) Fixed Coupon Amount[(s)]: *(applicable to Notes in definitive form only. For Notes in global form, see Condition 5(a) for calculation of interest)* [[ ] per Calculation Amount] [Not Applicable]

	(vii)	Broken Amount(s): *(applicable to Notes issued in definitive form only. For Notes issued in global form, see Condition 5(a) for calculation of interest)*	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(viii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed)] *(N.B. Day Count Fraction should be Actual/Actual (ICMA) for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed)*
	(ix)	Calculation Agent:	[Not Applicable] [ ]
	(x)	Determination Dates:	[Not Applicable] [[ ] in each year] *(Insert regular Interest Payment Dates, ignoring issue date or maturity date in the case of long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
14.	**Fixed Rate Reset Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[ ] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [from and including [ ]] [until and excluding [ ]]
	(iii)	First Reset Date:	[ ]
	(iv)	Second Reset Date:	[[ ]/Not Applicable]
	(v)	Anniversary Date:	[[ ]/Not Applicable]
	(vi)	Reset Determination Date(s):	[ ]
	(vii)	Reset Rate:	[[semi-annual] [annualised] [Mid-Swap Rate]] [Benchmark Gilt Rate] [Reference Bond]
	(viii)	Swap Rate Period:	[[ ]/Not Applicable]
	(ix)	Screen Page:	[ICESWAP1]/[ICESWAP2]/[ICESWAP3]/[ICESWAP4]/[ICESWAP5]/[ICESWAP6]/[ ]/[Not Applicable]

	(x)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[ ] day count basis][Not Applicable]
	(xi)	Floating Leg:	[[3]/[6]/[ ]-month [LIBOR]/[EURIBOR/[ ] rate calculated on an[Actual/365]/[Actual/360]/[ ] day count basis]/[Not Applicable]
	(xii)	Margin(s):	[+/-] [ ] per cent. per annum
	(xiii)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount]
	(xiv)	Broken Amount(s):	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(xv)	Day Count Fraction:	[Actual / 365] [Actual / 365 (fixed)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] [Actual/Actual ICMA]
	(xvi)	Determination Dates:	[[ ] in each year/Not Applicable]
	(xvii)	Calculation Agent:	[ ]
	(xviii)	Relevant Time:	[11:00 a.m.]/[ ]] [Not Applicable]
	(xix)	First Reset Period Fallback:	[ ]
15.	**Floating Rate Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether LIBOR or EURIBOR is the appropriate reference rate.)*
	(i)	Specified Period(s):	[ ] [Not Applicable]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	First Interest Payment Date:	[ ]

(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment]
(v)	Additional Business Centre(s):	[ ] [Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination]
(vii)	Calculation Agent (responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)) if not the Agent:	[[ ] shall be the Calculation Agent] [Not Applicable]
(viii)	Screen Rate Determination:	[Applicable] [Not Applicable]
	● Reference Rate:	[ ] month [currency] [LIBOR] [EURIBOR] [CD Rate] [CMT Rate - Reuters Page FRBCMT / Reuters Page FEDCMT] [Commercial Paper Rate] [Federal Funds Rate – [Federal Funds (Effective) Rate / Federal Funds Target Rate]] [Prime Rate] [Treasury Rate]
	● Specified Time:	[ ] [Not Applicable]
	● Initial Interest Rate:	[[ ] per cent.] [Not Applicable]
	● Index Maturity:	[[ ] [month]] [Not Applicable]
	● Interest Reset Date(s):	[ ] [Not Applicable]
	● Interest Reset Period:	[[Daily / Weekly / Monthly / Quarterly / Semi-annually] annually] [Not Applicable]
	● Designated LIBOR Currency:	[ ] [Not Applicable]
	● Designated CMT Maturity Index:	[[ ] years] [Not Applicable]
	● Designated LIBOR Page):	[LIBOR01] [Not Applicable]

(ix)	ISDA Determination:	[Applicable] [Not Applicable]
	● Floating Rate Option:	[ ]
	● Designated Maturity:	[ ]
	● Reset Date:	[ ]
(x)	Linear Interpolation:	[Not Applicable] [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Margin(s):	[[+/−][ ] per cent. per annum] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[ ] per cent. per annum] [The Minimum Rate of Interest is as specified in Condition 5(b)(ii)(C)]
(xiii)	Maximum Rate of Interest:	[[ ] per cent. per annum, subject to Condition 5(b)(ii)(C)] [Not Applicable, subject to Condition 5(b)(ii)(C)]
(xiv)	Day Count Fraction:	[Actual / Actual] [Actual / 365 (Fixed)] [Actual / 365 (Sterling)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] *(See Condition 5(b)(iii) for definitions)*

16. **Zero Coupon Note Provisions** [Applicable] [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Accrual Method:	[Linear Accrual/Compounding Accrual]
(ii)	Accrual Yield:	[ ] per cent. per annum
(iii)	Reference Price:	[ ]
(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30 / 360] [Actual / 360] [Actual / 365] [Actual/Actual (ICMA)]
(v)	Determination Dates:	[[ ] in each year] [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

17.	Notice period for Condition 6(b)(i):	Minimum period: [30] [ ] days Maximum period: [60] [ ] days
18.	**Issuer Call Option**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[[ ][, subject to adjustment for payment day purposes only in accordance with the Modified Following Business Day Convention]] [The First Call Date shall fall on [ ]]
	(ii) Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii) Redeemable in part:	[Yes] [No] *(If no, delete the remaining sub-paragraphs of this paragraph)*
	(a) Minimum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
	(b) Maximum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
	(iv) Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the Agent.)*
	(v) Bail-inable Notes – TLAC Disqualification Event Call:	[Applicable] [Not Applicable] *(Specify as being Applicable or Not Applicable for Bail-inable Notes, and as being Not Applicable for non Bail-inable Notes)*

19.	**Noteholder Put Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph) (Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes)*
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii)	Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the applicable Agent.)*
20.	**Final Redemption Amount**		[Par] / [[ ] per Calculation Amount]
21.	**Early Redemption Amount**		
	Early Redemption Amount(s) payable on redemption for tax reasons[, upon the occurrence of a Special Event][, TLAC Disqualification Event] or on event of default:		[As per Condition 6(e)] [ ] per Calculation Amount] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Registered Notes: [DTC/Euro] Regulation S Global Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable only in the limited circumstances specified in the Regulation S Global Note / Euro Regulation S Global Note registered in the name of a Common Safekeeper for Euroclear and/or

		Clearstream, Luxembourg (that is, held under the NSS)/Rule 144A Global Registered Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable only in the limited circumstances specified in the relevant Global Note]
23.	Payment Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention]
24.	Additional Financial Centre(s) relating to payment dates:	[Not Applicable] [ ] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which item 15(v) relates)*
25.	Calculation Agent for purpose of Condition 9(e):	[[ ] shall be the Calculation Agent] [The entity appointed by the Issuer in accordance with Condition 9(e)]

[**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Fédération des caisses Desjardins du Québec:

By: _____

Duly Authorized

PART B – OTHER INFORMATION

1. LISTING

(i) Listing/Admission to trading: [Application has been made by Fédération des caisses Desjardins du Québec (or on its behalf) for the Notes to be admitted to [the Official List of Euronext Dublin] and to trading on [the regulated market of Euronext Dublin] with effect from [*insert date*].

[Application will be made by Fédération des caisses Desjardins du Québec (or on its behalf) for the Notes to be admitted to [the Official List of Euronext Dublin] and to trading on [the regulated market of Euronext Dublin] with effect from [*insert date*].]

[Tranche[s] [ ] of the Notes is already admitted to the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin.] *(To be completed in the case of a fungible issue.)*

(ii) Estimate of total expenses related to Admission to trading: [ ] [Not Applicable]

2. RATINGS

Ratings: [Not Applicable] [The [Senior/NVCC Subordinated] Notes to be issued [have been] [are expected to be] specifically rated:

[S&P Canada: [ ]]
[Moody's Canada: [ ]]
[DBRS: [ ]]
[Fitch: [ ]]
[Any other Rating Agency: [ ]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[*insert credit rating agency*] is established in the [European Union] [United Kingdom] and has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority [and [*insert name of credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert credit rating agency*] is established in the [European Union] [United Kingdom] and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). [As such [*Insert credit rating agency*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[*Insert credit rating agency*] is not established in the European Union or United Kingdom and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). [*Insert credit rating agency*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]]

[[*Insert credit rating agency*] is not established in the European Union or United Kingdom and has not applied for registration under Regulation (EC) No, 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU or United Kingdom-registered credit rating agency*] in accordance with the CRA Regulation. [*Insert the name of the relevant EU or United Kingdom-registered credit rating agency*] is established in the [European Union] [United Kingdom] and registered under the CRA Regulation. [As such [*insert the legal name of the relevant EU or United Kingdom-registered credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.] The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert the legal name of the relevant European Union or United Kingdom credit rating agency entity that applied for registration*] may be used in the European Union and the United Kingdom by the relevant market participants.]]

[[*insert credit rating agency*] is not established in the European Union or the United Kingdom and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it is certified in accordance with such Regulation. [[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification

decision has not yet been provided by the relevant competent authority and [*insert credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert name of credit rating agency*] is not established in the European Union or the United Kingdom and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert name of credit rating agency]*, which is established in the [European Union] [United Kingdom], disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-European Union and non-United Kingdom credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert name of credit rating agency*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]. The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (*delete as appropriate*)] which have been endorsed by [*insert name of credit rating agency*] may be used in the European Union and the United Kingdom by the relevant market participants.]]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[●] [Save for any fees payable to the [Managers/Dealers] and as described under "Subscription and Sale and Transfer and Selling Restrictions",] so far as Fédération des caisses Desjardins du Québec is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a Drawdown*

Prospectus in relation to the Tranche of Notes to be issued or, more generally, a Supplement to the Base Prospectus.)] [Not Applicable]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[(i) Reasons for the offer:	[ ] [See ["Use of Proceeds"] in Base Prospectus/*Give details*] (*See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details here.*)
[(ii)] Estimated net proceeds:	[ ]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield: [ ]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
[(iii)	CUSIP:]	[ ]
(iv)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] *(If the CFI and/or FISN is not required or requested as at the completion of the Final Terms, it/they should be specified to be "Not Applicable" while if it/they are not available as at the completion of the Final Terms, it/they should be specified to be "Not Available".)*

(vi) WKN or any other relevant codes:	[[ ]/Not Applicable]
(vii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable] [*give name(s) and number(s)*]
(viii) Delivery:	Delivery [against / free of] payment
(ix) Names and addresses of additional Registrar(s), Transfer Agent(s) or Paying Agent(s) (if any) and if applicable a statement that it or they should be sole Registrar(s), Transfer Agent(s) or Paying Agent(s) for the Series:	[Not Applicable] [*give name(s) and address(es)*]
(x) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as Common Safekeeper, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as Common Safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New Safekeeping Structure for registered global securities] [*include this text for global Registered Notes which are held under the NSS*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied

	that Eurosystem eligibility criteria have been met.] [Not Applicable] *(Notes are not eligible to be used as collateral in the Eurosystem as of April 2018)*

7. DISTRIBUTION

(i) Method of distribution:	[Syndicated] [Non-Syndicated]
(ii) If syndicated, names of Managers:	[Not Applicable] [*Specify names*]
(iii) Date of Subscription Agreement:	[Not Applicable] [*Specify date*]
(iv) Stabilising Manager(s) (if any):	[Not Applicable] [*Specify names*]
(v) If non-syndicated, name of relevant Dealer:	[*Specify name*]
(vi) U.S. Selling Restrictions:	[Regulation S, Compliance Category 2]; [Excluded Transfer] [Notes are [not] Rule 144A eligible]
(vii) Canadian Selling Restrictions:	[Canadian Sales permitted] [Canadian Sales not permitted]
(viii) Prohibition of Sales to EEA and United Kingdom Retail Investors:	[Applicable] [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified)*
(ix) Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable] *(N.B. Advice should be taken from Belgian counsel before disapplying this selling restriction)*

8. EU BENCHMARKS REGULATION

EU Benchmarks Regulation: Article 29(2) statement on benchmarks:	[Not Applicable] Amounts payable under the Notes will be calculated by reference to [] which [is/are] provided by []. As at [ ], [ ] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, [ ] [does/do] not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation / the transitional provisions of Article 51 of the Benchmarks Regulation apply, such that [ ] [is/are] not currently required to obtain authorisation or registration (or, if located outside the EU or the United Kingdom, recognition, endorsement or equivalence).]]

PRO FORMA PRICING SUPPLEMENT FOR REGISTERED NOTES THAT ARE EXEMPT NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Registered Notes that are Exempt Notes issued under the Programme.

Notes in italics in this Form of Pricing Supplement are intended for reference purposes only, will not appear in actual Pricing Supplement documents and are not binding on the Issuer.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – [*appropriate target market legend to be included.]*]

[PROHIBITION OF SALES TO EEA AND UNITED KINGDOM RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II / Directive 2014/65/EU (as amended, "MiFID II")]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.][1]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the "SFA") – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the "MAS") Notice SFA 04-N12: Notice on the Sale of

[1] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and United Kingdom retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]][2]

THE NOTES ARE NOT INSURED UNDER THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) OR THE CANADA DEPOSIT INSURANCE CORPORATION ACT.

[THE NOTES (AND BENEFICIAL INTERESTS THEREIN) ARE (IN EACH CASE, IN WHOLE OR IN PART) SUBJECT TO WRITE-OFF OR CONVERSION INTO CONTRIBUTED CAPITAL SECURITIES OF THE FEDERATION, OF A DEPOSIT-TAKING INSTITUTION THAT IS PART OF THE GROUPE COOPÉRATIF DESJARDINS OR OF A LEGAL PERSON CONSTITUTED OR RESULTING FROM AN AMALGAMATION/CONTINUANCE OR OTHER CONVERSION CARRIED OUT FOR THE PURPOSES OF THE RESOLUTION OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, IN EACH CASE, BY THE AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC) UNDER SECTION 40.50 OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT (QUÉBEC) AND REGULATIONS PROMULGATED THEREUNDER (INCLUDING, AMONG OTHERS, THE REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES (QUÉBEC)).][3]

PRICING SUPPLEMENT

Pricing Supplement dated [Signing Date of Issue]

Fédération des caisses Desjardins du Québec
(the "Issuer")

LEI: 549300B2Q47IR0CR5B54

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] (the "Notes")

Under the €7,000,000,000 Global Medium Term Note Programme

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[2] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.
[3] Include for Bail-inable Notes only.

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer in a Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus or supplement a prospectus pursuant to the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated ●] (the "**Base Prospectus**").[4]

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus and in the event of inconsistency between the Conditions in the Base Prospectus and any terms and conditions specified in this Pricing Supplement, the Terms and Conditions in this Pricing Supplement shall prevail. Reference in the Conditions to the "Final Terms" shall be deemed to be references to the terms set out below. The Base Prospectus is available on the website of Euronext Dublin at *http://www.ise.ie* and such documents, together with all documents incorporated by reference therein, [is][are] available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from the offices of Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus/Listing Particulars with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] which are incorporated by reference in the Base Prospectus dated 25 February 2020.

This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus dated 25 February 2020 [and the supplemental Base Prospectus[es] dated ●][5] (the "**Base Prospectus**").[6] [Full information on Fédération des caisses Desjardins du Québec and the offer of the Notes is only available on the basis of the combination of this

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[4] Only include details of a supplemental Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[5] Only include details of a supplemental Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

[6] Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.

Pricing Supplement and the Base Prospectus and in the event of any inconsistency between the Terms and Conditions in the Base Prospectus of [Fédération des caisses Desjardins du Québec dated [21 December 2017/6 January 2017]] [La Caisse centrale Desjardins du Québec (which was amalgamated with Fédération des caisses Desjardins du Québec effective from 1 January 2017) dated 2 April 2014] and any terms and conditions specified in this Pricing Supplement, the terms and conditions in this Pricing Supplement shall prevail. Reference in the Conditions to the "Final Terms" shall be deemed to be references to the terms set out below. The Base Prospectus, including all documents incorporated by reference therein, are available for viewing during normal business hours and upon reasonable notice at the office in London, England of The Bank of New York Mellon, London Branch and copies may be obtained from Fédération des caisses Desjardins du Québec at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement*.]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes become fungible:	[Not Applicable] [The Notes shall be consolidated and form a single Series and be interchangeable for trading purposes with the [*insert description of the Series*] on [ ] [the Issue Date].]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		[ ]
	[(i)]	Series:	[ ] [*Insert total nominal amount of outstanding Notes including the Tranche which is the subject of this Pricing Supplement*]
	[(ii)	Tranche:	[ ]]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable)*]

5.	(i)	Specified Denominations: [**]	[ ] *[Note – where multiple denominations above [ ] (or its equivalent) are being used, the following sample wording should be followed:* [[ ] [and integral multiples of [ ] in excess thereof up to and including [ ].] *Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a minimum redemption value of £100,000 (or its equivalent in other currencies).*
	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest* *common factor] [Note – there must be a common factor in the case of two or more Specified Denominations.*]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*Specify/*Issue Date] [Not Applicable] (*N.B. an Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes*)
7.		Maturity Date:	[[ ][, subject to adjustment for payment day purposes only in accordance with the Modified Following Business Day Convention]] [Interest Payment Date falling in or nearest to [ ] [ ]]

[**] Unless stated otherwise in the Pricing Supplement in the context of Exempt Notes, the minimum Specified Denomination for (i) Registered Notes offered under Rule 144A only shall be not less than US$200,000 (or its equivalent in any other currency) and (ii) Registered Notes offered under Rule 144A and Regulation S shall be not less than US$200,000 (or an amount in a Specified Currency that is not U.S. dollars, which is not less than €100,000 or the equivalent thereof at the date of issue of the Notes).

8.	Interest Basis:	[[ ] per cent. Fixed Rate] [subject to change as indicated in paragraph 10 below] [[+/– [ ] percent [*Insert one of Floating Rate options below*] Floating Rate] [subject to change as indicated in paragraph 10 below] [[ ] per cent. to be reset on [ ] [and [ ]] and every [ ] anniversary thereafter Fixed Rate Reset] [[ ] Month [currency] EURIBOR] [[ ] Month [currency] LIBOR] [CD Rate] [CMT Rate] [Commercial Paper Rate] [Federal Funds Rate] [Prime Rate] [Treasury Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] (further particulars specified in paragraph [13/14/15/16/17/18] below)
9.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Notes would be redeemed on the Maturity Date at [par] / [[ ] per cent. of their nominal amount]] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [Other (*specify*)]
10.	Change of Interest Basis:	[[Not Applicable] [[Coupon Switch Option is applicable and the Coupon Switch Option Date is [ ]] [For these purposes and Condition 4(f): [Principal Financial Centre is [ ]] / [Notice Period is [ ]] /[Additional Business Centres [ ]]]]

			[Paragraph 13 applicable for the period from and including [ ] to but excluding [ ]] [Paragraph 15 applicable for the period from and including [ ] to but excluding the Maturity Date] [*Specify details of any provision for convertibility of Notes into another interest basis*]
11.	Put/Call Options:		[Not Applicable] [Noteholder Put Option] (*Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes*) [Issuer Call Option] [(further particulars specified in paragraph [20/21] below)]
12.	(i)	Status of the Notes:	[Senior Notes] [NVCC Subordinated Notes]
	(ii)	Bail-inable Notes	[Yes] [No] *(N.B. Bail-inable Notes can only be Senior Notes)*
	(iii)	Negative Covenant:	[Applicable] [Not Applicable] *(N.B. Negative Covenant may only be applicable to NVCC Subordinated Notes)*
	(iv)	Date Board approval for issuance of Notes obtained:	[ ] [and, [ ], respectively]] [Not Applicable] *(N.B. Only relevant where new resolution is required for the particular Tranche of Notes (including NVCC Subordinated Notes))*
	(v)	Automatic Conversion:	[Applicable] [Not Applicable] *(N.B. Automatic Conversion is only applicable to NVCC Subordinated Notes)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
		- Multiplier:	[ ] *(Insert amount if different than 1.50 or otherwise delete)*

- Conversion Price: [C$10]

  (N.B. This will be C$10, unless the Federation provides written notice of a change to the par value of the Class Z Shares)

- Prevailing Exchange Rate: [ ]

- Specified Time: [ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable] [Not Applicable]

    (If not applicable, delete the remaining sub-paragraphs of this paragraph)

    (i) Rate [(s)] of Interest: [ ] per cent. per annum [payable in arrear] on each Interest Payment Date

    (ii) Interest Payment Date(s): [ ] [and [ ]] in each year [up to and including the Maturity Date] [adjusted for payment day purposes only in accordance with the Business Day Convention specified in paragraph 13(iv) below] [adjusted for payment and interest accrual purposes in accordance with the Business Day Convention specified in paragraph 13(iv) below]

    (iii) Adjusted Fixed Interest Periods: [Applicable] [Not Applicable]

    (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

    (v) Additional Business Centre(s): [ ] [Not Applicable]

    (vi) Fixed Coupon Amount[(s)]: *(applicable to Notes in definitive form only. For Notes in global form, see Condition 5(a) for calculation of interest)* [[ ] per Calculation Amount] [Not Applicable]

	(vii)	Broken Amount(s): *(applicable to Notes issued in definitive form only. For Notes issued in global form, see Condition 5(a) for calculation of interest)*	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
	(viii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed)] *(See Condition 5(a) for definitions)* *(N.B. Day Count Fraction should be Actual/Actual (ICMA) for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed)*
	(ix)	Determination Dates:	[Not Applicable] [[ ] in each year] *(Insert regular Interest Payment Dates, ignoring issue date or maturity date in the case of long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(x)	Calculation Agent:	[ ] [Not Applicable]
	(xi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
14.	**Fixed Rate Reset Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Initial Rate of Interest:	[ ] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] [and [ ]] in each year [from and including [ ]] [until and excluding [ ]]
	(iii)	First Reset Date:	[ ]
	(iv)	Second Reset Date:	[[ ]/Not Applicable]
	(v)	Anniversary Date:	[[ ]/Not Applicable]
	(vi)	Reset Determination Date(s):	[ ]
	(vii)	Reset Rate:	[[semi-annual] [annualised] [Mid-Swap Rate]] [Benchmark Gilt Rate] [Reference Bond]

(viii)	Swap Rate Period:	[[ ]/Not Applicable]
(ix)	Screen Page:	[ICESWAP1]/[ICESWAP2]/[ICESWAP3]/[ICESWAP4]/[ICESWAP5]/[ICESWAP6]/[ ]/[Not Applicable]
(x)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[ ] day count basis][Not Applicable]
(xi)	Floating Leg:	[[3]/[6]/[ ]-month [LIBOR]/[EURIBOR/[ ] rate calculated on an[Actual/365]/[Actual/360]/[ ] day count basis]/[Not Applicable]
(xii)	Margin(s):	[+/-] [ ] per cent. per annum
(xiii)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[ ] per Calculation Amount]
(xiv)	Broken Amount(s):	[Not Applicable] [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
(xv)	Day Count Fraction:	[Actual / 365] [Actual / 365 (fixed)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] [Actual/Actual ICMA]
(xvi)	Determination Dates:	[[ ] in each year/Not Applicable]
(xvii)	Calculation Agent:	[ ]
(xviii)	Relevant Time:	[11:00 a.m.]/[ ]] [Not Applicable]
(xix)	First Reset Period Fallback:	[ ]
15.	**Floating Rate Note Provisions**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether LIBOR or EURIBOR is the appropriate reference rate.)*
(i)	Specified Period(s):	[ ] [Not Applicable]

(ii)	Specified Interest Payment Dates:	[ ] [Not Applicable]
(iii)	First Interest Payment Date:	[ ]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/Other*(give details)*]
(v)	Additional Business Centre(s):	[ ] [Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination] [other *(give details)*]
(vii)	Calculation Agent (responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)) if not the Agent:	[[ ] shall be the Calculation Agent] [Not Applicable]
(viii)	Screen Rate Determination:	[Applicable] [Not Applicable]
	● Reference Rate:	[ ] month [currency] [LIBOR] [EURIBOR] [CD Rate] [CMT Rate - Reuters Page FRBCMT / Reuters Page FEDCMT] [Commercial Paper Rate] [Federal Funds Rate – [Federal Funds (Effective) Rate / Federal Funds Target Rate]] [Prime Rate] [Treasury Rate] [Other - *specify*]
	● Specified Time:	[ ] [Not Applicable]
	● Initial Interest Rate:	[[ ] per cent.] [Not Applicable]
	● Index Maturity:	[[ ] [month]] [Not Applicable]
	● Interest Reset Date(s):	[ ] [Not Applicable]
	● Interest Reset Period:	[[Daily / Weekly / Monthly / Quarterly / Semi-annually] annually/[ ]] [Not Applicable]
	● Designated LIBOR Currency:	[ ] [Not Applicable]
	● Designated CMT Maturity Index:	[[ ] years] [Not Applicable]
	● Designated LIBOR Page):	[LIBOR01] [Not Applicable]

(ix)	ISDA Determination:	[Applicable] [Not Applicable]
	● Floating Rate Option:	[ ]
	● Designated Maturity:	[ ]
	● Reset Date:	[ ]
(x)	Linear Interpolation:	[Not Applicable] [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Margin(s):	[[+/−][ ] per cent. per annum] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[ ] per cent. per annum] [The Minimum Rate of Interest is as specified in Condition 5(b)(ii)(C)]
(xiii)	Maximum Rate of Interest:	[[ ] per cent. per annum, subject to Condition 5(b)(ii)(C)] [Not Applicable, subject to Condition 5(b)(ii)(C)]
(xiv)	Day Count Fraction:	[Actual / Actual] [Actual / 365 (Fixed)] [Actual / 365 (Sterling)] [Actual / 360] [30 / 360] [30E / 360] [30E / 360 (ISDA)] *(See Condition 5(b)(iii) for definitions)*
(xv)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

16.	**Zero Coupon Note Provisions**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Method:	[Linear Accrual/Compounding Accrual]
(ii)	Accrual Yield:	[ ] per cent. per annum

	(iii)	Any other formula/basis of determining "**Amortised Face Amount**" (as described in Condition 5(c)) or other amounts payable:	[ ]
	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30 / 360] [Actual / 360] [Actual / 365] [Actual/Actual (ICMA)] [Other (*specify*)]
	(v)	Determination Dates:	[[ ] in each year] [Not Applicable]
17.	**Index-Linked Interest Note / other variable-linked interest Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula/other variable:	[ ]
	(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[ ]
	(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv)	Determination Date(s):	[ ]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi)	Interest or Interest Period(s):	[ ]
	(vii)	Specified Interest Payment Dates:	[ ]
	(viii)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / other (*give details*)]
	(ix)	Business Centre(s):	[ ]

	(x)	Minimum Rate / Amount of Interest:	[ ] [per cent.] per annum
	(xi)	Maximum Rate / Amount of Interest:	[ ] [per cent.] per annum
	(xii)	Day Count Fraction:	[ ]
18.	**Dual Currency Note Provisions**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[ ]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(iv)	Person to whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

19.	Notice period for Condition 6(b)(i):		Minimum period: [30] [ ] days Maximum period: [60] [ ] days
20.	**Issuer Call Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ] [The First Call Date shall fall on [ ]]
	(ii)	Optional Redemption Amount(s) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[ ] per Calculation Amount] [ ]
	(iii)	If redeemable in part:	[Yes] [No] *(If no, delete the remaining sub-paragraphs of this paragraph)*

	(a)	Minimum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
	(b)	Maximum Redemption Amount:	[[ ] per Calculation Amount] [Not Applicable]
(iv)	Notice period:		Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions,* Fédération des caisses Desjardins du Québec *is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the Agent.)*
(v)	Bail-inable Notes – TLAC Disqualification Event Call:		[Applicable] [Not Applicable] *(Specify as being Applicable or Not Applicable for Bail-inable Notes, and as being Not Applicable for non Bail-inable Notes)*
21.	**Noteholder Put Option**		[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph) (Put Option not applicable to Bail-inable Notes or NVCC Subordinated Notes)*
(i)	Optional Redemption Date(s):		[ ]
(ii)	Optional Redemption Amount(s) and/or the method of calculating the same (if required or if different from that set out in the Conditions):		[[ ] per Calculation Amount] [ ]

	(iii)	Notice period:	Minimum period: [15] [ ] days Maximum period: [30] [ ] days *(N.B.: If setting notice periods which are different than those provided in the Conditions, Fédération des caisses Desjardins du Québec is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, between Fédération des caisses Desjardins du Québec and the applicable Agent.)*
22.	**Final Redemption Amount**		[Par] / [[ ] per Calculation Amount]
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/other variable:	[ ]
	(ii)	Party responsible for calculating the Final Redemption Amount (if not the Agent):	[ ]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[ ]
	(iv)	Determination Date(s):	[ ]
	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[ ]
	(vi)	Payment Date:	[ ]
	(vii)	Minimum Final Redemption Amount:	[ ]

(viii)	Maximum Final Redemption Amount:	[ ]

23. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for tax reasons[, upon the occurrence of a Special Event][, TLAC Disqualification Event] or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[As per Condition 6(e)] [[ ] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Registered Notes: [DTC/Euro] Regulation S Global Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable only in the limited circumstances specified in the Regulation S Global Note / Euro Regulation S Global Note registered in the name of a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg (that is, held under the NSS)/Rule 144A Global Registered Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] and exchangeable only in the limited circumstances specified in the relevant Global Note] [other *(specify form of the Notes)*]
25.	Payment Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention]
26.	Additional Financial Centre(s) relating to payment dates:	[Not Applicable] [*give details*] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which item 15(v) relates)*
27.	Calculation Agent for purpose of Condition 9(e):	[[ ] shall be the Calculation Agent] [The entity appointed by the Issuer in accordance with Condition 9(e)]

28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable] [ ]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable] [ ]
30.	Other terms and conditions	[Not applicable] [*Insert new terms and conditions or amend or replace Terms and Conditions in the applicable Base Prospectus*]

[**THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

RESPONSIBILITY

Fédération des caisses Desjardins du Québec accepts responsibility for the information contained in the Base Prospectus and this Pricing Supplement.

Signed on behalf of Fédération des caisses Desjardins du Québec:

By: _____

Duly Authorized

PART B – OTHER INFORMATION*

1. LISTING

(i) Listing/Admission to trading: [ ] [Not Applicable]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

(ii) Estimate of total expenses related to Admission to trading: [ ] [Not Applicable]

2. RATINGS

Ratings: The [Senior/NVCC Subordinated] Notes to be issued [have been] [have not been] [are expected to be] specifically rated:

[S&P Canada: [ ]]
[Moody's Canada: [ ]]
[DBRS: [ ]]
[Fitch: [ ]]
[Any other Rating Agency: [ ]]

(*The above disclosure should reflect where the issue has been specifically rated, that rating.*)

[**3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [ ]

[(ii)] Estimated net proceeds: [ ]

[(iii)] Estimated total expenses: [ ]]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

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* Certain items may not be required to be completed, including items 3 and 4.

[●] [Save for any fees payable to the [Managers/Dealers] and as described under "Subscription and Sale and Transfer and Selling Restrictions",] so far as Fédération des caisses Desjardins du Québec is aware, no person involved in the offer of the Notes has an interest material to the offer.]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a Drawdown Prospectus in relation to the Tranche of Notes to be issued, or more generally, a Supplement to the Base Prospectus.*)] [Not Applicable]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield: [ ]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
[(iii)	CUSIP:]	[ ]
(iv)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] *(If the CFI and/or FISN is not required or requested as at the completion of the Final Terms, it/they should be specified to be "Not Applicable" while if it/they are not available as at the completion of the Final Terms, it/they should be specified to be "Not Available".)*
(vi)	WKN or any other relevant codes:	[[ ]/Not Applicable]

(vii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable] [*give name(s) and number(s)*]
(viii)	Names and addresses of additional Registrar(s), Transfer Agent(s) or Paying Agent(s) (if any) and if applicable a statement that it or they should be sole Registrar(s), Transfer Agent(s) or Paying Agent(s) for the Series:	[Not Applicable] [*give name(s) and address(es)*]
(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as Common Safekeeper, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as Common Safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper, that are held under the New Safekeeping Structure for registered global securities] [*include this text for global Registered Notes which are held under the NSS*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

	[Not Applicable] *(Notes are not eligible to be used as collateral in the Eurosystem as of April 2018)*

7. DISTRIBUTION

(i) Method of distribution:	[Syndicated] [Non-Syndicated]
(ii) If syndicated, names of Managers:	[Not Applicable] [*Specify names*]
(iii) Date of Subscription Agreement:	[Not Applicable] [*Specify date*]
(iv) Stabilising Manager(s) (if any):	[Not Applicable] [*Specify names*]
(v) If non-syndicated, name of relevant Dealer:	[*Specify name*]
(vi) U.S. Selling Restrictions:	[Regulation S, Compliance Category 2]; [Excluded Transfer] [Notes are [not] Rule 144A eligible]
(vii) Canadian Selling Restrictions:	[Canadian Sales permitted] [Canadian Sales not permitted]
(viii) Prohibition of Sales to EEA and United Kingdom Retail Investors:	[Applicable] [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified)*
(ix) Prohibition of Sales to Belgian Consumers:	[Applicable] [Not Applicable] *(N.B. Advice should be taken from Belgian counsel before disapplying this selling restriction)*
(x) Additional or amended Selling Restrictions:	[Not Applicable] [*Give details*]
(xi) Additional tax disclosure:	[Not Applicable] [*Give details*]

[**8. ADDITIONAL DISCLOSURE**]

[Costs and charges disclosure: [ ] [ ]]

SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES

General

Unless otherwise indicated in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement in relation to any Tranche of Registered Notes, the Registered Notes will be denominated in U.S. dollars and payments of principal of and any premium and interest on the Registered Notes will be made in U.S. dollars in the manner indicated in this Base Prospectus. If any of the Registered Notes are to be denominated in a currency other than U.S. dollars (a "**Specified Currency**") (for the purposes of this section "*Special Provisions relating to Foreign Currency Notes*", such Registered Notes, "**Foreign Currency Notes**"), the following special provisions shall apply.

Payment currency

Unless otherwise notified by the Issuer in writing, a purchaser will be required to pay for Foreign Currency Notes in the Specified Currency. Currently, there are limited facilities in the United States for the conversion of U.S. dollars into foreign currencies. Therefore the exchange rate agent the Issuer appoints and identifies to investors will arrange for the conversion of U.S. dollars into the Specified Currency on behalf of any purchaser of a Foreign Currency Note to enable a prospective purchaser to deliver the Specified Currency in payment for a Foreign Currency Note. The exchange rate agent must receive a request for any conversion on or prior to the third business day preceding the date of delivery of the Foreign Currency Note. The purchaser must pay all costs of currency exchange.

In relation to any Tranche of Registered Notes settled in DTC, payments made by the Issuer of principal of, premium, if any, and interest, if any, on a Foreign Currency Note, will be made in accordance with Condition 7.

DTC Notes

The Issuer will make payments on a DTC Global Note in accordance with the applicable policies as in effect from time to time of the Depositary, which will be DTC, Euroclear or Clearstream, Luxembourg. Unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement, The Depository Trust Company, New York, known as DTC, will be the Depositary for all Registered Notes in global form. All amounts payable to DTC or its nominee in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer of immediately available funds by the Registered Fiscal Agent to an account in the relevant Specified Currency of the exchange rate agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Registered Notes Agency Agreement.

Unless specified otherwise in the Pricing Supplement, all payments to beneficial owners of DTC Global Notes will be made in US dollars.

USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms or Pricing Supplement, in a Supplement or in a Drawdown Prospectus, the net proceeds from each issue of Notes will be used by the Federation for the purpose of carrying out its functions as treasurer and financial agent of Desjardins Group including meeting the liquidity, loss absorbing capacity, regulatory capital and capital base diversification needs and requirements 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.

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

The information below is supplemented by the more detailed information contained in the documents incorporated by reference in this Base Prospectus. See Paragraphs (a), (b), (c), (d) and (e) of the section entitled "Documents Incorporated by Reference".

The Fédération des caisses Desjardins du Québec is a federation of financial services cooperatives that was amalgamated on 1 January 2017 pursuant to the Amalgamation under the Cooperatives Act. The registered head office and principal place of business of the Federation is located at 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5 and the telephone contact number is +1 514 281-7000. The Federation's website is www.desjardins.com/ca/.

The Federation may also identify itself in French under the name of "Fédération des caisses Desjardins". The Federation is responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. The Cooperatives Act gives the Federation broad normative powers to act as a control and supervisory body for the caisses and to manage the risks, capital, assets and liquidity of Desjardins Group and to ensure the financial health and sustainability of the Groupe coopératif Desjardins. The Federation had 219 member caisses in Québec and Ontario as at 1 January 2020.

Through the provision of the technical, financial and administrative services and, in addition, the exercise of its control and supervisory functions, each as described above, the Federation assists the caisses and other Desjardins Group components to develop at a faster pace, and better respond to the needs of their members and clients. The Federation's structure has been designed to take into account the needs of Desjardins Group's members and clients, as well as the markets in which it operates.

The Federation is the treasurer and official representative of Desjardins Group with the Bank of Canada and the Canadian banking system.

The Federation also has the right to participate in the Visa Inc. and MasterCard Inc. payment systems in Canada on behalf of Desjardins Group. In addition, it manages majority interests in joint-stock companies through holding companies.

Subsidiaries

The direct and indirect subsidiaries of the Federation include, without limitation: Desjardins Capital Inc., which issues securities on financial markets and invests the proceeds therefrom in securities issued by Desjardins caisses; Collabria Financial Services Inc., which is a credit card and payment solutions issuer; Desjardins Financial Holding Inc., which is the parent company of Desjardins Trust Inc., an active asset custody and trust service provider; Desjardins Technology Group Inc., which is responsible for the development, maintenance and migration of Desjardins Group technology systems and applications; Desjardins Securities Inc., which offers securities brokerage products and services in Canada; Desjardins Financial Corporation Inc., which is the parent company of Desjardins Global Asset Management Inc., a group of investment experts that primarily manages the assets from insurance subsidiaries and items whose management is entrusted to it by other subsidiaries of Desjardins Group; Desjardins General Insurance Group Inc., which offers P&C insurance products; and Desjardins Financial Security Life Assurance Company, which offers life and health insurance products and financial services. Additionally,

Desjardins Investment Management Inc. (portfolio and investment fund managers) is a subsidiary of Desjardins Financial Holding Inc. The Federation manages various funds in accordance with the provisions of the by-laws of the Federation.

The Federation, through its wholly-owned subsidiary Desjardins FSB Holdings, Inc. (a small bank holding company incorporated under U.S. laws), holds all (100%) of the capital stock of Desjardins Bank, National Association (licensed with and supervised by the Office of the Comptroller of the Currency of the United States (the "**OCC**"), an independent bureau of the U.S. Department of the Treasury) and Desjardins Florida Loan Center, Inc. The Federation also operates a branch in the State of Florida under the name Desjardins Florida Branch (licensed and supervised by the OCC).

Regulation and Control

The Minister of Finance of Québec is responsible for the application of the Cooperatives Act and the AMF oversees 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 in Québec and the Federation. In particular, it is responsible for administering the Cooperatives Act and performing the duties and exercising the powers conferred upon it under the Cooperatives Act. The AMF may issue orders to ensure implementation of the Cooperatives Act and any regulations adopted by the government of Québec.

Desjardins Group's capital management is the responsibility of the Federation's Board of Directors. To support it with this task, it has mandated the Management Committee, through the Finance and Risk Management Committee, to ensure that Desjardins Group, including the Federation, maintains an adequate capital base taking into account the organization's strategic objectives and regulatory obligations. The Finance, Treasury and Administration Executive group is responsible for preparing, on an annual basis, a capitalization plan to forecast capital trends, devise strategies and recommend action plans for achieving capital objectives and targets.

In June 2013, the AMF determined that Desjardins Group met the criteria to be designated a D-SIFI, which subjects Desjardins Group to, among other things, greater capital adequacy requirements as well as enhanced disclosure requirements in accordance with the guidelines of the AMF. As a D-SIFI, since 1 January 2016, Desjardins Group has been subject to an additional Tier 1A capital requirement corresponding to 1% of risk-weighted assets. Therefore, since 1 January 2016, Desjardins Group's Tier 1A capital target has been at least 8%. In addition, the Tier 1 capital ratio and total capital ratio of Desjardins Group must exceed 9.5% and 11.5%, respectively. These minimum ratios include a 2.5% capital conservation buffer and a supplement of 1% applying to D-SIFIs. The minimum requirement for the leverage ratio is 3%. This takes into consideration investments made in the Federation's subsidiaries. Some of these subsidiaries are subject to separate requirements regarding regulatory capital, liquidity and financing, which are set by regulatory authorities governing banks, insurers and securities, in particular. The Federation oversees and manages the capital requirements of these entities to ensure efficient use of capital and continuous compliance with the applicable regulation.

The Federation's capital ratios are calculated according to the AMF's guidelines for financial services cooperatives regarding standards for the adequacy of the capital base (the "**Guideline**"). This Guideline takes into account the global regulatory framework for more resilient banks and banking systems issued by the Bank for International Settlements (also referred to as "**Basel III**" in this Base Prospectus). As at 30 September 2019, Tier 1A, Tier 1 and total capital ratios of the Federation, calculated in accordance with

Basel III requirements were 16.3%, 16.3% and 16.3%, respectively, compared to 15.7%, 15.7% and 15.7%, respectively, as at 31 December 2018. The leverage ratio of the Federation was 8.2% as at 30 September 2019, compared to 7.4% as at 31 December 2018. As at 30 September 2019, the Federation met all the capital requirements to which it was subject.

As at 30 September 2019, total assets of the Federation were $165.9 billion, an increase of $8.3 billion (5.3%) compared to $157.6 billion as at 31 December 2018.

Other regulations issued provincially, federally or by other Canadian or international regulators may also govern some operations of Desjardins Group entities, such as regulations of OSFI relating to property and casualty insurance, asset custody and trust services

Desjardins Bank, National Association, a subsidiary of the Federation, is licensed with and supervised by the Office of the Comptroller of the Currency of the United States (OCC), an independent bureau of the U.S. Department of the Treasury. The Federation's operations in the United States are subject to the supervisory and regulatory authority of the Board of Governors of the Federal Reserve System due to the fact that its wholly owned subsidiary, Desjardins FSB Holdings Inc., is a small bank holding company incorporated under U.S. laws. U.S. Federal Reserve policies require the Federation to be a source of financial strength for Desjardins Bank, National Association. U.S. federal legislation limits the ability of Desjardins Bank, National Association to engage in certain transactions with the affiliated entities of Desjardins Group. Any such transaction is limited to 10% of Desjardins Bank, National Association's capital and the aggregate of these transactions may not exceed 20% of its capital. These transactions must also be on terms as favourable to Desjardins Bank, National Association as those entered into with unrelated third parties. Desjardins Florida Branch, the branch of the Federation operating in the State of Florida, is also licensed and supervised by the OCC. Desjardins Group is further subject to the U.S. Bank Holding Company Act and has been designated a Financial Holding Company (FHC) in the U.S. To maintain this status, Desjardins Group must continue to comply with regulatory capital requirements and certain other requirements in order to be considered as "well capitalized" and "well managed" under U.S. Federal Reserve regulations.

The Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions

On 13 June 2018, the Québec National Assembly passed "**Bill 141**" (*An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions*), which applies to all institutions and intermediaries operating in Québec's financial sector. The main purpose of Bill 141 is to update and modernize the legislative framework for Québec's financial sector so that the financial institutions that it governs will have all the levers they need to operate in a very competitive environment, and governance that is consistent with best practices. Bill 141 amends a series of laws, including the Cooperatives Act and the Deposit Institutions Act. The Cooperatives Act has been amended to, among other things, prescribe the rules for organizing a network of financial services cooperatives and a financial group, and the rules for issuing capital shares and investment shares.

Bill 141 also adds a chapter concerning the Groupe coopératif Desjardins. Amongst other things, this chapter aims to strengthen financial solidarity mechanisms within the Groupe coopératif Desjardins. In this way, Bill 141 affirms the Federation's mission to look after Desjardins Group's risk management and see to the financial health and sustainability of the Groupe coopératif Desjardins. For example, the financial services cooperatives that form the Groupe coopératif Desjardins may not withdraw from the

Groupe coopératif Desjardins otherwise than by their dissolution, and directors and officers of a financial services cooperative that belongs to the Groupe coopératif Desjardins are duty-bound to act not only toward and in the interest of their own cooperative, but also toward and in the interest of the Groupe coopératif Desjardins and, if their cooperative's interest does not correspond with the Groupe coopératif Desjardins interest, they must favour the latter. In addition, the Federation and the *Fonds de sécurité Desjardins* have additional special powers of supervision and intervention regarding the protection of creditors, including depositors. In addition, the Federation may, in accordance with its mission and when it considers that the financial position of the Groupe coopératif Desjardins so warrants, give written instructions to any caisse or order it to adopt and apply a recovery plan. For its part, the *Fonds de sécurité Desjardins* is required to ensure the distribution of capital and other assets among the components of the Groupe coopératif Desjardins to enable each component to perform its obligations to its depositors and other creditors in full, correctly and without delay. It is required to intervene in a component of the Groupe coopératif Desjardins each time it appears necessary to do so in order to protect a component's creditors. The *Fonds de sécurité Desjardins* may, in such circumstances, order the sale of any part of the business of a caisse, order the amalgamation or dissolution of caisses or establish a legal entity to facilitate the liquidation of a caisse's bad assets. Furthermore, the *Fonds de sécurité Desjardins* shares the cost of its interventions amongst the components belonging to the Groupe coopératif Desjardins. In addition, if it considers that its financial resources are inadequate to carry out its mission, the *Fonds de sécurité Desjardins* may set a special assessment and require any component of the Groupe coopératif Desjardins to pay it.

Bill 141 also provides that all the caisses, the Federation and the *Fonds de sécurité Desjardins* may be amalgamated into a single entity to be wound up, as these entities cannot be wound up in any other manner. In such instance, borrowings and obligations of the Federation, including the Notes, will rank *pari passu* and *pro rata* with all other borrowings and obligations of the Groupe coopératif Desjardins of similar rank, as applicable.

The Deposit Institutions Act provides for new rules for the supervision and control of deposit-taking activities and the activities of authorized deposit-taking institutions, as well as recovery and resolution mechanisms in the event of the failure of deposit-taking institutions (see "*Risk Factors – Changes in regulations and related matters (including recapitalization regime for domestic systemically important banks and deposit-taking institutions)*" and "*New Bail-in Regime*" above). Furthermore, Bill 141 introduces a new *Insurers Act* that provides for revised supervision for Québec insurers. A significant change in this new legislation is to allow insurers to sell insurance over the Internet. A few changes aimed at modernizing the *Act respecting the distribution of financial products and services* were also introduced, such as rules for insurance brokers in offering products and new rules applicable to distributing products without a representative. In addition, with respect to P&C insurance, Bill 141 makes it mandatory for divided co-owners to have co-ownership insurance.

Generally speaking, the provisions of Bill 141 applicable to financial services cooperatives came into force on 13 July 2018, one month after assent, but there are several exceptions. Among them, the chapter concerning the Groupe coopératif Desjardins came into force when the first internal by-law of the Groupe coopératif Desjardins was passed on 7 December 2018; the new provisions of the *Insurers Act* came into force on 13 June 2019, along with a large portion of the amendments to the *Act respecting the distribution of financial products and services* and the Deposit Institutions Act.

New Bail-in Regime

The Deposit Institutions Act, the Prescribed Debt Regulations, other regulations under the Deposit Institutions Act and certain other laws, regulations and guidelines collectively provide for a recapitalization regime (the "**Bail-in Regime**") for domestic systemically important financial institutions belonging to a cooperative group, such as the Federation ("**Deposit Institutions**"), which Bail-in Regime is substantially similar to the regime to which Canadian domestic systemically important banks are subject to under Canadian federal law save that the Bail-in Regime also provides for full or partial write-off of prescribed debts.

Under the Deposit Institutions Act, the AMF has to notify the resolution board (composed of the person appointed as Deputy Minister of Finance, the President and Chief Executive Officer of the AMF and a third person appointed by the Minister of Finance) without delay if it considers that the failure of a Deposit Institution is likely to cause the failure of other deposit institutions belonging to the cooperative group and that the powers conferred on it by the Cooperatives Act are insufficient to remedy the situation. If the resolution board deems that it is in the public interest to implement resolution operations in respect of the Deposit Institution, it will order the implementation of such resolution operations by the AMF, which order will be final and conclusive and not be questioned or reviewed in any court.

Unless otherwise provided for in the Deposit Institutions Act, among other things, during the resolution operations, (i) no civil, administrative or arbitration proceedings may be brought against the legal persons belonging to the cooperative group, (ii) indemnification may not be claimed from such legal persons, and (iii) no one may terminate a contract entered into with such legal person, amend it or cause the legal person to lose the benefit of the term stipulated in the contract (except for certain prescribed reasons).

During the resolution operations, the AMF may implement any resolution operation without the consent, authorization or approval of anyone if the operation is in the AMF's resolution plan, or with the sole authorization of the resolution board if it is not in the resolution plan. Among other things, the AMF may (i) amalgamate all the Québec financial services cooperatives as well as the security fund (such as the *Fonds de sécurité Desjardins*) belonging to the same cooperative group and have them continued as one Québec savings company, (ii) establish a bridge institution in order to have it assume the liabilities relating to deposits of money of a Deposit Institution, (iii) establish an asset management company with a view of transferring any part of the assets or liabilities of a legal person belong to the cooperative group to such asset management company, except liabilities relating to deposits of money, and/or (iv) transfer the assets and liabilities of a legal person belonging to the cooperative group to any acquirer (or renounce the exercise of a right or concede a right in an asset or a liability), in each case, pursuant to the provisions of "Division II – Resolution Process" (sections 40.6 to 40.57) of the Deposit Institutions Act.

In the event of the resolution of the Federation, the AMF may also exercise its Bail-in Powers in respect of Notes that are Bail-inable Notes and, pursuant to Section 40.50 of the Deposit Institutions Act and the Prescribed Debt Regulations, write-off all or part of such Bail-inable Notes or convert all or part of them into contributed capital securities of the Federation (such as Class Z-Contingent Capital shares), of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for the purposes of the resolution operations (i.e. Conversion Securities). Notes which would otherwise be bail-inable but were issued before 31 March 2019 are not subject to the AMF's Bail-in Powers and are therefore not Bail-

inable Notes. Covered bonds, certain derivatives and certain structured notes (as such term is used in the Prescribed Debt Regulations) are expressly excluded from the Bail-in Powers and are therefore not Bail-inable Notes. Further, (i) Senior Notes that (A) have a maturity of 400 days or less (including explicit or embedded extension options) or (B) are not assigned an international securities identification number (ISIN) or other similar designation for the purposes of trading and settlement, and (ii) subordinated notes that are non-viability contingent capital instruments, are not Bail-inable Notes.

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 Institutions and Deposit Protection Act (Québec)* which clarifies the current intention of the AMF with respect to the application of the Bail-in Powers. The AMF currently intends to propose to the resolution board to convert negotiable and transferable unsecured debts, such as the Bail-inable Notes, into capital shares of the Federation in accordance with the conversion measures set out in the Prescribed Debt Regulations, and subsequently, 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. This operation would result in the capital shares issued by the amalgamating entities being converted into common shares of the savings company.

Noteholders which hold Bail-inable Notes that are converted as part of a Bail-in Conversion may be entitled to indemnification under certain prescribed circumstances, as detailed under "*By acquiring Bail-inable Notes, each Noteholder or beneficial owner of that Bail-inable Note is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of Bail-inable Notes that are converted in a Bail-in Conversion other than those provided under the Bail-in Regime. The amount of any potential indemnity to be provided through the indemnification process under the Deposit Institutions Act and the Regulation respecting the Indemnification Plan Applicable pursuant to Certain Resolution Operations (Québec) is unknown, and may be nil*" in the risk factors and in the Regulation respecting the Indemnification Plan Applicable pursuant to Certain Resolution Operations (Québec).

Groupe coopératif Desjardins' New Internal By-Law

On 7 December 2018, the Groupe coopératif Desjardins adopted a new internal by-law which, among other things, ensures the cohesion and functioning of the Groupe coopératif Desjardins as well as the relationships between its components. Furthermore, a new class of capital shares of the Federation, the Class Z-Contingent Capital shares, were created upon the adoption of the new internal by-law. The Class Z-Contingent Capital shares may be "Conversion Securities", which are securities issued upon a Bail-in Conversion, and may only be issued (i) for the purposes of converting non-viability contingent capital instruments of the Federation pursuant to the AMF's *Ligne directrice sur les normes relatives à la suffisance du capital de base*, or (ii) as determined by the Federation after the issuance of Class Z-Contingent Capital shares following a non-viability contingent capital event.

Fonds de sécurité Desjardins

The *Fonds de sécurité Desjardins* ensures that the distribution of the capital base and liquidity among the legal entities forming part of the Groupe coopératif Desjardins allows each such legal entity to fully, correctly and without delay fulfill its obligations towards its depositors and other creditors. The *Fonds de sécurité Desjardins* shares the cost of its interventions amongst the financial services cooperatives that are part of the Groupe coopératif Desjardins.

The *Fonds de sécurité Desjardins* intervenes with respect to a financial services cooperative (such as the Federation) whenever its intervention appears necessary to protect such financial services cooperative's creditors. The *Fonds de sécurité Desjardins* has several compliance powers with respect to the caisses, which are provided for in the Cooperatives Act.

Principal Business

The Federation is responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. The Cooperatives Act gives the Federation broad normative powers to act as a control and supervisory body for the caisses and to carry out its mission to manage the risks, capital, assets and liquidity of Desjardins Group and to ensure the financial health and sustainability of the Groupe coopératif Desjardins.

The member caisses collectively control the Federation and each of the member caisses has influence over the Federation. The Federation enables the caisses and other Desjardins Group components to accelerate their development and better meet the needs of their members and clients. 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 Desjardins Group caisses and other Desjardins Group components. The Federation's mandate is to provide institutional funding for the Desjardins network and to act as financial agent, in particular by supplying interbank exchange services, including clearing house settlements. Its activities in Canadian and international markets complement those of other Desjardins Group entities.

The Federation's structure has been designed to accommodate the needs of Desjardins Group members and clients, as well as the markets in which it operates. Accordingly, the Federation and the caisse network in Québec and Ontario can leverage three key business segments—Personal and Business and Institutional Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance—to give them the agility they need to develop their products and services. The Federation also carries out the roles of treasurer and official representative of Desjardins Group with the Bank of Canada and the Canadian banking system.

Personal and Business Services

The Personal and Business Services segment is central to Desjardins Group's operations. It is responsible for refining a comprehensive, integrated line of products and services designed to meet the needs of individuals, businesses, institutions, non-profit organizations and cooperatives offered through the Desjardins caisse network, its Desjardins Business Centres, and specialized teams. This segment is an important part of what makes Desjardins Group a leader in financial services in Québec and a contender in the financial services sector in Ontario as well. Desjardins' offering includes regular, convenience and savings transactions, payment services, financing, specialized services, access to capital markets, development capital, business ownership transfers and advisory services, and through its distribution network, life and health insurance and P&C insurance products.

In addition, caisse members and clients are able to rely on the largest advisory force in Québec, comprised of dedicated professionals who are available for them at every stage in their life or entrepreneurial growth.

To meet the constantly-changing needs of caisse members and clients, the Federation supports the caisse network and its service centres in distributing products and services by optimizing the performance and profitability of physical and virtual networks through implementing and managing complementary access methods, by phone, online, via applications for mobile devices, and at ATMs.

The Federation also offers U.S. banking services, through Desjardins FSB Holdings Inc., its retail banking subsidiary in the United States.

Wealth Management and Life and Health Insurance

The Wealth Management and Life and Health Insurance segment combines different categories of service offerings aimed at growing the assets of Desjardins Group members and clients and helping them protect their financial security. These offerings are intended for individuals and businesses, while its group insurance and savings plans meet the needs of employees through their company, or individuals who are part of any other group.

The segment designs several lines of individual insurance (life and health) coverage as well as savings and investment products. In addition to its own products and services, it distributes external savings and investment products as well as securities and private wealth management services. The segment also includes asset management for institutional clients.

The greatest strengths of the Wealth Management and Life and Health Insurance segment include its vast and diversified Canada-wide distribution networks, which are mainly comprised of employees of the caisse network and Desjardins Business Centres, financial security advisors dedicated to caisse members, investment advisors and private managers, exclusive agents and independent partners and actuarial consulting firms and group plan representatives.

To meet members' and clients' needs and preferences, certain product lines are also distributed directly via customer care centres, online or through applications for mobile devices. Online services are constantly being refined so that they meet clients' changing requirements.

The sector includes the operations of Aviso Wealth (which also comprises the previous businesses of Qtrade Canada Inc. and Northwest & Ethical Investments L.P.).

Property and Casualty Insurance

The P&C Insurance segment offers insurance products providing coverage for Desjardins Group members and clients against disasters. It includes the operations of Desjardins General Insurance Group Inc. and its subsidiaries. Desjardins General Insurance Group Inc. offers a personal line of automobile and property insurance products across Canada and also provides businesses with insurance products.

Its products are distributed through P&C insurance agents in the Desjardins caisse network within Québec, a number of client care centres (call centres) and Desjardins Business Centres, through an exclusive agent network of close to 500 agencies outside Québec distributing P&C insurance and several other financial products online and via applications for mobile devices.

Desjardins General Insurance Group Inc. has more than 3 million clients. It markets its products to the Canada-wide individual and business market under the Desjardins Insurance and State Farm banners, and to the group market - including members of professional associations and unions, and employers' staff - under The Personal banner. As part of its integration plan for State Farm's Canadian operations,

Desjardins Group started to switch from the State Farm banner to the Desjardins Insurance banner on 1 May 2018. The transition will be complete by 31 December 2019.

Treasury and Other Support to Desjardins Group Entities

The Treasury and Other Support to Desjardins Group Entities category includes financial information that is not specific to a business segment. It mainly includes treasury activities and financial intermediation between the caisses' liquidity surpluses or needs, as well as orientation and organizational activities for Desjardins Group.

This category also includes the operations of Desjardins Capital Inc. It further includes Desjardins Technology Group Inc., which encompasses all of Desjardins Group's IT operations. In addition to various adjustments required to prepare consolidated financial statements, intersegment balance eliminations are classified in this category.

Competition

The Federation's main competitors include the major Canadian banks and insurance companies that operate their businesses in all of the Canadian provinces.

Personal Services and Business and Institutional Services

In 2018, the Canadian financial industry comprised some 86 domestic and foreign banking institutions, as well as 523 savings and loan cooperatives, slightly more than 51.8% of which belonged to Desjardins Group. The major industry players are focusing primarily on client experience, access to services and proactive advice. The fight for market share is therefore very fierce, since all players are adopting strategies aimed at intensifying business relations with their clients and getting to know them better.

Wealth Management and Life and Health Insurance

The wealth management industry and the life and health insurance industry are complementary because their aim is to provide products and services that will increase the net worth of Canadian households and make sure that their financial future is secure. The financial assets held by Canadian households in various savings and investment products (wealth management) totaled $4,468 billion at the end of 2017, growing annually at 8.4% on a compound basis, and 8.2% over the past five years.

All major banking groups as well as life and health insurance and investment fund companies have a wealth management division that designs and distributes diversified financial products and services to meet the investment and financial, tax and estate planning needs of the Desjardin Group's client bases, including affluent and wealthy clients. These clients have specific needs, and their expectations are high, leading major players in the industry to outdo each other in terms of ingenuity in order to win them over and build their loyalty.

Given such high and complex needs, financial advisors still play a key role in providing relevant information, making sales and maintaining relationships. Nevertheless, the industry is proactively meeting certain clients' desire for self-directed products and diversifying ways to access services by using virtual and mobile interfaces. This will continue to be a major challenge over the next few years and is why an increasing number of competitors are developing digital offers both in Canada and globally.

Property and Casualty Insurance

The Canadian P&C insurance industry offers insurance coverage for vehicles, personal and commercial property, and public liability. The Canadian P&C insurance market is a mature market, with an average annual growth rate of 3.3% over the past five years. In 2017, direct premiums written on the Canadian market totalled $49.8 billion, up 4.1% since 2016, the highest growth rate since 2011. Across Canada, individual insurance accounted for 63.2% of the market, and business insurance accounted for 36.8%.

The entire auto insurance industry in Canada is now facing challenges associated with profitability resulting from a sharp rise in claims, which reflects in particular the cost of new technologies in motor vehicles and the increase in distractions behind the wheel. Moreover, in 2018, the insurance industry was particularly affected by violent winds and tornadoes. According to Insurance Bureau of Canada, the violent winds on May 4, 2018 in southern Ontario and some regions of Québec caused $410 million in property damage, with $380 million of this damage in Ontario. More than 13,000 claims related to this event were filed with Desjardins General Insurance Group Inc., for a net cost of reinsurance of about $54 million, of which $48 million was principally for Ontario. In addition, more than 2,000 claims were filed for the tornadoes and high winds that hit the Ottawa–Gatineau region on September 21, 2018, for a net cost of reinsurance of $38 million for Desjardins General Insurance Group Inc.

While the Canadian industry is developing at an unprecedented rate, the various industry players are competing simultaneously on several fronts. The Canadian market will continue to develop quickly as in recent years, driven by technological innovations, changes in expectations and consumer behaviour as well as the advent of new business models. These insurers are starting to position themselves in the response to new trends such as InsurTech or the sharing economy, and the Desjardins Group P&C Insurance segment is proactive vis-à-vis these new trends.

Capital markets

In the capital markets, the Federation competes on two fronts. It competes with other institutional issuers (corporate, government and financial institution issuers) for raising funds among institutional investors. The Federation is active on both short and long term markets. It has funding programmes in place in Canada, the United States and Europe. The Federation also offers treasury and derivative products to its corporate and institutional clients (in the domestic market) and as such competes with other providers of these products, notably the major Canadian financial institutions. By major Canadian financial institutions the Federation refers primarily to the "Big Six" Schedule I banks which all have significant capital markets operations that constitute the bulk of the Canadian market.

Financing markets

The Federation is active in several financing markets. In this role, it is an active participant in the Canadian corporate loan syndication market (with a strong emphasis on the Province of Québec). It also offers loans and banking services to mid-sized companies and public and parapublic institutions, mostly in Québec.

In both markets, it competes with other Canadian financial institutions. Based on its presence in the Province of Québec, the Federation has a significantly higher share of these markets in the Province of Québec than in other provinces where it is a minor player.

Directors of the Federation

The following table sets forth as of the date of this Base Prospectus the name and province of residence in Canada, position held within Desjardins Group and principal activity outside the Federation of each member of the board of directors (the "**Board of Directors**") of the Federation.

Name and Province of Residence	**Position Held within Desjardins Group**	**Principal Activity Outside the Federation**
BABINEAU, Louis Québec, Canada	Chair of the Board of *Caisse Desjardins de Sainte-Foy* Chair of the Board of Directors of *Développement international Desjardins inc*	Tenured professor, UQAR, Lévis campus
BERGERON, Lisa Québec, Canada	Chair of the Board of *Caisse Desjardins Charles-LeMoyne*	Vice-dean and Professor, School of Management Sciences, UQAM
BÉLANGER, Benoît Québec, Canada	General Manager of Caisse Desjardins des Desjardins des Bois-Francs	General Manager, *Caisse Desjardins des Bois-Francs*
CHARBONNEAU, Johanne Ontario, Canada	Chair of the Audit and Inspection Commission of the Federation	Corporate director Formerly: VP & CFO of CBC/Radio-Canada
CHEVALIER, Carole Québec, Canada	Chair of the Board of *Caisse Desjardins de l'Est de Trois-Rivières* Chair of Desjardins Group Investment Commission	Retired from the community sector Formerly: General Manager, *Centre d'action bénévole du Rivage*
CORBEIL, Stéphane Québec, Canada	Chair of the Board of *Caisse Desjardins du Nord de Laval* Chair of the Board of the *Fonds de sécurité Desjardins*	President, TERIS Supply Services Inc.

Name and Province of Residence	Position Held within Desjardins Group	Principal Activity Outside the Federation
CORMIER, Guy Québec, Canada	President and Chief Executive Officer of Desjardins Group Chair of the Board of the Federation Chair of the Executive Committee of the Federation Chair of the Human Resources Commission of the Federation Chair of the Board of Desjardins Financial Security Life Assurance Company Chair of the Board of Desjardins Trust Inc. Chair of the Board of Desjardins Capital Inc. Chair of the Board of Desjardins Financial Corporation Inc.	President and Chief Executive Officer, Desjardins Group
DORÉ, Michel Québec, Canada	Vice-chair of the Board of *Caisse Desjardins des militaires* Chair of the Risk Management Commission of the Federation	Human resources and strategic planning officer, Finances, CFB Bagotville
GRENIER, André Québec, Canada	*Chair of the Board of Caisse Desjardins de l'Érable*	Professional agrologist and agricultural business management consultant
GROULX, Nadine Québec, Canada	Chair of the Board of *Caisse Desjardins des Verts-Sommets de l'Estrie* Chair of the Cooperation and Network Liaison Commission of the Federation	Agricultural entrepreneur, Ferme Miroc Inc.
HAWTHORN, Neil Québec, Canada	General Manager, *Caisse Desjardins Saint-Eustache–Deux Montagnes*	General Manager, *Caisse Desjardins Saint- Eustache–Deux Montagnes*
JOURDAIN, Kateri C. Québec, Canada	Member of the Board of *La Caisse Populaire Desjardins de Sept- Îles*	General Manager, Immobilière Montagnaise SEC
LAMOTHE. Marie-Josée Québec, Canada	N/A External Board Member	President, Tandem International Professor, McGill University

Name and Province of Residence	Position Held within Desjardins Group	Principal Activity Outside the Federation
LAPORTE, Jean-François Québec, Canada	Chair of the Board of *Caisse Desjardins de la Pommeraie* Chair of the Board of Directors of Desjardins General Insurance Group Inc.	Retired from the industrial and manufacturing sector Formerly: Finance and Administration Director, Harbour Industries (Canada) Ltd.
MALTAIS, Camil Québec, Canada	Chair of the Board of *Caisse Desjardins des Cinq-Cantons*	Agricultural entrepreneur Ferme Maltais enr.
OUELLET, Roch Québec, Canada	Chair of the Board of *Caisse Desjardins d'Amos*	Retired executive from the school sector
ROUSSEAU, Serge Québec, Canada	Chair of the Board of *Caisse Desjardins du Carrefour des lacs* Vice-chair of the Board of the Federation Chair of the Corporate Governance Commission of the Federation Chair of the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group	General manager, CPE Parc-en-ciel
TOURANGEAU, Michel Québec, Canada	Vice-Chair of the Board of *Caisse Desjardins du Centre-est de Montréal* Secretary of the Board of Directors of the Federation	Lawyer and Partner Lapointe Rosenstein Marchand Melançon, L.L.P.
TREMBLAY, Marie- Ève Québec, Canada	Chair of the Board of *Caisse Desjardins du Quartier-Latin de Montréal*	General Manager, Neuvaction
TROTTIER, Stéphane Ontario, Canada	Director of *La Caisse Desjardins Ontario Credit Union Inc.* President of *La Caisse Desjardins Ontario Credit Union Inc.*	Ergonomist and President of the firm Facteurs Humains International (IHFC Ergo)
VINET, Yvon Québec, Canada	Chair of the Board of *Caisse Desjardins de Salaberry-de-Valleyfield* Chair of the Desjardins Group Retirement Committee	Notary partner Les Notaires Lupien, Patenaude, Vinet, Gougeon, Monette inc.

Pierre Perras is managing director of the Federation Board of Directors and, as such, cannot vote at board meetings. The business address of all of the directors is the registered office of the Issuer, 100, avenue des Commandeurs, Lévis, Québec, Canada G6V 7N5.

As at the date of this Base Prospectus, there are no potential conflicts of interests between any duties owed to the Federation by the directors and the private interests and/or external duties owed by these individuals.

Capital Structure

As at the date of this Base Prospectus, the Federation's authorized capital stock comprises the following qualifying shares and capital shares:

- An unlimited number of qualifying shares with a par value of $5. These shares can only be issued to members of the Federation and are redeemable only at the Board of Directors' option under certain conditions stipulated in the by-laws.

- An unlimited number of Class A and G Capital Shares having a par value of $5 and an unlimited number of Class F Capital Shares and Class Z-Contingent Capital shares ("**Class Z Shares**") having a par value of $10. Class A and G Capital Shares can be issued only to members of the Federation, Class F Capital Shares can be issued only to members of Québec caisses, including their auxiliary members, and Class Z Shares can be issued to any person in accordance with applicable law, but only for the purposes of converting non-viability contingent capital instruments of the Federation pursuant to the AMF's *Ligne directrice sur les norms relatives à la suffisance du capital de base*, or as determined by the Federation thereafter. The Federation may, by resolution of the Board of Directors and with the AMF's authorization, repurchase all or part of the Class A, G and F Capital Shares and Class Z Shares, to the extent any have been issued, unilaterally at any time. The Federation may at any time, and with the AMF's authorization, purchase all or part of the Class A, G, F or Z Capital Shares by mutual agreement. Furthermore, all or part of the Class A and G Capital Shares may be converted at any time, by resolution of the Board of Directors, into another class of shares issued for such purpose. The rate of interest on Class A, G and F Capital Shares and Class Z Shares, to the extent any have been issued, is determined by the Board of Directors. The repayment of the principal amount and the payment of interest on Class F Capital Shares and Class Z Shares, to the extent any have been issued, are subject to compliance with certain conditions.

- The Federation may, upon a decision of the Board of Directors, make a call for capital to its members through the issuance of Class G Capital Shares. The Board of Directors determines the number of Class G Capital Shares to be acquired by each of the members while striving to maintain balanced share holdings. Where the Board of Directors has authorized the issuance of new Class G Capital Shares of a new series of Class G Capital Shares, particularly for the purposes of meeting a regulator's or credit rating agency's requirements or requests with regard to the capital adequacy of the Federation or of a legal person or entity controlled by the Federation, or to discharge a commitment of a financial nature made by the Federation in favour of one such legal person or entity, any member subject to the capital call is required to acquire and pay for the Class G Capital Shares allocated to it.

- An unlimited number of FIN-5A, INV, and SER Capital Shares in relation to an investment fund. These shares can be issued only to members of the Federation; they are without par value and bear no interest. Subject to the provisions of the Federation's by-laws, the holders of these shares are entitled to share the net income of the funds. These shares are redeemable, with the AMF's authorization, at the option of the Board of Directors or by mutual agreement. All or part of these shares may also, by resolution of the Board of Directors, be converted into another class of shares issued for such purpose.

- The holders of qualifying shares and capital shares of the Federation are not entitled to notice of or to attend or vote at meetings of the Federation's members.

Material Contracts

The Federation has not entered into any contracts outside the ordinary course of the Federation's business which could result in it or any member of Desjardins Group being under an obligation or entitlement that is material to the Federation's ability to meet its obligations in respect of any Notes to be issued by the Federation other than, with respect to any Notes, the Programme Agreement described in "Subscription and Sale and Transfer and Selling Restrictions" and the Bearer Notes Agency Agreement and Registered Notes Agency Agreement described in "Terms and Conditions of the Notes".

Issuer Credit Ratings

Desjardins Group's credit ratings impact its capacity to access sources of financing from financial markets, as well as the terms of such financing. They are also taken into account during certain Desjardins Group's transactions involving counterparties.

Rating agencies assign credit ratings and the related outlooks based on their methodologies, which comprise a number of evaluation criteria, including factors which are beyond Desjardins Group's control. The agencies evaluate Desjardins Group on a combined basis and take into account its capitalization, the stability of its financial performance, its significant market share in Québec and the quality of its assets. Consequently, the credit ratings of the Federation, a reporting issuer, and of Desjardins Capital Inc., a venture issuer, are backed by the financial strength of Desjardins Group.

As of the date of this Base Prospectus, four credit rating agencies (Moody's Canada, S&P Canada, DBRS and Fitch) have assigned credit ratings to the Federation. Each of the Federation's debt securities ratings as at the date of this Base Prospectus are listed below.

Rating Agency	Legacy[1] Medium and Long Term Senior Debt	Medium and Long Term Senior Bail-inable Debt	Short Term Senior Debt	NVCC Subordinated Notes
Moody's Canada	Aa2	A2	P-1	A2
S&P Canada	A+	A-	A-1	BBB+
Fitch	AA-	AA-	F1+	A+
DBRS	AA	AA (low)	R-1 (high)	A (low)

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the issuing rating agency. Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issuance of securities. It is recommended that prospective purchasers of any Notes consult the rating agencies to familiarize themselves with the interpretation and significance of the provisional ratings shown above. The above ratings should not be construed as recommendations to buy, sell or hold on to any Notes. Ratings may be revised or withdrawn at any time by the rating agency. As is customary, the Federation paid fees to the aforementioned credit rating agencies for credit rating services rendered, and other fees for other services rendered during the two last financial years.

Each of S&P Canada, Moody's Canada, Fitch and DBRS is established outside of the EU and the United Kingdom but its respective EU or United Kingdom credit rating agency affiliate: (i) is established in the EU or the United Kingdom; (ii) is registered under the CRA Regulation; and, (iii) has indicated an intention to endorse the credit ratings of S&P Canada, Moody's Canada, Fitch or DBRS, respectively. See also "*Credit Ratings*" on page xiv.

[1] Legacy medium and long-term senior debt includes Senior Notes issued prior to 31 March 2019 and Senior Notes issued on or after 31 March 2019, in each case which are not Bail-inable Notes.

DESJARDINS GROUP

The information below is supplemented by the more detailed information contained in the documents incorporated by reference in this Base Prospectus. See Paragraphs (a), (b), (c), (d) and (e) of the section entitled "Documents Incorporated by Reference".

Founded in 1900, Desjardins Group is an institutional network of financial services cooperatives. It is the largest financial cooperative in Canada, with assets of $312.7 billion as at 30 September 2019. The organization brought together 218 caisses in Québec as at 1 January 2020, the Federation and its subsidiaries (including Desjardins Capital Inc.), La Caisse Desjardins Ontario Union Inc. and the *Fonds de sécurité Desjardins*. A number of its subsidiaries and components are active across Canada, whereas Desjardins Group is also present in the United States, through Desjardins Bank, National Association. Desjardins Group's "Personal and Business Services", "Wealth Management and Life and Health Insurance" and "P&C Insurance" business segments offer a full range of financial services designed to meet the needs of its members and clients. As one of the largest employers in Canada, Desjardins Group is driven by the skills of more than 46,000 employees and the commitment of over 2,900 directors. Desjardins Group is not a legal entity itself but is the term used to describe the numerous legal entities that form the group, as more fully described in this section.

The Québec caisses are autonomous legal entities organized as financial services cooperatives governed by the Cooperatives Act and grouped together as members of the Federation. Under the Cooperatives Act, every Québec caisse must be a member of the Federation to be constituted initially and to maintain its existence. The caisses are grouped together as members of the Federation and, together with the Federation, form a network of financial services cooperatives. As a general rule, the activities of a caisse are exercised for and on behalf of, its members, which are either individuals or entities that open an account and purchase a qualifying share of the caisse. In general, the members of the caisses are residents of Canada. Desjardins Group also includes La Caisse Desjardins Ontario Credit Union Inc., the *Fonds de Sécurité Desjardins*, Desjardins Capital Inc., Desjardins Technology Group Inc., Desjardins Financial Holding Inc. and its subsidiaries, namely, Desjardins Trust Inc., Desjardins Securities Inc., and Desjardins Financial Corporation Inc. and its own subsidiaries, namely Desjardins General Insurance Group Inc., Desjardins Global Asset Management Inc., and Desjardins Financial Security Life Assurance Company.

The Federation is the cooperative entity responsible for strategic policy, oversight, coordination, treasury operations and development for Desjardins Group. Through its functions and services, the Federation assists the caisses and other Desjardins Group components to develop at a faster pace and better respond to the needs of their members and clients. The Federation provides its member caisses with a variety of services, including certain technical, financial and administrative services. The Cooperatives Act gives the Federation broad normative powers to act as a control and supervisory body for the caisses and to carry out its mission to manage the risks, capital, assets and liquidity of Desjardins Group and to ensure the financial health and sustainability of the Groupe coopératif Desjardins. The Federation is responsible for inspecting the caisses and auditing the combined financial statements which present, on a combined basis, the financial positions of the Federation's member caisses. The Federation is managed by its Board of Directors and the Board of Ethics and Professional Conduct in the manner contemplated by the Cooperatives Act. The AMF is the governmental regulatory agency responsible for the annual

inspection and supervision of Desjardins Group's and the Federation's financial disclosure controls and procedures.

The Issuer, as treasurer and financial agent of Desjardins Group, plays an important function within Desjardins Group. As a result, pursuant to the Federation's capital stock by-law, the caisses, as members that hold shares of the Issuer's capital stock and are part of Desjardins Group, have to answer any capital call made by the Issuer pursuant to the CCA to maintain the Issuer's capital base at the levels described above under "Fédération des caisses Desjardins du Québec - Regulation and Control" on page 315 of this Base Prospectus.

The CCA and 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 any payments under the Notes are 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 investors.

For a detailed description of Desjardins Group performance, please see the DFG 2018 Annual Report incorporated by reference in this Base Prospectus.

NOTES ISSUED UNDER THE PROGRAMME ARE OBLIGATIONS OF THE FEDERATION ONLY AND ARE NOT OBLIGATIONS OF THE OTHER MEMBERS OF DESJARDINS GROUP. THE CCA IS NOT IN ANY WAY A GUARANTEE OF THE NOTES, AND INVESTORS IN THE NOTES WILL NOT HAVE ANY RIGHTS AS THIRD PARTY BENEFICIARIES OR OTHERWISE UNDER THE CCA 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.

NOTWITHSTANDING THE FOREGOING, IN THE EVENT OF THE WINDING-UP, INSOLVENCY, BANKRUPTCY, LIQUIDATION OR DISSOLUTION OF THE FEDERATION IN ACCORDANCE WITH APPLICABLE LAW, THE SENIOR NOTES WILL RANK EQUALLY IN RIGHT OF PAYMENT WITH ALL DEPOSIT LIABILITIES AND OTHER UNSECURED AND UNSUBORDINATED LIABILITIES OF GROUPE COOPÉRATIF DESJARDINS EXCEPT AS MAY BE PROVIDED BY LAW AND SUBJECT TO THE RESOLUTION POWERS OF THE AMF (INCLUDING THE BAIL-IN POWERS), AND THE NVCC SUBORDINATED NOTES WILL RANK IN THE MANNER DESCRIBED IN CONDITION 3(B) OF THE "*TERMS AND CONDITIONS OF THE BEARER NOTES*" AND CONDITION 4(B) OF THE "*TERMS AND CONDITIONS OF THE REGISTERED NOTES*" ON PAGES 93 AND 201, RESPECTIVELY OF THIS BASE PROSPECTUS. IN THE EVENT OF THE WINDING-UP, INSOLVENCY, BANKRUPTCY, LIQUIDATION OR DISSOLUTION OF THE FEDERATION IN ACCORDANCE WITH APPLICABLE LAW, THE FEDERATION SHALL HAVE NO OBLIGATION TO REPAY THE NVCC SUBORDINATED NOTES OR ANY COUPONS DUE THEREON UNTIL ALL OTHER UNSUBORDINATED CREDITORS OF THE GROUPE COOPÉRATIF DESJARDINS HAVE BEEN REIMBURSED OR PAID, OR THE FUNDS NECESSARY TO SATISFY ALL OTHER UNSUBORDINATED CREDITORS HAVE BEEN DEPOSITED.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a Programme Agreement dated 25 February 2020 (as amended, restated and/or supplemented from time to time) (the "**Programme Agreement**"), agreed with the Federation a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will, *inter alia*, make provision for the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Federation in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Federation and its affiliates in the ordinary course of business without regard to the Noteholders. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers without regard to the effect on the Federation's business or profitability or the Noteholders. Such investments and securities activities may involve securities and/or instruments of the Federation or its affiliates. If any Dealers or their affiliates have a lending relationship with the Federation, certain of those Dealers and their affiliates routinely hedge, and certain other of those Dealers and their affiliates may hedge, their credit exposure to the Federation consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which would consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially any Notes issued under the Programme. Any such short positions could adversely affect future trading prices of any Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Canada

While the Senior Notes are exempted from the prospectus requirement under the securities laws of any province or territory of Canada, the NVCC Subordinated Notes are not exempt from the prospectus requirement under the securities laws of any province or territory of Canada and have not been and will not be qualified for sale under such laws. This Base Prospectus has not been approved by any regulator or regulatory authority in Canada.

If the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement specify "Canadian Sales permitted", each Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with the securities laws of Canada or any province or territory thereof and subject to the consent of the Federation for each such offer, sale and distribution. In respect of any offer, sale or distribution of Bail-inable Notes and NVCC Subordinated Notes in any province or territory of Canada, each Dealer shall comply with any further selling restrictions agreed between such Dealer and the Federation in respect of offers in Canada.

If the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement specify "Canadian Sales not permitted", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or delivered, and that it will not offer, sell, distribute or deliver any Notes, directly or indirectly, in Canada or to, or for the benefit of any resident thereof.

In the case of sales of NVCC Subordinated Notes outside of Canada, each Dealer shall comply with any further restrictions agreed between such Dealer and the Federation.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Base Prospectus, or any other offering material relating to the Notes, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

United States

Transfer Restrictions

Each purchaser of Registered Notes (other than a person purchasing an interest in a Global Registered Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Global Registered Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 501 under the Securities Act, Rule 144A or in Regulation S are used herein as defined therein):

(a) that (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (ii) it is outside the United States and is not U.S. person and is acting in reliance upon Regulation S under the Securities Act;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth in this section;

(c) it agrees that the Federation has no obligation to register the Notes under the Securities Act;

(d) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States and is not U.S. person (within the meaning of Regulation S), if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Federation or an affiliate of the Federation was the owner of such Notes, (a) to the Federation or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a

transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(e) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(g) that either (A) it is not and for so long as it holds a Note (or any interest therein) will not be (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or other plan subject to Section 4975 the Code, or (iv) a governmental or other plan which is subject to any federal, state or other law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Laws**") or (B) its purchase and holding of the Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Laws;

(h) that the Global Registered Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Federation:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH NOTES, AND OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE

SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) A GOVERNMENTAL OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAWS”) OR (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAWS.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISION OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A";

(i) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, as determined and certified by the relevant Dealer, in the case of non-syndicated issue, or the Lead Manager, in the case of syndicated issue), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) in the case of Registered Notes only, to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Federation:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OR REGULATION S UNDER THE SECURITIES ACT OR (II) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) A GOVERNMENTAL OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAWS”) OR (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A NON-EXEMPT

PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAWS"; and

(j) that the Federation, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it will promptly notify the Federation; and if it is acquiring any Notes as fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sales of Registered Notes in the United States to any one purchaser will be for less than the minimum Specified Denomination set forth in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement in respect of the relevant Registered Notes. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least an amount equal to the applicable minimum purchase price set forth in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement in respect of the relevant Registered Notes.

Dealers may arrange for the resale of Registered Notes to QIBs pursuant to Rule 144A and each such purchaser of Registered Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Registered Notes which may be purchased by a QIB pursuant to Rule 144A will be US$200,000 (or the approximate equivalent in another Specified Currency) unless the minimum Specified Denomination specified in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement indicates otherwise.

Selling Restrictions

Regulation S, Category 2, Rule 144A and/or Regulation S eligible if specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or its territories or possessions or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) and the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder. The applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement will identify whether TEFRA D Rules or TEFRA C Rules apply or whether it is an Excluded Transfer.

In connection with any Notes (including Registered Notes) which are offered or sold outside the United States in reliance on Regulation S, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell

or deliver such Regulations S Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

Dealers may arrange for the resale of Registered Notes to QIBs pursuant to Rule 144A and each such purchaser of Registered Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Registered Notes which may be purchased by a QIB pursuant to Rule 144A will be the minimum Specified Denomination specified in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement in U.S. dollars (or the approximate equivalent in another Specified Currency).

Public Offer Selling Restriction under the Prospectus Regulation

Unless the applicable Final Terms in respect of any Notes, or the applicable Pricing Supplement in the case of Exempt Notes, specifies the "Prohibition of Sales to EEA and United Kingdom Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or Exempt Notes, as the case may be, which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or Pricing Supplement, as the case may be, in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Exempt Notes, as the

case may be, to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Exempt Notes, as the case may be.

If the applicable Final Terms in respect of any Notes, or the applicable Pricing Supplement in the case of Exempt Notes, specifies "Prohibition of Sales to EEA and United Kingdom Retail Investors" as "Not Applicable", then, in relation to each Member State of the EEA and the United Kingdom (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or, in the case of Exempt Notes, the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Federation;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Federation; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

This Base Prospectus has not been submitted for clearance to the *Autorité des marchés financiers* in France.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or Pricing Supplement or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), as defined in, and in accordance with, Articles L.411-2-II-1 and D.321-1 of the French *Code monétaire et financier* and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, as defined in, and in accordance with, Articles L.411-2-II-2, D411-1 D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold, and will not, directly or indirectly, offer or sell the Notes in The Netherlands, other than to qualified investors, as defined in article 1.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), unless such offer is made in accordance with such Act.

Republic of Italy

As of the date of this Base Prospectus, the Federation is not licensed to "collect deposits and other funds with the obligation to reimburse" in Italy in accordance with the provisions of Legislative Decree No. 385 of 1 September 1993, as amended, and therefore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy until such license has been obtained.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(A) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(B) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

No registration pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**FIEA**") has been made or will be made with respect to the Notes. Accordingly, each Dealer has represented and agreed, and each other Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer to sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person

(as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**"), and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it

has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit an offer of the Notes to the public, or possession or distribution of this Base Prospectus or of any other offering material in such country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief after making reasonable investigation) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus, any Final Terms, Pricing Supplement or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Federation nor any other Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Federation and such Dealer shall agree.

These selling restrictions will be deemed to be modified by the agreement of the Federation and the relevant Dealer following a change in a relevant law or regulation and such amendments may be specified in a Supplement to this Base Prospectus or, in the case of Exempt Notes, a Pricing Supplement.

Neither the Federation nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

TAXATION

Canada

The following summary describes the principal income tax considerations as of the date of this Base Prospectus under the laws of Canada and the Province of Québec generally applicable to a holder of Notes who acquires, as a beneficial owner, Notes, including entitlements to all payments thereunder, pursuant to this Base Prospectus, and who, at all relevant times, for the purposes of the Income Tax Act (Canada) (the "**Act**") and any applicable income tax convention, (i) is not resident and is not deemed to be resident in Canada, (ii) deals at arm's length with the Federation and any Canadian resident (or deemed Canadian resident) to whom the holder assigns or otherwise transfers the Notes, (iii) does not use or hold and is not deemed to use or hold Notes in or in the course of carrying on a business in Canada, (iv) does not receive any payment of interest (including any amounts deemed to be interest) on Notes in respect of a debt or other obligation to pay an amount to a person with whom the Federation does not deal at arm's length, (v) is not an "authorized foreign bank" (as defined in the Act), (vi) is not a "registered non-resident insurer" (as defined in the Act), (vii) is not an insurer carrying on an insurance business in Canada and elsewhere, and (viii) is not a "specified shareholder" (as defined in subsection 18(5) of the Act) and deals at arm's length with each person who is a "specified shareholder" of the Federation for purposes of the thin capitalization rules in the Act (a "**Non-resident Holder**").

Generally, a "specific shareholder" is a person that owns, has a right to acquire or is otherwise deemed to own, either alone or together with persons with whom such person does not deal at arm's length for purposes of the Act, shares of the capital stock of the Federation that either: (a) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of shareholders; or (b) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of the Federation.

This summary is based upon the provisions of the Act and the Taxation Act (Québec) in force on this date and any regulations thereunder, proposed amendments thereto in a form publicly announced prior to the date hereof and our understanding of the current administrative and assessing policies and practices published in writing by the Canada Revenue Agency and the Agence du revenu du Québec. This summary takes into account all specific proposals to amend the Act, the Taxation Act (Québec) and regulations publicly announced by or on behalf of the Minister of Finance (Canada) or the Minister of Finance (Québec) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law, or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action, nor does it take into account foreign or any other Canadian provincial or territorial income tax legislation. Subsequent developments could have a material effect on the following description.

The Canadian federal income tax considerations applicable to particular Notes may be described in the Drawdown Prospectus or, in the case of Exempt Notes, Pricing Supplement relevant to such Notes, in which case the following summary will be superseded thereby to the extent indicated in such Drawdown Prospectus or Pricing Supplement.

This summary is of a general nature only and is not, and should not be construed to be, legal or tax advice to any particular holder of Notes. This summary is not exhaustive of all Canadian federal and provincial income tax considerations. Accordingly, prospective purchasers of Notes should consult their tax advisers for advice regarding the income tax considerations applicable to them.

Interest paid or credited or deemed to be paid or credited by the Federation on a Note (including amounts on account of or in lieu of, or in satisfaction of, interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax, unless all or any portion of such interest (other than on a "prescribed obligation" described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation ("**Participating Debt Interest**"). A debt obligation is a "**prescribed obligation**" if it is an "indexed debt obligation" (as defined in the Act) and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the definition of Participating Debt Interest. An "**indexed debt obligation**" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money. *If any interest to be paid or credited on a Note, or any portion of the nominal amount of such a Note in excess of its issue price, is to be calculated by reference to an index or formula, such interest or principal, as the case may be, may be subject to Canadian non-resident withholding tax.*

In the event that a Note under its terms is redeemed, cancelled, repurchased, as applicable, or, purchased by the Federation or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof or in certain cases the price for which such Note was assigned or transferred to the Non-resident Holder by a person resident or deemed to be resident in Canada, the excess may be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Note to that time, be subject to Canadian non-resident withholding tax if the Note is not considered an "excluded obligation" for the purposes of the Act and all or any part of such interest or deemed interest is Participating Debt Interest which is not exempt from Canadian non-resident withholding tax. A Note that was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Act) of the Notes, and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time, will be an excluded obligation for this purpose, if the Note is not an "indexed debt obligation" (as defined above).

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

Generally, under the laws of Canada and of Québec, there are no estate taxes or succession duties imposed in respect of interest or principal paid or credited in respect of the Notes and there are no other

taxes on income (including taxable capital gains) payable by a Non-resident Holder in respect of the holding or disposition of a Note.

For purposes of the Act, all amounts not otherwise expressed in Canadian dollars must be converted to Canadian dollars based on a single day exchange rate, as quoted by the Bank of Canada, for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada).

Organisation for Economic Co-operation and Development Common Reporting Standard

Under the Organisation for Economic Co-operation and Development's ("**OECD**") initiative for the automatic exchange of information, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a common reporting standard.

Canada is one of over 90 countries that has signed the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**"), which provides for the implementation of the automatic exchange of tax information. On 15 December 2016, legislation to implement the CRS in Canada was enacted, effective as of 1 July 2017, which requires Canadian financial institutions to report certain information concerning certain investors resident in participating countries to the Canada Revenue Agency and to follow certain due diligence procedures. The Canada Revenue Agency will then provide such information to the tax authorities in the applicable investors' countries of residence, where required under CRS.

Certain U.S. Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of the Notes. This summary applies only to holders that acquire their Notes in this offering for a price equal to the issue price (as defined below) and hold such Notes as capital assets, within the meaning of Section 1221 of the Code. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the U.S. federal government.

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to the note holders in light of their personal investment circumstances nor, except for limited discussions of particular topics, to holders subject to special treatment under the U.S. federal income tax laws, including: financial institutions; life insurance companies; securities dealers or traders electing mark-to-market treatment; certain governmental entities; persons that own 10% or more of the Issuer (by vote or value); partnerships or any entities treated as partnerships for U.S. federal income tax purposes; nonresident alien individuals and foreign corporations; tax-exempt organizations; persons that hold the Notes as a position in a "straddle" or as part of a synthetic security or "hedge," "conversion transaction" or other integrated investment; persons subject to special tax accounting rules under Section 451(b) of the Code; U.S. holders (as defined below) that have a "functional currency" other than the U.S. dollar;

investors in pass-through entities that hold Notes; investors liable for the alternative minimum tax; and United States expatriates.

This general summary deals only with certain U.S. federal income tax considerations relating to the purchase, ownership, and disposition of certain Notes in registered form for U.S. federal income tax purposes with a maturity date not more than 30 years after issuance. This summary does not discuss the tax treatment of certain Notes, such as Zero Coupon Notes and Bearer Notes. The treatment of Notes not described herein will be addressed in the applicable Pricing Supplement. In general, U.S. federal income tax law imposes significant limitations on U.S. holders of Bearer Notes. U.S. holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Zero Coupon Notes and Bearer Notes.

In addition, persons considering the purchase of the Notes should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

As used in this section, a "U.S. holder" is a beneficial owner of a Note that is treated for U.S. federal income tax purposes as:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States or any State (or the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and any one or more U.S. persons (as defined in Section 7701(a)(30) of the Code (a "**U.S. person**")) are authorized to control all substantial decisions of the trust, or (2) the trust has in effect a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

A "**Non-U.S. holder**" is a beneficial owner of a Note that is treated for U.S. federal income tax purposes as:

- a nonresident alien individual;
- a foreign corporation;
- an estate that is not subject to U.S. federal income tax on a net income basis; or
- a trust if (1) no U.S. court can exercise primary supervision over the trust's administration or no U.S. person and no group of such persons is authorized to control all substantial decisions of the trust, and (2) the trust has no election to be treated as a U.S. person in effect.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a Note, the treatment of a partner in the partnership will generally depend upon the

status of the partner and the activities of the partnership. A beneficial owner of a Note that is a partnership, and partners in such a partnership, should consult with their tax advisors about the U.S. federal income tax consequences of holding and disposing of such note.

U.S. Tax Treatment of U.S. Holders of Notes

Characterization of the Notes

Subject to the discussion directly below regarding Bail-inable Notes, and the discussion below under "*— NVCC Subordinated Notes*", the Issuer generally intends to treat Notes issued under the Programme as debt for U.S. federal income tax purposes, unless otherwise indicated in the applicable Pricing Supplement. The tax treatment of Notes to which a treatment other than as debt may apply may be discussed in the applicable Pricing Supplement. The following disclosure applies only to Notes that are treated as debt for U.S. federal income tax purposes.

There is no authority that specifically addresses the U.S. federal income tax treatment of an instrument such as the Bail-inable Notes. While the Issuer intends to treat the Bail-inable Notes as debt for U.S. federal income tax purposes, the Internal Revenue Service (the "**IRS**") could assert an alternative tax treatment of the Bail-inable Notes for U.S. federal income tax purposes, for example, that the Bail-inable Notes should be considered as equity for U.S. federal income tax purposes. There can be no assurance that any alternative tax treatment, if successfully asserted by the IRS would not have adverse U.S. federal income tax consequences to a U.S. holder of Bail-inable Notes. If the Bail-inable Notes are treated as equity for U.S. federal income tax purposes, a U.S. holder would generally be subject to the tax consequences described under "*— NVCC Subordinated Notes — Tax Consequences if the NVCC Subordinated Notes are Treated as Equity*." U.S. holders should consult their own tax advisors regarding the U.S. federal income tax considerations if the Bail-inable Notes were to be treated as equity for U.S. federal income tax purposes.

Prospective investors should consult their own tax advisers regarding the appropriate characterization of, and U.S. federal income tax and other tax consequences of investing in, the Notes.

Payments of Stated Interest

Interest paid on a Note will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income earned by a U.S. holder with respect to a Note will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Notes, exchangeable Notes and foreign currency Notes are described under "*—Original Issue Discount*," "— Variable Rate Debt Instruments," "*— Contingent Payment Debt Instruments*," and "*—Foreign Currency Notes*".

Original Issue Discount

A Note that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Note**") unless the Note satisfies a *de minimis* threshold (as described below) or is a short-term Note (as defined below). The "**issue price**" of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "**stated redemption price at maturity**" of a Note generally will equal the sum of all payments required to be made under the Note other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate date instrument" that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Note is denominated.

If the difference between a Note's stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.*, 1/4 of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity, then the Note will not be considered to have original issue discount. U.S. holders of Notes with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Note.

A U.S. holder of original issue discount Notes will be required to include any qualified stated interest payments in income in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. U.S. holders of original issue discount Notes that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

A U.S. holder may make an election to include in gross income all interest that accrues on any Note (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and may revoke such election only with the permission of the IRS (a "**constant yield election**").

A Note that matures one year or less from its date of issuance (a "**short-term Note**") will be treated as being issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash method U.S. holder of a short-term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. U.S. holders who so elect and certain other holders, including those who report income on the accrual method of accounting for U.S. federal income

tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Notes in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Issuer may have an unconditional option to redeem, or U.S. holders may have an unconditional option to require the Issuer to redeem, a Note prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, the yield on the Note would be lower than its yield to maturity. If the U.S. holders have an unconditional option to require the Issuer to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Note would be higher than its yield to maturity. If this option is not in fact exercised, the Note would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date. The adjusted issue price of an original issue discount Note is defined as the sum of the issue price of the Note and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

A U.S. holder who acquires a Note (other than a short-term Note) after the initial issuance thereof for an amount that is less than its stated redemption price at maturity or, if the Note is an original issue discount Note, an amount that is less than its adjusted issue price (*i.e.*, a discount) will be subject to the "market discount" rules of the Code, unless the amount of such discount is less than a statutorily defined *de minimis* amount.

A U.S. holder will be required to treat any principal payment (or, in the case of an original issue discount Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Note, including disposition in certain nonrecognition transactions, as ordinary income to the extent of the market discount accrued on the Note at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. holder pursuant to an election by the U.S. holder to include market discount in income as it accrues, or pursuant to a constant yield election by the U.S. holder as described under "*—Original Issue Discount*" above. In addition, the U.S. holder may be required to defer, until the maturity of the Note or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Note.

If a U.S. holder makes a constant yield election (as described under "*—Original Issue Discount*") for a Note with market discount, such election will result in a deemed election for all market discount bonds acquired by the U.S. holder on or after the first day of the first taxable year to which such election applies.

Acquisition Premium and Amortizable Bond Premium

A U.S. holder who purchases a Note for an amount that is greater than the Note's adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest will be considered to have purchased the Note at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. holder must include in its gross income with respect to the Note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases a Note for an amount that is greater than the amount payable at maturity, or on the earlier call date, in the case of a Note that is redeemable at our option, the U.S. holder will be considered to have purchased the Note with amortizable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. holder may elect to amortize this premium, using a constant yield method, over the remaining term of the Note (where the Note is not optionally redeemable prior to its maturity date) and may offset interest otherwise required to be included in respect of the Note during any taxable year by the amortized amount of such excess for the taxable year. If the Note may be optionally redeemed prior to maturity after the U.S. holder has acquired it, the amount of amortizable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A U.S. holder who elects to amortize bond premium must reduce his tax basis in the Note by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

If a U.S. holder makes a constant yield election (as described under "*—Original Issue Discount*") for a Note with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the U.S. holder's debt instruments with amortizable bond premium.

Variable Rate Debt Instruments

A Note will be a variable rate debt instrument (a "**variable rate Note**") if it:

- has an issue price that does not exceed the total non-contingent principal payments by more than the lesser of (i) the product of (x) the total non-contingent principal payments, (y) the number of complete years to maturity from the issue date and (z) 0.015, or (ii) 15 per cent of the total non-contingent principal payments; and

- does not provide for stated interest other than stated interest compounded or paid at least annually at (i) one or more "qualified floating rates", (ii) a single fixed rate and one or more qualified floating rates, (iii) a single "objective rate" or (iv) a single fixed rate and a single objective rate that is a "qualified inverse floating rate".

A qualified floating rate or objective rate in effect at any time during the term of the Note must be set at a "current value" of that rate. A current value of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A variable rate is a qualified floating rate if (i) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated or (ii) it is equal to the product of such a rate and either (a) a fixed multiple that is greater than 0.65 but not more than 1.35, or (b) a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. If a Note provides for two or more qualified floating rates that (i) are within 0.25 percentage points of each other on the issue date or (ii) can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

An objective rate is a rate, other than a qualified floating rate, that is determined using a single fixed formula and that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party (such as dividends, profits or the value of the Issuer's stock). A variable rate is not an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term. An objective rate is a qualified inverse floating rate if (i) the rate is equal to a fixed rate minus a qualified floating rate, and (ii) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

If interest on a Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period and (i) the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percentage points or (ii) the value of the qualified floating rate or objective rate is intended to approximate the fixed rate, the fixed rate and the qualified floating rate or the objective rate constitute a single qualified floating rate or objective rate.

In general, if a variable rate Note provides for stated interest at a single qualified floating rate or objective rate, all stated interest on the Note is qualified stated interest and the amount of original issue discount, if any, is determined under the rules applicable to fixed rate debt instruments by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, in the case of any other objective rate, a fixed rate that reflects the yield reasonably expected for the Note.

If a variable rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate and also does not provide for interest payable at a fixed rate (other than at a single fixed rate for an initial period of one year or less), the amount of interest and original issue discount accruals on the Note are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the variable rate Note (generally, the value of each variable rate as of the issue date or, in the case

of an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Note), (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above), (iii) determining the amount of qualified stated interest and original issue discount with respect to the equivalent fixed rate debt instrument, and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a variable rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and in addition provides for stated interest at a single fixed rate (other than at a single fixed rate for an initial period of one year or less), the amount of interest and original issue discount accruals are determined as in the immediately preceding paragraph with the modification that the variable rate Note is treated, for the purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or a qualified inverse floating rate, as the case may be) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the variable rate Note as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate) rather than the fixed rate.

Prospective investors should consult their own tax advisors regarding the applicability and consequences of the variable rate debt instrument rules to any of Notes.

Sale, Exchange or Retirement of the Notes

Upon the sale, exchange or retirement of a Note, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of original issue discount and market discount included in the U.S. holder's gross income and decreased by the amount of any payment received from the Issuer other than a payment of qualified stated interest and amortizable bond premium taken with respect to such Note. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest on the Note. Amounts attributable to accrued interest are treated as interest as described under "*—Payments of Stated Interest*".

Except as described below, gain or loss realized on the sale, exchange or retirement of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Note has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Note, to the extent of any accrued discount not previously included in the U.S. holder's taxable income. See "*— Original Issue Discount*" and "*—Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Notes, and contingent payment debt instruments. See "*—Foreign Currency Notes*" and "*—Contingent Payment Debt Instruments*".

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including Notes with a variable rate or rates that do not qualify as "variable rate debt

instruments" as described above for purposes of the original issue discount rules) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Note and the Note's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Notes. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield. The applicable Final Terms will either set forth the comparable yield and projected payment schedule or it will provide instructions as to how and where a U.S. holder may obtain such information.

Neither the comparable yield nor the projected payment schedule will constitute a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of an optionally exchangeable Note treated as a contingent payment debt instrument, unless the U.S. holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. holder, regardless of the U.S. holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. holder will be required to recognize interest income equal to the amount of any net positive adjustment, *i.e.*, the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, *i.e.*, the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. holder would otherwise be required to include in income in the taxable year; and

- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:

    - the amount of all previous interest inclusions under the contingent payment debt instrument over

    - the total amount of the U.S. holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the limitations imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. holder's adjusted basis in the contingent payment debt instrument. A U.S. holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Note to the U.S. holder. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. holder recognizes loss above certain thresholds, the U.S. holder may be required to file a disclosure statement with the IRS (as described under "*—Reportable Transactions*").

A U.S. holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. holder's holding period for the property will commence on the day immediately following its receipt.

Foreign Currency Notes

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. holder of the ownership and disposition of Notes that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Notes**").

The rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Note to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Notes are complex and may depend on the U.S. holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. holder should make any of these elections may depend on the U.S. holder's particular U.S. federal income tax situation. **U.S. holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes.**

A U.S. holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Note will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. holder's tax basis in the foreign currency. A cash method U.S. holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such foreign currency Note will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. holder will recognize ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a U.S. holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency Note are to be determined in the relevant foreign currency. Where a U.S. holder elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Note. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Note with amortizable bond premium by a U.S. holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. holder's tax basis in a foreign currency Note, and the amount of any subsequent adjustment to the U.S. holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. holder who purchases a foreign currency Note with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Note on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency Note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency purchase price of the Note, determined on the date the payment is received or the Note is disposed of, and (ii) the U.S. dollar value of the foreign currency purchase price of the Note, determined on the date the U.S. holder acquired the Note. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Notes described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange or retirement of the foreign currency Note. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. holder or the "qualified business unit" of the U.S. holder on whose books the foreign currency Note is properly reflected. Any gain or loss realized by these U.S. holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of a short-term foreign currency Note, to the extent of any discount not previously included in the U.S. holder's income. The deductibility of capital losses is subject to limitations. In addition, if a U.S. holder recognizes loss above a certain threshold, the U.S. holder may be required to file a disclosure statement with the IRS (as described under "*Reportable Transactions*"). Holders should consult their own tax advisor with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such foreign currency Note accrue.

A U.S. holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Note equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method U.S. holder who buys or sells a foreign currency Note is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method U.S. holder may elect the same treatment for all purchases and sales of foreign currency obligations provided that the foreign currency Notes are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Notes) will be ordinary income or loss.

NVCC Subordinated Notes

Characterization and Taxation of the NVCC Subordinated Notes

There is no authority that addresses the U.S. federal income tax treatment of instruments like the NVCC Subordinated Notes that are in the form of subordinated debt instruments, but that provide for Automatic Conversion into Class Z Shares upon the occurrence of a Non-Viability Trigger Event. Assuming that NVCC Subordinated Notes issued in the manner described in this Base Prospectus (a) have a term of no more than 15 years, (b) at issuance, will have a remote likelihood of being converted into equity or otherwise returning less than the principal amount of such Notes at maturity, and (c) at issuance, are anticipated to make all stated payments of interest, the Issuer intends to treat the NVCC Subordinated Notes as debt for U.S. federal income tax purposes. To the extent these assumptions are accurate, by acquiring an interest in an NVCC Subordinated Note, each U.S. holder agrees to treat such Notes as debt for U.S. federal income tax purposes. However, there can be no assurance that the IRS would not assert that the NVCC Subordinated Notes should be treated as equity in the Issuer for U.S. federal income tax purposes, which could result in materially different and potentially materially more adverse tax consequences to holders, as described under "— *NVCC Subordinated Notes — Tax Consequences if the NVCC Subordinated Notes are Treated as Equity*." Assuming the NVCC Subordinated Notes are treated as debt for U.S. federal income tax purposes, such Notes should be treated as described above under the general rules for Notes treated as indebtedness for U.S. federal income tax purposes.

As discussed in this Base Prospectus, upon the occurrence of a Non-Viability Trigger Event, NVCC Subordinated Notes will automatically and immediately convert into Class Z Shares. Assuming at issuance there is a remote possibility that a Non-Viability Trigger Event will occur, the Issuer intends to take the position that NVCC Subordinated Notes should not be treated as contingent payment debt instruments as a result of this contingency. If the IRS were to successfully challenge this position, however, NVCC Subordinated Notes would be treated as described above under "— *Contingent Payment Debt Instruments*."

Each investor should consult its own tax advisor regarding the appropriate characterization of the NVCC Subordinated Notes and the tax consequences to it if the IRS successfully asserts a characterization that differs from the Issuer's characterization of the NVCC Subordinated Notes.

Automatic Conversion

An Automatic Conversion of NVCC Subordinated Notes into Class Z Shares upon the occurrence of a Non-Viability Trigger Event may constitute a recapitalization for U.S. federal income tax purposes. If an Automatic Conversion were treated as a recapitalization, then a U.S. holder would generally recognize no gain or loss upon the conversion of its NVCC Subordinated Notes into Class Z Shares, except to the extent of amounts received with respect to accrued interest (which will be treated as described above for other payments of interest). However, if the NVCC Subordinated Notes were not considered "securities" for U.S. federal income tax purposes, then an Automatic Conversion would not constitute a recapitalization and a U.S. holder would generally recognize capital gain or loss upon an Automatic Conversion of such holder's NVCC Subordinated Notes in an amount equal to the difference between the fair market value of the Class Z Shares received and such holder's tax basis in the NVCC

Subordinated Notes. If an Automatic Conversion were to constitute a recapitalization, a U.S. holder's aggregate tax basis in any Class Z Shares received upon an Automatic Conversion (excluding Class Z Shares attributable to accrued interest, the tax basis of which will equal their fair market value) would generally be equal to the U.S. holder's aggregate tax basis in such holder's NVCC Subordinated Notes that were converted into Class Z Shares, and such holder's holding period in such Class Z Shares would include the holding period of such holder's NVCC Subordinated Notes that were converted into such Class Z Shares, except that the holding period of any Class Z Shares received with respect to accrued interest will commence on the day after the date of receipt. If an Automatic Conversion did not constitute a recapitalization, however, then a U.S. holder's initial tax basis in any Class Z Shares received upon an Automatic Conversion of such holder's NVCC Subordinated Notes into Class Z Shares would equal the fair market value of the Class Z Shares received (as determined on the date of receipt), and such holder's holding period for any Class Z Shares received upon such an Automatic Conversion would begin on the day immediately following the date of receipt of the Class Z Shares. If you are an Ineligible Person you should be treated as having sold your Class Z Shares at the time when the Issuer sells such Class Z Shares.

Tax Consequences if the NVCC Subordinated Notes are Treated as Equity

As discussed above, and subject to the aforementioned assumptions, the Issuer intends to take the position that NVCC Subordinated Notes are treated as debt for U.S. federal income tax purposes. However, it is possible that the IRS may assert that NVCC Subordinated Notes should be treated as equity of the Issuer for U.S. federal income tax purposes. This subsection addresses the U.S. federal income tax consequences to U.S. holders if NVCC Subordinated Notes were treated as equity.

In general, if NVCC Subordinated Notes were treated as equity, the interest payments with respect to the NVCC Subordinated Notes would be treated as dividends to the extent of the Issuer's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Subject to the discussion under "*PFIC Considerations*" below, any portion of such payment in excess of the Issuer's current earnings and profits would be treated first as a non-taxable return of capital that would reduce a U.S. holder's tax basis in the NVCC Subordinated Notes, and would thereafter be treated as capital gain (as discussed below). The Issuer does not intend to calculate its earnings and profits under U.S. federal income tax principles. Therefore, a U.S. holder should expect that an interest payment on an NVCC Subordinated Note that was recharacterized as equity would generally be treated as a dividend even if that payment would otherwise be treated as a non-taxable return of capital or as capital gain under the rules discussed above.

It is unclear whether interest payments on NVCC Subordinated Notes that are treated as dividends for U.S. federal income tax purposes would be treated as "qualified dividends" that are subject to preferential tax rates in the case of an individual U.S. holder who holds the NVCC Subordinated Notes for more than 60 days during the 121-day period beginning 60 days before the applicable interest payment date and meets other holding period requirements. Amounts the Issuer pays with respect to the NVCC Subordinated Notes would not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Subject to the discussion under "— *PFIC Considerations*" below, a U.S. holder would generally recognize capital gain or loss upon the sale, redemption or maturity of such holder's NVCC Subordinated

Notes, in an amount equal to the difference between the amount realized at such time and such holder's tax basis in the NVCC Subordinated Notes. In general, a U.S. holder's tax basis in the NVCC Subordinated Notes will be equal to the price such holder paid for them. Such capital gain or loss would be long-term capital gain or loss if U.S. holder held the NVCC Subordinated Notes for more than one year. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. If a U.S. holder continues to hold equity of the Issuer following a redemption of such holder's NVCC Subordinated Notes, such holder may be subject to Section 302 of the Code, which could cause the redemption proceeds to be treated as dividend income. U.S. holders are urged to consult their own tax advisors regarding the tax treatment of a redemption of the NVCC Subordinated Notes.

If the NVCC Subordinated Notes were treated as equity for U.S. federal income tax purposes, then an Automatic Conversion of such Notes into Class Z Shares upon the occurrence of a Non-Viability Trigger Event could constitute a recapitalization. In such case, a U.S. holder would generally recognize no gain or loss upon the conversion of its Notes into Class Z Shares. In that case, a U.S. holder's aggregate tax basis in any Class Z Shares received upon an Automatic Conversion would generally be equal to such holder's aggregate tax basis in the NVCC Subordinated Notes that were converted into Class Z Shares, and such holder's holding period in such Class Z Shares would include the holding period of the NVCC Subordinated Notes that were converted into such Class Z Shares.

PFIC Considerations

In addition, if the NVCC Subordinated Notes were treated as equity for U.S. federal income tax purposes, or a U.S. holder were to hold Class Z Shares after an Automatic Conversion, certain adverse U.S. federal income tax consequences could apply if the Issuer were treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. In general, the Issuer will be a PFIC for any taxable year in which either (i) at least 75% of the gross income of the Issuer for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of the Issuer's assets is attributable to assets that produce or are held for the production of passive income (including cash). For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains. However, exclusions are provided for income earned in the active conduct of a banking business. If a corporation owns at least 25% by value of the stock of another corporation, the parent corporation is treated as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income. There can be no assurances the Issuer is not a PFIC. U.S. holders are urged to consult their own tax advisors for the U.S. federal income tax consequences if the NVCC Subordinated Notes were treated as equity for U.S. federal income tax purposes, or a U.S. holder were to hold Class Z Shares after an Automatic Conversion.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Notes and the proceeds from a sale or other disposition of the Notes. A U.S. holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding.

The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle such U.S. holder to a refund, provided that the required information is furnished to the IRS.

Base Rate Amendments

Pursuant to Registered Note Condition 5(h), the Issuer may in certain circumstances modify a Floating Rate Note to change the relevant Original Reference Rate to a Successor Rate or an Alternative Rate (such change, a "**Base Rate Modification**"). It is possible that a Base Rate Modification will be treated as a deemed exchange of old Notes for new Notes, which may be taxable to U.S. holders. In addition, the potential for a Base Rate Modification may affect the calculation of the original issue discount ("**OID**"). The Treasury Department released proposed regulations describing circumstances under which a Base Rate Modification (or other related adjustments to the calculations of the interest rate on the Notes) by the Issuer would not be treated as a deemed exchange of old Notes for new Notes and would not affect the calculation of OID. Generally, an alteration of the terms of a debt instrument to replace a rate referencing an interbank offered rate (such as LIBOR) with a "qualified rate" as defined in the regulations, and associated alterations reasonably necessary to adopt or implement that replacement, would not be treated as a deemed exchange and would not affect the calculation of OID. It cannot be determined at this time whether the final regulations on this issue will contain the same standards as the proposed regulations. U.S. holders should consult with their own tax advisors regarding the potential consequences of a Base Rate Modification.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds certain thresholds in a single taxable year. In the event the acquisition, ownership or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisers regarding the application of these rules to the acquisition, ownership or disposition of Notes.

Information Reporting Regarding Specified Foreign Financial Assets

Individual U.S. holders with an interest in any "specified foreign financial asset" in which the aggregate value of all such assets for any taxable year is greater than certain threshold amounts are required to file a report with the IRS with information relating to the asset. Specified foreign financial assets generally include any depository or custodial account held at a foreign financial institution; any debt or equity interest in a foreign financial institution if such interest is not regularly traded on an established securities market; and, if not held at a financial institution, (i) any stock or security issued by a non-United States person, (ii) any financial instrument or contract held for investment where the issuer or counterparty is a non-United States person, and (iii) any interest in an entity which is a non-United States person. Penalties apply to any failure to file a required report. Additionally, in the event a U.S. holder does not file the information report relating to disclosure of specified foreign financial assets, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year

will not begin until such information report is filed. IRS Form 8938 must be used to report such information. Prospective investors should consult their own tax advisor as to the possible application to them of this information reporting requirement and related statute of limitations tolling provision.

U.S. Tax Treatment of Non-U.S. Holders of Notes

A Non-U.S. holder will be exempt from any United States federal income or withholding taxes with respect to gain derived from the sale, exchange or redemption of, or any distributions received in respect of the Notes unless such gain or distributions are effectively connected with the conduct of a United States trade or business by the Non-U.S. holder, or in the case of gain, such Non-U.S. holder is a non-resident alien individual who holds Notes as a capital asset and who is present in the United States for 183 days or more during a taxable year of the disposition, and certain other conditions are satisfied.

Payment of the proceeds from the disposition of Notes to or through the United States office of a broker is subject to information reporting and backup withholding unless the Non-U.S. holder establishes an exemption from information reporting and backup withholding.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Canada) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGA between the United States and Canada as currently in effect, a foreign financial institution resident in Canada would generally not be required to withhold under FATCA or the IGA from payments that it makes so long as it complies with certain local law requirements. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under proposed regulations on which taxpayer may rely, such withholding would not apply to payments made prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published with the U.S. Federal Register. In addition, Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes of the same series that are not distinguishable from previously issued Notes are executed after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes executed prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

The United States federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER U.S. EMPLOYEE BENEFIT PLANS

The following is a summary of certain considerations associated with the purchase of the Notes by (i) “employee benefit plans” as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA, (ii) “plans” as defined in and subject to Section 4975 of the Code, (iii) governmental or other plans which are subject to any federal, state or other law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Laws**"), and (iv) entities whose underlying assets are considered to include "plan assets" of any such employee benefit plan, plan, account or arrangement (each, a "**Plan**").

General Fiduciary Matters

ERISA and the Code prohibit certain transactions involving the assets of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "**ERISA Plan**") and its fiduciaries or other interested parties. In addition, Title I of ERISA requires fiduciaries of a Plan subject to Title I of ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of Notes by an ERISA Plan with respect to which the Federation, a Dealer or any of their respective affiliates is a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of the Notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide limited relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA

Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of these or any exemptions will be satisfied with respect to any particular transaction involving the Notes.

The Notes should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representations

Accordingly by acceptance of a Note, each purchaser and subsequent transferee of a Note (or any interest therein) will be deemed to have represented and warranted that either (i) it is not and, for so long as it holds a Note (or any interest therein), will not be a Plan or (ii) the purchase and holding of the Note (or any interest therein) will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Laws.

Neither the Issuer, the Arranger, any Agent, nor any of their respective affiliates, agents or employees (the "Transaction Parties") will act as a fiduciary to any Plan with respect to the Plan's decision to invest in the Notes, and none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with any Plan's acquisition of the Notes. Each fiduciary or other person with investment responsibilities over the assets of a Plan considering an investment in the Notes must carefully consider the above factors before making an investment.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of the Notes (or any interest therein).

The sale of Notes to a Plan is in no respect a representation by the Federation, a Dealer or any of their respective affiliates that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

GENERAL INFORMATION

Listing and Admission to Trading on Euronext Dublin

Application has been made to Euronext Dublin for Notes (other than Exempt Notes) issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market.

Listing on Other Stock Exchanges and Admission to Other Markets

Notes may be issued pursuant to the Programme which will not be admitted to trading on the Official List and admitted to trading and/or quotation by the regulated market of Euronext Dublin or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

Post-issuance Information

The Federation does not intend to provide any post-issuance information in relation to any issue of Notes. However, it will provide continuous disclosure (i) where required by Directive 2004/109/EC of the EU and of the Council of 15 December 2004 as amended (Transparency Directive) or Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and (ii) in respect of 144A Notes pursuant to section 144A(d)(4) of the Exchange Act. See "*Available Information under Rule 144A*".

Authorization

The update of the Programme and the issue of Notes under the Programme have been duly authorized by the Federation by resolution of the Board of Directors dated 6 December 2019. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Federation under the laws of Canada have been given for the issue of Notes and for the Federation to undertake and perform its obligations under the Programme Agreement, the Agency Agreements and the Notes.

Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Registered Notes have been accepted for clearance through DTC and/or Euroclear and Clearstream, Luxembourg. The appropriate codes including the CUSIP, ISIN and/or Common Code for each Tranche allocated by DTC, Euroclear and Clearstream, Luxembourg or any other agreed clearing system will be contained in Part B of the relevant Final Terms or, in the case of Exempt Notes, in the Pricing Supplement. Settlement arrangements will be agreed between the Federation, the relevant Dealer and the Agent in relation to each Tranche of Notes. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The address of Euroclear is 3 Boulevard du Roi Albert II, B. 1210, Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, USA.

No Significant Change; No Material Adverse Change

There has been (i) no significant change in the financial position of the Federation and its consolidated subsidiaries taken as a whole since 30 September 2019, the last day of the financial period in respect of which the most recent published interim consolidated financial statements of the Federation have been prepared, (ii) no significant change in the financial performance of the Federation and its consolidated subsidiaries taken as a whole since 30 September 2019, the last day of the financial period in respect of which the most recent published interim consolidated financial statements of the Federation have been prepared and (iii) no material adverse change in the prospects of the Federation since 31 December 2018, the last day of the financial period in respect of which the most recent audited published annual consolidated financial statements of the Federation have been prepared.

Litigation

There are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Federation is aware) which may have, or have had during the twelve months prior to the date of this Base Prospectus, individually or in the aggregate, a significant effect on the financial position or profitability of the Federation or of the Federation and its subsidiaries taken as a whole.

Auditors

The (i) consolidated financial statements of the Federation for the financial years ended 31 December 2018 and 2017 and (ii) combined financial statements of Desjardins Group for the financial years ended 31 December 2018 and 2017, in each case prepared in accordance with IFRS, have been audited by PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, Montréal, Québec, who have rendered an unmodified audit opinion thereon in accordance with Canadian generally accepted auditing standards. The address of PricewaterhouseCoopers LLP is on the last page hereof. PricewaterhouseCoopers LLP have advised that they are independent with respect to the Federation within the meaning of the Code of Ethics of chartered professional accountants (Québec). PricewaterhouseCoopers LLP is registered as a participating audit firm with the Canadian Public Accountability Board.

Documents Available for Collection and Inspection

This Base Prospectus, any Supplement to this Base Prospectus, further Base Prospectus, Drawdown Prospectus and Final Terms (other than for Exempt Notes) will be publicly available in electronic form on the website of Euronext Dublin at https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=720&FIELDSORT=docId (or any alternative future hyperlink provided to the Issuer for these purposes by Euronext Dublin) for at least 10 years from the date of its respective publication.

In addition, until the expiry of this Base Prospectus:

(a) a copy of the up to date constitutive documents of the Federation;

(b) the audited consolidated annual financial statements of the Federation for the financial years ended 31 December 2018 and 2017 (including the auditor's reports thereon) and the most recent subsequent audited annual or unaudited interim consolidated financial statements; and

(c) the audited combined annual financial statements of Desjardins Group for the financial years ended 31 December 2018 and 2017 (including the auditor's reports thereon) and the most recent subsequent audited or unaudited interim financial statements,

will, in each case, be available on the Federation's website at https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/federation-caisse-desjardins-quebec/index.jsp.

This Base Prospectus and any Supplement to this Base Prospectus or further Base Prospectus or Drawdown Prospectus, the Final Terms and Pricing Supplements (save that Pricing Supplements will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the Issuer and the Bearer Fiscal Agent or the Registered Fiscal Agent, as applicable, as to its holding of Notes and identity), the Bearer Notes Agency Agreement (which contains the forms of the global Bearer Notes and the definitive Bearer Notes and the Coupons and the Talons), and the Registered Notes Agency Agreement (which contains the forms of the Rule 144A Global Note, DTC Regulation S Global Note, Euro Regulation S Global Note and the definitive Registered Note) will, in each case, be available for inspection in physical form (and, where appropriate, English translations) at the specified office of the Bearer Fiscal Agent in London, England or the Registered Fiscal Agent in New York during normal business hours and upon reasonable notice and for collection free of charge from the registered office of the Federation in Lévis, Québec, Canada.

Irish Listing Agent

The Irish Listing Agent is Arthur Cox Listing Services Limited and the address of its registered office is 10 Earlsfort Terrace, Dublin 2, Ireland. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the regulated market of Euronext Dublin.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) of the Federation is 549300B2Q47IR0CR5B54.

REGISTERED OFFICE OF
FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

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United Kingdom

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The Bank of New York Mellon, London Branch

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London E14 5AL
United Kingdom

EUROPEAN REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch

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2-4 rue Eugène Rupert
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U.S. REGISTRAR,
AND U.S. PAYING AGENT
(*Registered Notes)*

The Bank of New York Mellon

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United States

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