

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

Issuer

- and -

BNY TRUST COMPANY OF CANADA

Trustee

**Fifth Supplemental Indenture
Dated as of January 24, 2025**

**4.264% Notes Due 2035
(Non-Viability Contingent Capital (NVCC))
(Subordinated Indebtedness)**

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	2
1.1 Relation to Base Indenture	2
1.2 Definition of Terms.....	2
1.3 Notices, Etc., to the Federation	7
ARTICLE 2 THE NOTES.....	7
2.1 Designation and Principal Amount.....	7
2.2 Stated Maturity.....	8
2.3 Form, Payment and Appointment	8
2.4 Global Notes	9
2.5 Interest.....	9
2.6 Daily Compounded CORRA	10
2.7 Withholding Taxes	12
2.8 Amendments.....	12
ARTICLE 3 FORM OF NOTES	12
3.1 Form of Notes	12
ARTICLE 4 ISSUE OF NOTES	13
4.1 Original Issue of Notes	13
4.2 Additional Issues of Notes	13
ARTICLE 5 REMEDIES.....	13
5.1 Events of Default	13
ARTICLE 6 SUBORDINATION OF NOTES.....	13
6.1 Applicability of Article 13 of the Base Indenture	13
6.2 Notes Subordinate to Deposit Liabilities and Other Indebtedness	13
6.3 Further Assurances of Subordination	14
6.4 Reliance on Judicial Order or Certificate of Liquidating Agent	14
6.5 Trustee's Compensation Not Prejudiced	15
6.6 Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice	15
6.7 No Fiduciary Duty of Trustee to Holders of Higher Ranked Indebtedness of the Federation.....	15
ARTICLE 7 CONVERSION INTO CLASS Z SHARES UPON A TRIGGER EVENT	15
7.1 Applicability of Article 14 of the Base Indenture	15
7.2 Automatic Conversion.....	16
7.3 Conversion Rate	16
7.4 Time of Automatic Conversion.....	16
7.5 Right Not to Deliver Class Z Shares	17
7.6 Fractional Capital Shares	17
7.7 Capital Reorganizations, Consolidations and Changes in the Class Z Shares	17
7.8 Adjustments	18
7.9 Agreement with Respect to a Trigger Event	19
7.10 General	19
ARTICLE 8 REDEMPTION OF NOTES	20
8.1 Applicability of Article 12 of the Base Indenture	20

8.2	Optional Redemption	20
8.3	Special Event Redemption	20
8.4	No Mandatory Redemption; Open Market Purchases	21
8.5	Rescission of Redemption	21
ARTICLE 9 CONVERSION OF NOTES BY HOLDERS		21
9.1	Conversion of Notes by Holders	21
9.2	Rescission of Conversion	22
9.3	Exercise	22
9.4	Issue of Conversion Consideration	22
9.5	Trustee's Decision Final	23
9.6	Cancellation of the Notes	23
ARTICLE 10 MISCELLANEOUS PROVISION		23
10.1	Ratification of Base Indenture	23
10.2	Trustee Not Responsible for Recitals	23
10.3	Governing Law	23
10.4	Separability Clause	24
10.5	Benefits of Fifth Supplemental Indenture	24
10.6	Conflict with Base Indenture	24
10.7	Provisions of Trust Indenture Legislation Controlling	24
10.8	Execution in Counterparts	24
10.9	Indenture and Notes Solely Federation Obligations	24
10.10	Choice of Language	25

FIFTH SUPPLEMENTAL INDENTURE, dated as of January 24, 2025, between Fédération des caisses Desjardins du Québec, a financial services cooperative constituted under the Cooperatives Act (herein called the "**Federation**"), having its registered office and principal executive offices located at 100 Commandeurs Street, Lévis, Québec, G6V 7N5, and BNY Trust Company of Canada, a trust company duly organized and existing under the laws of Canada, as trustee (the "**Trustee**").

RECITALS OF THE FEDERATION

WHEREAS, the Federation and the Trustee have entered into an Indenture dated as of May 26, 2020 (the "**Base Indenture**" and, as hereby and otherwise supplemented and amended, the "**Indenture**") providing for the issuance from time to time of series of the Federation's unsecured subordinated debt securities (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (hereinafter called the "**Securities**");

WHEREAS, the Federation and the Trustee have entered into a First Supplemental Indenture dated as of May 26, 2020 providing for the issuance of 2.856% Notes Due 2030 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) in the aggregate principal amount of Cdn\$1,000,000,000 and establishing the terms, provisions and conditions of such notes;

WHEREAS, the Federation and the Trustee have entered into a Second Supplemental Indenture dated as of May 28, 2021 providing for the issuance of 1.992% Notes Due 2031 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) in the aggregate principal amount of Cdn\$1,000,000,000 and establishing the terms, provisions and conditions of such notes;

WHEREAS, the Federation and the Trustee have entered into a Third Supplemental Indenture dated as of August 23, 2022 providing for the issuance of 5.035% Notes Due 2032 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) in the aggregate principal amount of Cdn\$1,000,000,000 and establishing the terms, provisions and conditions of such notes;

WHEREAS, the Federation and the Trustee have entered into a Fourth Supplemental Indenture dated as of May 15, 2024 providing for the issuance of 5.279% Notes Due 2034 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) in the aggregate principal amount of Cdn\$1,000,000,000 and establishing the terms, provisions and conditions of such notes;

WHEREAS, Section 10.1(7) of the Base Indenture provides that the Federation and the Trustee may enter into an indenture supplemental to the Base Indenture to establish the form or terms of Securities of any series as permitted by the Base Indenture;

WHEREAS, pursuant to Section 3.1 of the Base Indenture, the Federation wishes to provide for the issuance of Cdn\$1,250,000,000 aggregate principal amount of a new series of Securities in the form of notes to be known as its 4.264% Notes Due 2035 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (the "**Notes**"), the form and terms of such Notes and the terms, provisions and conditions thereof to be set forth as provided in this Fifth Supplemental Indenture; and

WHEREAS, the Federation has requested that the Trustee execute and deliver this Fifth Supplemental Indenture; and all requirements necessary to make this Fifth Supplemental Indenture a valid, binding and enforceable instrument in accordance with its terms, and to make the Notes, when executed by the Federation and authenticated and delivered by the Trustee, the

valid, binding and enforceable obligations of the Federation, have been satisfied; and the execution and delivery of this Fifth Supplemental Indenture has been duly authorized in all respects.

NOW, THEREFORE, WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of the Holders of Notes, as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Relation to Base Indenture

This Fifth Supplemental Indenture constitutes an integral part of the Indenture.

1.2 Definition of Terms

For all purposes of this Fifth Supplemental Indenture:

- (a) capitalized terms used herein without definition shall have the meanings set forth in the Base Indenture;
- (b) a term defined anywhere in this Fifth Supplemental Indenture has the same meaning throughout;
- (c) unless otherwise specified or unless the context requires otherwise, (i) all references in this Fifth Supplemental Indenture to Sections refer to the corresponding Sections of this Fifth Supplemental Indenture and (ii) the terms "herein", "hereof", "hereunder" and any other word of similar import refer to this Fifth Supplemental Indenture; and
- (d) the following terms have the following meanings:

"Accrued Interest" means any accrued and unpaid interest on the Notes.

"AMF Guideline" means the AMF Guideline for Capital Adequacy Requirements (*Ligne directrice sur les normes relatives à la suffisance du capital - Coopératives de services financiers faisant partie d'un réseau, caisses non membres d'une fédération, sociétés de fiducie, sociétés d'épargne et autres institutions de dépôts autorisées*), effective February 1, 2024, as such guideline may be amended from time to time.

"Applicable Rate" means one of the CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable.

"Automatic Conversion" has the meaning specified in Section 7.2.

"Bank of Canada Business Day" means a day that Schedule I banks under the *Bank Act* (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the Reference Rate Administrator from time to time).

"BOC Target Rate" means the Bank of Canada's target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada's website.

"Business Day" means any day other than a Saturday or Sunday or any other day on which the Trustee's office in Toronto, Ontario is not generally open for business, or any other day on which Canadian chartered banks or financial services cooperatives are closed in Toronto, Ontario.

"CAD Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

"Calculation Agent" means a third party trustee or financial institution of national standing with experience providing such services (which may be a Federation Affiliate), which has been selected by the Federation.

"Canada Yield Price" means a price equal to the price for the Notes to be redeemed, calculated on the Business Day immediately preceding the date on which the Federation gives notice of the redemption of the Notes in accordance with the terms hereof, to provide an annual yield thereon from the date fixed for redemption to, but excluding, the Reset Date, equal to the GOC Redemption Yield plus 0.315%.

"CDS" has the meaning specified in Section 2.3.

"Class Z 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 Consideration" has the meaning specified in Section 9.1.

"Conversion Date" has the meaning specified in Section 9.1(a).

"Conversion Option" has the meaning specified in Section 9.1.

"Conversion Price" means, in respect of each Note, Cdn\$10.00, subject to adjustment in the event of a Class Z Share Reorganization in accordance with Section 7.8(a).

"CORRA" means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as administrator of CORRA (or any successor Reference Rate Administrator), on the website of the Bank of Canada or any successor website.

"CORRA Compounded Index" means the measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor Reference Rate Administrator).

"Daily Compounded CORRA" means, for an Observation Period, the rate calculated as follows, with the resulting percentage rounded if necessary to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\frac{\text{CORRA Compounded Index}_{\text{end}}}{\text{CORRA Compounded Index}_{\text{start}}} - 1 \right) \times \left(\frac{365}{d} \right)$$

Where:

- "CORRA Compounded Index_{start}" is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the first date of the relevant Floating Interest Period;
- "CORRA Compounded Index_{end}" is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the Interest Payment Date relating to such Floating Interest Period (or, in the case of the final Floating Interest Period, the Stated Maturity Date, or if Notes are redeemed prior to the Stated Maturity Date, the date of redemption of such Notes, as applicable); and
- "d" is the number of calendar days in the relevant Observation Period.

"Federation Affiliate" means an Affiliate of the Federation.

"Federation's Auditors" means an independent firm or firms of accountants duly appointed as auditors of the Federation.

"Floating Interest Period" means the period from (and including) each Interest Payment Date commencing on the Reset Date to (but excluding) the next succeeding Interest Payment Date, or in the case of the final Interest Payment Date, the Stated Maturity Date, or if Notes are redeemed prior to the Stated Maturity Date, the date of redemption of such Notes, as applicable.

"Global Note" has the meaning specified in Section 2.4.

"GOC Redemption Yield" on any date means the arithmetic average of the interest rates determined by two registered Canadian investment dealers selected by the Federation as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on the date of redemption with a maturity date of January 24, 2030.

"Higher Ranked Indebtedness" has the meaning specified in Section 6.2(a).

"Index Cessation Effective Date" means, in respect of an Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

"Index Cessation Event" means (a) a public statement or publication of information by or on behalf of the Reference Rate Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate; or (b) a public statement or publication of information by the regulatory supervisor for the Reference Rate Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate, a resolution authority with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the Reference Rate Administrator or provider of the Applicable Rate, which states that the Reference Rate Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate.

"Ineligible Person" means (i) any Person whose address is in, or whom the Federation or the Trustee 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.

"Initial Interest Rate" means 4.264% per annum.

"Interest Determination Date" means, in respect of a Floating Interest Period, the date that is two Bank of Canada Business Days preceding each Interest Payment Date, or, in the case of the final Floating Interest Period, preceding the Stated Maturity Date, or, if applicable, preceding the date of redemption of any Notes.

"Interest Payment Date" has the meaning specified in Section 2.5(a).

"Issue Date" means January 24, 2025.

"Multiplier" means 1.50.

"Note Value" means, in respect of each Note, Cdn\$1,000 principal amount plus accrued and unpaid interest on each such Note up to, but excluding, the date of the Trigger Event.

"Observation Period" means, in respect of each Floating Interest Period, the period from, and including, the date that is two Bank of Canada Business Days preceding the first date in such Floating Interest Period to, but excluding, the date that is two Bank of Canada Business Days preceding the Interest Payment Date or in the case of the final Floating Interest Period, the Stated Maturity Date or, if any Notes are redeemed prior to the Stated Maturity Date, the date of redemption of such Notes, as applicable.

"Participants" has the meaning specified in Section 9.3(b).

"Rate of Interest" means, (i) with respect to the period from (and including) the Issue Date to (but excluding) the Reset Date, the Initial Interest Rate, and (ii) with respect to the period from (and including) the Reset Date to (but excluding) the Stated Maturity Date, subject to Section 2.6, a rate equal to the Daily Compounded CORRA plus 1.47 percent.

"Reference Rate Administrator" means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable.

"Regulatory Event Date" means the date specified in a letter from the AMF to the Federation on which the 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 Notes are made.

"Reset Date" means January 24, 2030.

"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, 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.

"Special Event Redemption Date" means a Regulatory Event Date or the date of the occurrence of a Tax Event, as the case may be.

"Stated Maturity Date" means January 24, 2035.

"Subsidiary" means any Corporate Body in which the Federation, the Federation and one or more Subsidiaries, or one or more Subsidiaries owns, directly or indirectly, a majority of the voting shares or other ownership interests or has, directly or indirectly, the right to elect a majority of the board of directors, if it is a corporation, or the right to make or control its management decisions, if it is some other Corporate Body.

"Tax Event" means the Federation has received an opinion of independent counsel of recognized standing experienced in such matters (who may be counsel to the Federation) 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 Canada or any political subdivision or taxing authority thereof or therein affecting taxation; (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 (including any announced prospective 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 each case (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 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 Notes or the treatment of the Notes (including the treatment by the Federation of interest on the 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.

"**Taxes**" has the meaning specified in Section 2.7(a).

"**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.

1.3 Notices, Etc., to the Federation

In accordance with the terms of Section 1.5(2) of the Base Indenture, any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by the Base Indenture in connection with the Notes and this Fifth Supplemental Indenture to be made upon, given or furnished to, or filed with, the Federation by the Trustee or by any Holder shall be sufficient for every purpose hereunder and thereunder (unless otherwise herein or therein expressly provided) if in writing and mailed, first-class postage prepaid, or by overnight courier or facsimile, to the Federation addressed to it at the following address: 1170 Peel Street, Suite 600, Montréal, Québec, H3B 0B1, Facsimile no. (514) 281-2875, Attention: Vice-President and Chief Treasurer, or at any other address furnished in writing to the Trustee by the Federation.

ARTICLE 2 THE NOTES

2.1 Designation and Principal Amount

The Notes may be issued from time to time upon a Federation Order for the authentication and delivery of Notes pursuant to Section 3.3 of the Base Indenture. There is hereby authorized a series of Securities designated as the Federation's 4.264% Notes Due 2035 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) having an initial aggregate principal amount of Cdn\$1,250,000,000 (except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 3.4, 3.5, 3.6, 10.5 or 12.7 of the Base Indenture and except for Notes which, pursuant to Section 3.3 of the Base Indenture are deemed to never have been authenticated and delivered under the Base Indenture).

2.2 Stated Maturity

The Notes shall be dated as of the Issue Date and mature on the Stated Maturity Date and the principal amount of the Notes will be paid on the Stated Maturity Date (unless redeemed or purchased in accordance with Article 8) or such earlier date as the principal amount may become due or payable in accordance with the provisions hereof.

2.3 Form, Payment and Appointment

Except as provided in Section 3.5 of the Base Indenture, the Notes shall be issued only in book-entry form and shall be represented by one or more Global Notes (as defined below) registered in the name of or held by CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. The principal amount or the Redemption Price, if any, of a Note shall be payable to the Person in whose name that Note is registered on the Stated Maturity Date or on the Redemption Date, if any, provided that the principal amount or the Redemption Price, if any, and interest on the Notes represented by one or more Global Notes registered in the name of or held by CDS or its nominee shall be payable in immediately available funds to CDS or its nominee, as the case may be, as the registered holder of such Global Notes.

For so long as CDS or its nominee is the registered holder of a Global Note, the Trustee or Paying Agent shall, on the date of the applicable Interest Payment Date or Stated Maturity Date, after receiving payment from the Federation in accordance with the Indenture (unless the Federation is acting as its own Paying Agent), deliver to CDS on such Interest Payment Date or Stated Maturity Date for all amounts due in respect of principal and interest on the Notes represented by such Global Note for credit by CDS to accounts, provided that the Trustee or Paying Agent and CDS or any other applicable Depository may agree to an alternate method of payment by the Trustee or Paying Agent to CDS or such other applicable Depository (including without limitation, payment by cheques or by electronic funds transfers or payment through the facilities of CDS or such other applicable Depository).

The principal amount or the Redemption Price, if any, of any certificated Notes shall be payable at the Place of Payment set forth below; provided, however, that payment of interest may be made at the option of the Federation by check mailed to the Person entitled thereto at such address as shall appear in the Security Register or by wire transfer to an account appropriately designated by the Person entitled to payment.

The Federation may appoint one or more Paying Agents prior to the authentication and delivery of the Notes, and may at any time or from time to time thereafter appoint one or more other Paying Agents. The Security Registrar and Authenticating Agent for the Notes shall initially be the Trustee. The Federation shall initially act as its own Paying Agent for the Notes, unless and until the Federation appoints a different Paying Agent. The Place of Payment for the Notes shall initially be the head office of the Federation. Each Paying Agent, other than the Trustee, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by written instrument provided in accordance with Section 11.3 of the Base Indenture.

The Notes shall be issuable and may be transferred only in minimum denominations of Cdn\$1,000 or any amount in excess thereof that is an integral multiple of Cdn\$1,000. The amounts payable with respect to the Notes shall be payable in Canadian dollars.

2.4 Global Notes

The Notes shall be issued initially in the form of one or more fully registered global notes (each such global note, a "**Global Note**") deposited with CDS or its designated custodian or such other Depository as any officer of the Federation may from time to time designate. Unless and until a Global Note is exchanged for Notes in certificated form, such Global Note may be transferred, in whole but not in part, and any payments on the Notes shall be made, only to CDS or a nominee of CDS, or to a successor Depository selected or approved by the Federation or to a nominee of such successor Depository.

2.5 Interest

- (a) The principal amount of the Notes shall bear interest at an annual rate of interest equal to the then applicable Rate of Interest. Interest on the principal amount of the Notes shall be payable (i) for the period from (and including) the Issue Date to (but excluding) the Reset Date, in equal semi-annual payments in arrears on January 24 and July 24 of each year, commencing on July 24, 2025 and ending on January 24, 2030, with overdue interest, if any, at the same rate after as well as before default in the payment of principal or interest, and (ii) for the period from (and including) the Reset Date to (but excluding) the Stated Maturity Date, if not redeemed by the Federation, quarterly in arrears on January 24, April 24, July 24 and October 24 of each year, commencing on April 24, 2030 and ending on January 24, 2035 with overdue interest, if any, in respect of any quarterly interest period at the same rate applicable to such quarterly interest period after as well as before maturity and after as well as before default in payment of principal or interest. Interest for each quarterly interest period shall be calculated on the basis of the actual number of days elapsed in each quarterly interest period divided by 365. If any of the foregoing dates upon which interest on the Notes is payable (each such date, an "**Interest Payment Date**") on or before the Reset Date would otherwise fall on a day that is not a Business Day, then such Interest Payment Date will be the next Business Day thereafter, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day. If any Interest Payment Date after the Reset Date would otherwise fall on a day that is not a Bank of Canada Business Day, then such Interest Payment Date will be the next Bank of Canada Business Day, unless the next Bank of Canada Business Day falls in the next calendar month, in which case the Interest Payment Date will instead be the immediately preceding day that is a Bank of Canada Business Day. If the Stated Maturity Date falls on a day that is not a Bank of Canada Business Day, the required payment of principal and interest will be made on the next succeeding Bank of Canada Business Day.
- (b) For disclosure purposes under the *Interest Act* (Canada), whenever in the Notes or the Indenture interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.
- (c) For certainty, the Trustee or any Paying Agent shall have no liability or obligation to any Holder (including any Depository), beneficial owner, or any party (i) for any unpaid principal or interest, including Accrued Interest; (ii) for any failure or delay of the Federation to pay interest or principal as it becomes due; (iii) to make any

payment of interest or principal unless the Trustee or any Paying Agent has actually received funds from the Federation for such payment; and (iv) to account for any interest to any party on deposits received by the Trustee pursuant to this Fifth Supplemental Indenture.

2.6 Daily Compounded CORRA

- (a) If, on or after the Reset Date, (i) the CORRA Compounded Index_{start} or the CORRA Compounded Index_{end} is not published or displayed by the Reference Rate Administrator or an authorized distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but an Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (ii) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Daily Compounded CORRA will be calculated by the Calculation Agent as follows, with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\prod_{i=1}^{d_o} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

Where:

- "d₀" for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period;
- "i" is a series of whole numbers from one to d₀, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period;
- "CORRA_i" means, in respect of any Bank of Canada Business Day "i" in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorized distributor at 11:00 am Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1;
- "n_i" for any Bank of Canada Business Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such Bank of Canada Business Day "i" to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1; and
- "d" is the number of calendar days in the relevant Observation Period.

- (b) If on or after the Reset Date neither the Reference Rate Administrator nor authorized distributors provide or publish CORRA, and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.
- (c) If an Index Cessation Effective Date occurs with respect to CORRA, then the interest rate for an Interest Determination Date which occurs on or after such Index Cessation Effective Date will be the CAD Recommended Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.
- (d) If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, but neither the Reference Rate Administrator nor authorized distributors provide or publish the CAD Recommended Rate and an Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.
- (e) If (i) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, or (ii) there is a CAD Recommended Rate and an Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, then the interest rate for an Interest Determination Date which occurs on or after such applicable Index Cessation Effective Date will be the BOC Target Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.
- (f) In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.
- (g) Notwithstanding Sections 2.6(a) to 2.6(f), in connection with the implementation of an Applicable Rate, the Calculation Agent may, in consultation with the Federation, make such changes or adjustments to the Applicable Rate or the spread thereon, if any, as well as any business day convention (including the business day convention set out in Section 2.5(a)), the calendar day count convention, Interest Determination Dates, and any other terms or provisions of the Notes and related definitions (including observation dates for reference rates), in each case as are consistent with accepted market practice or applicable regulatory or legislative action or guidance for the use of the Applicable Rate for debt obligations comparable to the Notes in such circumstances.
- (h) Any determination, decision or election that may be made by the Federation or the Calculation Agent, as applicable, in relation to the Applicable Rate pursuant to this Section 2.6, including any determination with respect to an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision

to take or refrain from taking any action or any selection: (i) will be conclusive and binding for all purposes absent manifest error; (ii) if made by the Federation, will be made in the sole discretion of the Federation, or, as applicable, if made by the Calculation Agent, will be made after consultation with the Federation and the Calculation Agent will not make any such determination, decision or election to which the Federation objects and will have no liability for not making any such determination, decision or election; and (iii) shall become effective without consent from the holders of the Notes or any other party. For certainty, the Trustee shall have no liability with respect to any determination, decision or election that may be made by the Federation or the Calculation Agent, as applicable, pursuant to this Section 2.6, or for any other calculation required herein.

2.7 Withholding Taxes

- (a) All payments (including, for greater certainty, the issuance of Indebtedness or Class Z Shares upon a conversion pursuant to Article 7 or Article 9) made by or on behalf of the Federation under or with respect to the Notes shall be made free and clear of and without withholding or deduction for or on account of 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 any Relevant Taxing Jurisdiction (hereafter "**Taxes**"), unless the Federation is required to withhold or deduct Taxes by law or by the interpretation or administration thereof.
- (b) If the Federation has to withhold or deduct any Taxes pursuant to Section 2.7(a), it shall:
 - (1) make such withholding or deduction;
 - (2) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law; and
 - (3) furnish to the Holders of the Notes, within sixty (60) days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts or other documents evidencing such payment by such Person.

Any amount withheld or deducted and remitted to the relevant authority shall be credited to the Federation as payment on account of any payment made under or with respect to the Notes.

2.8 Amendments

Notwithstanding any other provision of the Indenture or the Notes, the Federation shall not, without the prior written approval of the AMF, amend or vary terms of the Notes that would affect the recognition of the Notes as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline).

ARTICLE 3 FORM OF NOTES

3.1 Form of Notes

The Notes and the Trustee's certificate of authentication thereon are to be substantially in the form attached as Exhibit A hereto, with such changes therein as the Officer of the Federation executing the Notes may approve, such approval to be conclusively evidenced by their execution thereof.

ARTICLE 4 ISSUE OF NOTES

4.1 Original Issue of Notes

Notes having an aggregate principal amount of Cdn\$1,250,000,000 may from time to time, upon execution of this Fifth Supplemental Indenture, be executed by the Federation and delivered to the Trustee for authentication, and upon a Federation Order the Trustee shall thereupon authenticate and deliver said Notes in accordance with the Federation Order pursuant to Section 3.3 of the Base Indenture without any further action by the Federation (other than as required by the Base Indenture).

4.2 Additional Issues of Notes

The Federation may from time to time, without notice to or the consent of the Holders of the Notes, issue additional Notes, which Notes will rank *pari passu* with the Notes and be identical in all respects as the Notes previously issued (other than issue date, issue price and, if applicable, the first interest payment date and the initial interest accrual date) in order that such additional Notes may be consolidated and form a single series with the Notes outstanding immediately prior to the issuance of such additional Notes and have the same terms as to status, redemption or otherwise as the Notes. Such additional Notes may have the same or different CUSIP numbers than the Notes issued on the date hereof or no CUSIP number, as the case may be.

ARTICLE 5 REMEDIES

5.1 Events of Default

Notwithstanding any other provisions of the Base Indenture, and for greater certainty, none of (i) the non-payment or default in the payment of interest on the Notes, (ii) a default in the performance of any other covenant or other obligation of the Federation in the Indenture or (iii) the occurrence of an Automatic Conversion upon the occurrence of a Trigger Event shall constitute an Event of Default under the Indenture or the Notes.

ARTICLE 6 SUBORDINATION OF NOTES

6.1 Applicability of Article 13 of the Base Indenture

Solely for the purposes of the Notes (and not in relation to any other series of Securities), Article 13 of the Base Indenture shall be deemed to be replaced in its entirety by this Article 6.

6.2 Notes Subordinate to Deposit Liabilities and Other Indebtedness

The Notes are direct unsecured debt obligations constituting Subordinated Indebtedness and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, the indebtedness evidenced by the Notes shall rank:

- (a) 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;
- (b) in right of payment equally with and not prior to the Subordinated Indebtedness (other than any Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Federation then outstanding, in each case, whether now outstanding or hereafter incurred; and
- (c) senior to (i) any instrument of the Federation that constitutes Tier 1 Capital, and (ii) any Subordinated Indebtedness which by its terms ranks subordinate to the Notes, in each case, whether now outstanding or hereafter incurred.

The Federation agrees and each Holder of any Note, by his, her or its acceptance of such Note, also irrevocably agrees and shall be deemed conclusively to have agreed, for the benefit of the present and future holders of Higher Ranked Indebtedness to the provisions of this Article 6 and the Federation and each Holder of any Note by his, her or its acceptance of such Note shall be bound by such provisions and accordingly, 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 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 have been deposited for payment.

The Notes do not constitute deposits that are insured under the *Deposit Institutions and Deposit Protection Act* (Québec) or the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

6.3 Further Assurances of Subordination

Each Holder of Notes by his, her or its acceptance of such Note authorizes and directs the Trustee on his, her or its behalf to take such action as may be necessary or appropriate to further assure the subordination as provided in this Article 6.

6.4 Reliance on Judicial Order or Certificate of Liquidating Agent

Upon payment or distribution of assets of the Federation, the Trustee, subject to the provisions of Article 7 of the Base Indenture, and the Holders of the Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which winding-up, insolvency, bankruptcy, liquidation or dissolution proceedings are pending, or upon any certificate of the liquidator, receiver, trustee in bankruptcy, liquidating trustee, agent, mandatary or other Person making such payment or distribution, delivered to the Trustee or the Holders of the Notes, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Higher Ranked Indebtedness and other Indebtedness of the Federation, the amount thereof or

payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 6.

6.5 Trustee's Compensation Not Prejudiced

Nothing in this Article 6 shall apply to amounts due to the Trustee pursuant to other sections in the Indenture.

6.6 Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee, and the Trustee shall not be required to withhold payment to the Holders of Notes, unless and until the Trustee shall have received written notice thereof received by a responsible trust officer at its Corporate Trust Office from the Federation, or from one or more holders of Higher Ranked Indebtedness of the Federation or from any representative therefor and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 7.1 and 7.3 of the Base Indenture, shall be entitled to assume conclusively that no such facts exist.

The Trustee, subject to the provisions of Article 7 of the Base Indenture, shall be entitled to rely on the delivery to it of a written notice by the Federation or a Person representing himself, herself or itself to be a holder of Higher Ranked Indebtedness of the Federation to establish that such notice has been given. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of such Higher Ranked Indebtedness of the Federation to participate in any payment or distribution pursuant to this Article 6, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Higher Ranked Indebtedness of the Federation held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article 6, and if such evidence is not furnished the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

6.7 No Fiduciary Duty of Trustee to Holders of Higher Ranked Indebtedness of the Federation

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Higher Ranked Indebtedness of the Federation, or any other Person other than Holders of Notes issued pursuant to this Supplemental Indenture, and shall not be liable to any such holders, or any other party, if it shall in good faith mistakenly pay over or distribute to the Holders of the Notes or the Federation or any other Person, cash, property or securities to which any holders of Higher Ranked Indebtedness of the Federation shall be entitled by virtue of this Article 6 or otherwise. Nothing in this Section 6.7 shall affect the obligation of any other such Person to hold such payment for the benefit of, and to pay such payment over to, the holders of Higher Ranked Indebtedness of the Federation or their representative.

ARTICLE 7 CONVERSION INTO CLASS Z SHARES UPON A TRIGGER EVENT

7.1 Applicability of Article 14 of the Base Indenture

Solely for the purposes of the Notes (and not in relation to any other series of Securities), Article 14 of the Base Indenture shall be deemed to be replaced in its entirety by this Article 7.

7.2 Automatic Conversion

Upon the occurrence of a Trigger Event, each outstanding 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 Holders of Notes, into fully-paid Class Z Shares, in accordance with this Article 7 (an "**Automatic Conversion**").

The Federation shall have no liability to any Holder of the Notes 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 herein are subject to change to reflect changes in clearing system practices or the issuance of the Notes in definitive form. If the Notes are held in definitive form at the time of the Automatic Conversion, the Federation will provide Holders of the Notes 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 Holders to provide the Federation with their relevant securities account information for 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.

7.3 Conversion Rate

The number of Class Z Shares into which each 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.

7.4 Time of Automatic Conversion

An Automatic Conversion is deemed to be effected immediately and permanently following the occurrence of a Trigger Event and the rights of the Holder of such Notes as the Holder 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 Section 7.5, as promptly as practicable after the occurrence of a Trigger Event, the Federation shall announce the Automatic Conversion by way of a press release and shall give notice of the Automatic Conversion in accordance with the provisions of Sections 1.5 and 1.6 of the Base Indenture to the then Holders of Notes and the Trustee. As promptly as practicable after the Automatic Conversion, the Federation shall deliver or cause to be delivered Class Z Shares registered in the name of the Holders of Notes or as such Holder shall have directed, on presentation and surrender of the Global Notes or Notes in certificated form, as the case may be, at the Corporate Trust Office. From and after the Automatic Conversion, (i) the Notes shall cease to be outstanding; (ii) this Fifth Supplemental Indenture shall be automatically discharged without need for written instrument; (iii) the Trustee shall be discharged from further obligation thereunder and to the Holders of the Notes; (iv) the Holders of the Notes shall cease to be entitled to interest thereon (including any interest accrued but unpaid as of the date of the Automatic Conversion); and (v) any certificates representing the Notes shall represent only the right to receive upon surrender thereof the applicable number of Class Z Shares specified in Section 7.3. An Automatic Conversion shall be mandatory and binding upon both the Federation and all Holders of the Notes notwithstanding anything else including, without limitation: (a) any prior action to or in furtherance of a redemption or conversion of the Notes

pursuant to the Indenture; and (b) any delay or impediment to the issuance or delivery of the Class Z Shares to the Holders of the Notes.

7.5 Right Not to Deliver Class Z Shares

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 or the Trustee has reason to believe is an Ineligible Person. In such circumstances, the Federation shall hold, as agent and mandatary for such Ineligible Persons, the Class Z Shares otherwise deliverable to such Ineligible Persons and the Federation shall 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 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. The Federation shall deliver a check or send a wire transfer in immediately available funds representing the aggregate net proceeds to CDS (if the Class Z Shares are then held in the form of one or more global securities) or in all other cases to such Ineligible Persons in accordance with the regular practices and procedures of CDS or otherwise.

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 and mandatary 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 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 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. The Federation shall deliver a check or send a wire transfer in immediately available funds representing the aggregate net proceeds to CDS (if the Class Z Shares are then held in the form of one or more global securities) or in all other cases to such Persons in accordance with the regular practices and procedures of CDS or otherwise.

7.6 Fractional Capital Shares

In any case where the aggregate number of Class Z Shares to be issued to a Holder of Notes pursuant to an Automatic Conversion includes a fraction of a Class Z Share, such number of Class Z Shares to be issued to such Holder 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.

7.7 Capital Reorganizations, Consolidations 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 Holders of Notes receive or are entitled to receive, pursuant to an Automatic Conversion, such 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 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, amalgamation or comparable transaction, the Class Z Shares shall, once issued, be treated in the same manner as, and rank equally with, any equal ranking shares in the authorized capital of the Federation that were affected by the relevant reorganization, consolidation, merger, amalgamation or comparable transaction of the Federation.

7.8 Adjustments

- (a) Upon a Class Z Share Reorganization, at any time at which there are 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 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 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 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 1% of the Conversion Price.

- (b) In any case in which the Conversion Price definition or Section 7.7 requires that an adjustment will become effective immediately after a record date for an event referred to therein or herein, the Federation may defer, until the occurrence of such event, issuing to the Holders of any Notes upon a 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 Holder evidence of such Holder'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 holder would, but for the provisions of this Section 7.8(b), have become the holder of record of such additional Class Z Shares.

- (c) If at any time a dispute arises with respect to adjustments provided for in the Conversion Price definition or in Section 7.7, 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 Holders of the Notes 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.
- (d) If the Federation sets a record date to take any action that would require an adjustment provided for in the Conversion Price definition or in Section 7.7 and before the taking of such action, the Federation abandons its plan to take such action, then no such adjustment shall be made.
- (e) The Federation shall from time to time, immediately after the occurrence of any Class Z Share Reorganization or other event that requires an adjustment or readjustment as provided in the definition of Conversion Price, Section 7.7 or this Section 7.8, deliver an Officer's Certificate of the Federation to the Trustee 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, and the Trustee shall be entitled to act and rely upon such Officer's Certificate of the Federation. Such Officer's Certificate of the Federation and the amount of the adjustment or readjustment specified therein shall be conclusive and binding on all parties in interest. Until such Officer's Certificate of the Federation is received by the Trustee, the Trustee may act and be protected in acting on the presumption that no adjustment or readjustment has been made or is required. Except in respect of any Class Z Share Reorganization, the Federation shall forthwith give notice to the Holders of Notes specifying the event requiring such adjustment or readjustment and the amount thereof, including the resulting Conversion Price.

7.9 Agreement with Respect to a Trigger Event

By acquiring any Note, each Holder or beneficial owner of such 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 the 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 Trigger Event and the resulting Automatic Conversion, which occurrence and resulting Automatic Conversion shall occur without any further action on the part of such Holder or beneficial owner or the Trustee.

7.10 General

- (a) Upon an Automatic Conversion, any Accrued Interest due and payable on the Notes, together with the principal amount of the Notes, shall be deemed paid in full by the issuance of Class Z Shares upon such conversion and the Holders of Notes shall have no further rights and the Federation shall have no further obligations under the Indenture. 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 Holder of Notes 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 shall attempt to facilitate the sale of such Class Z Shares to parties other than the Federation and Federation Affiliates, 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 Notes. The Federation shall not be subject to any liability for failure to sell such Class Z Shares at any particular price on any particular day.

- (b) Notwithstanding any other provision of the Indenture or the Notes, in accordance with Section 5.1, an Automatic Conversion of the Notes upon the occurrence of a Trigger Event shall not be an Event of Default and the only consequence of a Trigger Event shall be Automatic Conversion of such Notes into Class Z Shares.
- (c) The Trustee shall have no duty to determine the occurrence of an Automatic Conversion or any calculations in connection with any such Automatic Conversion. The Trustee makes no representation as to the validity or value of any securities or assets issued upon an Automatic Conversion, and the Trustee shall not be responsible for the Federation's failure to comply with any provisions of this Article 7.

ARTICLE 8 REDEMPTION OF NOTES

8.1 Applicability of Article 12 of the Base Indenture

The provisions of Article 12 of the Base Indenture shall be applicable with respect to the Notes, except that, for the purposes of Article 12.4 of the Base Indenture, the period for providing notice of redemption to each Holder of Notes shall be not less than ten (10), nor more than sixty (60) days prior to the Redemption Date.

8.2 Optional Redemption

The Federation may, at its option, with the prior written approval of the AMF, redeem the Notes, in whole at any time or in part from time to time, on or after the Reset Date, on not less than ten (10) nor more than sixty (60) days' prior notice to the Holders of Notes, at a Redemption Price equal to 100% of the principal amount thereof, plus Accrued Interest to, but excluding, the Redemption Date.

8.3 Special Event Redemption

Prior to the Reset Date, at any time on or after a Special Event Redemption Date, the Federation may, at its option, with the prior written approval of the AMF, redeem all (but not less than all) of the Notes, on not less than ten (10) nor more than sixty (60) days' prior notice to the Holders of Notes, at a Redemption Price which is equal to the greater of (i) the Canada Yield Price and (ii) par, together, in either case, with Accrued Interest to, but excluding, the Redemption Date.

8.4 No Mandatory Redemption; Open Market Purchases

The Federation shall not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes. At any time the Federation may, with the prior written approval of the AMF, purchase the Notes, in whole or in part, in the open market or by tender (available to all Holders of Notes) or by private contract at any price. All Notes purchased by the Federation in accordance with this Section 8.4 shall be cancelled and may not be reissued. Notwithstanding the foregoing, for greater certainty, any Subsidiary of the Federation or any member of the Desjardins Group may purchase Notes in the ordinary course of its business of dealing in securities.

8.5 Rescission of Redemption

Notwithstanding anything to the contrary, the occurrence of a Trigger Event prior to the date fixed for any redemption shall automatically rescind any notice of redemption under this Article 8 and, in such circumstances, no Notes shall be redeemed and no payment in respect of the Notes shall be due and payable.

ARTICLE 9 CONVERSION OF NOTES BY HOLDERS

9.1 Conversion of Notes by Holders

A Holder of the Notes may, at the option of such Holder, subject to applicable law and following notice from the Federation to such Holder and the Trustee if and when given under this Section 9.1 from time to time, convert on the Conversion Date (as hereinafter defined), subject to Section 9.3(b), all, but not less than all, of the principal amount of the Notes, plus Accrued Interest (net of any Taxes), held by such Holder for 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) (the "**Conversion Consideration**") without the payment of any further consideration therefor on the terms and conditions hereinafter set forth (which option is hereinafter referred to as the "**Conversion Option**"). The Federation shall, in any such notice referred to in this Section 9.1:

- (a) set a date for conversion of the Notes (each such date being herein referred to as a "**Conversion Date**") which date shall be any Interest Payment Date in respect of the Notes;
- (b) describe the steps (including any certification as to ownership required to be delivered by the terms of the Conversion Consideration) required to be taken by a Holder of the Notes in order to exercise the Conversion Option;
- (c) describe the nature of the Conversion Consideration as such new Subordinated Indebtedness; and
- (d) provide or cause to be provided all such other relevant information which the Federation reasonably considers appropriate to assist such Holder in making a decision whether or not to exercise the Conversion Option.

Any notice as so provided shall be given not less than 30 nor more than 60 days prior to the relevant Conversion Date, subject to Section 9.2, shall be irrevocable, shall apply to all of the then

outstanding Notes held by such Holder and shall remain in effect to and including the relevant Conversion Date. The Federation may provide notices as herein provided from time to time at its option, but only with the prior written approval of the AMF and subject to any other required regulatory approvals.

9.2 Rescission of Conversion

Notwithstanding anything to the contrary, the occurrence of a Trigger Event prior to the date fixed for any conversion shall automatically rescind any notice of conversion under this Article 9 and, in such circumstances, no Notes shall be converted and no Conversion Consideration shall be due and payable.

9.3 Exercise

- (a) With respect to interests in any Notes (other than the Global Note), upon receipt of a notice by the Federation referred to in Section 9.1, the Conversion Option may be exercised, with respect to all but not less than all of such Notes held by any Holder, by such Holder of such Notes surrendering to the Trustee at its principal office in the city of Montréal or the city of Toronto on or before the Conversion Date, the Notes to be converted with the appropriate election form provided by the Holder or the authorized representative of such Holder in a manner satisfactory to the Trustee and completed to indicate registration particulars, if any, for the Conversion Consideration to be issued. The Holder shall also deliver to the Trustee any additional certificates (as to ownership or otherwise) that may be required to be delivered pursuant to the terms of the Conversion Consideration. Any such exercise shall be irrevocable.
- (b) With respect to interests in any Notes represented by a Global Note, the Depository shall notify the Depository participants having an interest in the Global Note (the "**Participants**") forthwith upon receipt of a notice by the Federation referred to in Section 9.1. Participants may elect to convert all but not less than all of the interest of any beneficial holder in such Notes by delivering to the Depository, in accordance with the standard operating procedures of the Depository, a request that the Depository take all necessary steps to effect such conversion. As Holder of the Global Note, the Depository or its nominee shall deliver to the Trustee the Global Note with the conversion election form provided duly completed by the Depository or its nominee on behalf of the Participants in a manner satisfactory to the Trustee and completed to indicate registration particulars, if any, for the Conversion Consideration to be issued. The Depository shall also deliver to the Trustee any additional certificates (as to ownership or otherwise) that may be required to be delivered by the terms of the Conversion Consideration.
- (c) No such exercise shall be effective unless received by the Trustee in accordance with the provisions hereof at or before 4:00 p.m. (local time) on the relevant Conversion Date.

9.4 Issue of Conversion Consideration

Upon receipt of certificates evidencing the Notes with the form of exercise of the Conversion Option set forth thereon duly executed by the Holder thereof or such Holder's authorized representative, and upon receipt of any other certificates required to be delivered pursuant to the

terms of the Conversion Consideration, the Federation shall forthwith issue Conversion Consideration in an aggregate principal amount equal to the aggregate principal amount plus Accrued Interest of the Notes surrendered or, in the case of the Notes represented by the Global Note, delivered for conversion in accordance with Section 9.3(b) on such Conversion Date. The Conversion Consideration shall be issued in accordance with the instructions of each of the Holders of the Notes to be so converted upon surrender or, in the case of the Notes represented by the Global Note, delivery of the Notes to be converted in accordance with Section 9.3(b).

9.5 Trustee's Decision Final

If any question shall arise as to the validity of the exercise of the Conversion Option by a Holder of the Notes under this Article 9, the Trustee may require such evidence as it deems necessary in relation thereto, and the decision of the Trustee shall be final and binding.

9.6 Cancellation of the Notes

- (a) The aggregate principal amount of all interests in the Notes represented by the Global Note and converted under this Article 9 shall be noted and certified by the Trustee on the Global Note to reflect the reduction in the principal amount of the Notes represented by the Global Note. Such aggregate principal amount of the Notes so reduced shall be cancelled and shall not be reissued.
- (b) All Notes (other than the Global Note) surrendered to the Trustee for conversion under this Article 9 shall be cancelled and shall not be reissued.

ARTICLE 10 MISCELLANEOUS PROVISION

10.1 Ratification of Base Indenture

The Base Indenture, as supplemented by this Fifth Supplemental Indenture, is in all respects ratified and confirmed, and this Fifth Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided.

10.2 Trustee Not Responsible for Recitals

The recitals contained herein and in the Notes, except for the Trustee's certificate of authentication, shall be taken as the statements of the Federation, and the Trustee assumes no responsibility for their correctness. The Trustee make no representations as to the validity or sufficiency of this Fifth Supplemental Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Federation of the Notes or the proceeds thereof.

10.3 Governing Law

This Fifth Supplemental Indenture and the Notes shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

10.4 Separability Clause

In case any provision in this Fifth Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10.5 Benefits of Fifth Supplemental Indenture

Nothing in this Fifth Supplemental Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Fifth Supplemental Indenture.

10.6 Conflict with Base Indenture

If any provision of this Fifth Supplemental Indenture relating to the Notes is inconsistent with any provision of the Base Indenture, such provision of this Fifth Supplemental Indenture shall control.

10.7 Provisions of Trust Indenture Legislation Controlling

This Fifth Supplemental Indenture is subject to the provisions of the Trust Indenture Legislation that are required to be part of the Indenture and shall, to the extent applicable, be governed by such provisions. If any provision of this Fifth Supplemental Indenture limits, qualifies, or conflicts with a provision of the Trust Indenture Legislation that is required under the Trust Indenture Legislation to be a part of and govern this Fifth Supplemental Indenture, the latter provision shall control.

10.8 Execution in Counterparts

This Fifth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Fifth Supplemental Indenture and of signature pages by facsimile or electronic format (i.e., ".pdf" or ".tif") transmission shall constitute effective execution and delivery of this Fifth Supplemental Indenture as to the parties hereto and may be used in lieu of the original Fifth Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or electronic format (i.e., ".pdf" or ".tif") shall be deemed to be their original signatures for all purposes, and a facsimile or electronic signature will be deemed valid and binding upon the signatory thereof with the same force and effect as if the signature were an original.

10.9 Indenture and Notes Solely Federation Obligations

No recourse under or upon any obligation, covenant or agreement of the Indenture or of Notes, or for any claim based thereon or otherwise in respect thereof, shall be had against any holder of Capital Stock, member, auxiliary member, any member of the Groupe coopératif Desjardins (including the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation (but excluding, for certainty, the Federation itself)), officer or director, as such, past, present or future, of the Federation or of any successor Person, either directly or through the Federation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that the Indenture and the Notes are solely obligations of the Federation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the holders of Capital Stock, members, auxiliary members,

any member of the Groupe coopératif Desjardins (including the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation (but excluding, for certainty, the Federation itself)), the officers or directors, as such, of the Federation or of any successor Person, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Indenture or the Notes or implied therefrom; and that any and all such personal liability, either by constitution or statute or at common law or in equity, as applicable, of, and any and all such rights and claims against, every such holder of Capital Stock, member, auxiliary member, any member of the Groupe coopératif Desjardins (including the Fonds de sécurité Desjardins and the Québec caisses which are members of the Federation (but excluding, for certainty, the Federation itself)), officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Indenture or in the Notes or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Fifth Supplemental Indenture and the issue of the Notes.

10.10 Choice of Language

The parties hereby confirm their express wish that this Fifth Supplemental Indenture and the Notes and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language. *Les parties confirment leur volonté expresse que le présent acte, les titres ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donnés ou conclus en vertu des dispositions des présentes, soient rédigés en anglais.*

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Supplemental Indenture to be duly executed, all as of the day and year first above written.

**FÉDÉRATION DES CAISSES
DESJARDINS DU QUÉBEC**

By: (signed) Yassir Berbiche

Name: Yassir Berbiche

Title: Vice-President and Chief
Treasurer

By: (signed) Jean Blouin

Name: Jean Blouin

Title: Managing Director, Funding and
Investor and Rating Agency Relations

**BNY TRUST COMPANY OF CANADA, as
Trustee**

By: (signed) Bhawna Dhayal

Name: Bhawna Dhayal

Title: Vice-President

EXHIBIT A

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS"), OR ITS LAWFUL SUCCESSOR, TO FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC OR ITS REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CDS & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CDS & CO., HAS AN INTEREST HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

4.264% Notes Due 2035 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness)

This Security constitutes subordinated indebtedness and will not constitute a deposit that is insured under the *Deposit Institutions and Deposit Protection Act* (Québec) or the *Canada Deposit Insurance Corporation Act*.

No.: [●]

ISIN/CUSIP NO.: CA31430W7J76 / 31430W7J7

Issue Date: January 24, 2025

Cdn\$1,250,000,000

The Fédération des caisses Desjardins du Québec, a financial services cooperative constituted under the *Act Respecting Financial Services Cooperatives* (CQLR, chapter C-67.3) (herein called the "**Federation**", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to CDS & Co., as nominee of CDS Clearing and Depository Services Inc. or registered assigns, the principal amount of Cdn\$1,250,000,000 (one billion two hundred fifty million Canadian dollars), subject to the terms hereof and the Indenture. This Security shall have a scheduled maturity date of, and shall mature on, January 24, 2035 (the "**Stated Maturity Date**").

This principal amount of the Security shall bear interest (i) with respect to the period from (and including) the date hereof to (but excluding) January 24, 2030 (the "**Reset Date**"), at the annual rate of 4.264%, payable in equal semi-annual payments in arrears on January 24 and July 24 of each year, with overdue interest, if any, at the same rate after as well as before default in the payment of principal or interest, and (ii) with respect to the period from (and including) the Reset Date to (but excluding) the Stated Maturity Date, if not redeemed by the Federation, subject to Section 2.6 of the Fifth Supplemental Indenture hereinafter referred to, at the annual rate equal to the Daily Compounded CORRA determined for the Observation Period in respect of each Floating Interest Period plus 1.47 percent, payable quarterly in arrears on January 24, April 24, July 24 and October 24 of each year, with overdue interest, if any, in respect of any quarterly interest period at the same rate applicable to such quarterly interest period after as well as before maturity and after as well as before default in payment of principal or interest. Interest for each quarterly interest period shall be calculated on the basis of the actual number of days elapsed in

each quarterly interest period divided by 365. If any of the foregoing dates upon which interest on the Securities is payable (each such date, an "**Interest Payment Date**") on or before the Reset Date would otherwise fall on a day that is not a Business Day (as defined below), then such Interest Payment Date will be the next Business Day thereafter, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day. If any Interest Payment Date after the Reset Date would otherwise fall on a day that is not a Bank of Canada Business Day (as defined below), then such Interest Payment Date will be the next Bank of Canada Business Day, unless the next Bank of Canada Business Day falls in the next calendar month, in which case the Interest Payment Date will instead be the immediately preceding day that is a Bank of Canada Business Day. If the Stated Maturity Date falls on a day that is not a Bank of Canada Business Day, the required payment of principal and interest will be made on the next succeeding Bank of Canada Business Day.

A "**Business Day**" means any day other than a Saturday or Sunday or any other day on which the Trustee's office in Toronto, Ontario is not generally open for business, or any other day on which Canadian chartered banks or financial services cooperatives are closed in Toronto, Ontario. A "**Bank of Canada Business Day**" means a day that Schedule I banks under the *Bank Act* (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an applicable rate as may be adopted by the administrator of CORRA from time to time).

Payment of the principal amount of and interest on this Security shall be made in lawful money of Canada in accordance with the terms of the Indenture.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Security shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Federation has caused this instrument to be duly executed.

Dated: _____

**FÉDÉRATION DES CAISSES DESJARDINS DU
QUÉBEC**

By: _____
Name:
Title:

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 4.264% Notes Due 2035 referred to in the within-mentioned Indenture.

Dated: _____

BNY TRUST COMPANY OF CANADA,
as Trustee

By: _____
Name:
Title:

(REVERSE OF SECURITY)

This Security is one of a duly authorized issue of securities of the Federation (herein called the "**Securities**"), issued and to be issued under an Indenture, dated as of May 26, 2020 (the "**Base Indenture**"), between the Federation and BNY Trust Company of Canada (the "**Trustee**", which term includes any successor trustee under the Indenture), as amended and supplemented by the Fifth Supplemental Indenture, dated as of January 24, 2025, between the Federation and the Trustee (the "**Fifth Supplemental Indenture**" and, together with the Base Indenture, the "**Indenture**"), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Federation, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof initially limited in aggregate principal amount to Cdn\$1,250,000,000, provided that the Federation may, without the consent of any Holder, at any time and from time to time, increase the initial principal amount. Capitalized terms used herein and not otherwise defined shall have the meanings attributed to them in the Base Indenture or the Fifth Supplemental Indenture, as applicable.

The indebtedness evidenced by this Security is a direct unsecured obligation of the Federation constituting Subordinated Indebtedness and, in the event of the winding-up, insolvency, bankruptcy, liquidation or dissolution of the Federation in accordance with applicable law, ranks (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness whether now outstanding or hereafter incurred, (b) 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 Securities) of the Federation then outstanding, in each case, whether now outstanding or hereafter incurred, and (c) senior to (i) any instrument of the Federation that constitutes Tier 1 Capital, and (ii) any Subordinated Indebtedness which by its terms ranks subordinate to the Securities, in each case, whether now outstanding or hereafter incurred, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his, her or its behalf to take such actions as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee as his or her attorney for any and all such purposes. Each Holder hereof, by his, her or its acceptance hereof, waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Higher Ranked Indebtedness whether now outstanding or hereafter created, incurred, assumed or guaranteed, and waives reliance by each such holder upon said provisions.

Upon the occurrence of a Trigger Event, this Security shall automatically and immediately be converted, on a full and permanent basis, without any action on the part of, or the consent of, the Holders thereof, into a number of fully-paid Class Z Shares of the Federation equal to the quotient obtained by dividing (a) the Multiplier multiplied by the Note Value, by (b) the Conversion Price. For purposes of the foregoing, the Multiplier shall be 1.50 and the Conversion Price shall be Cdn\$10.00, subject to adjustment in the event of a Class Z Share Reorganization.

By acquiring this Security, any Holder or beneficial owner of this Security or any interest therein, including any Person acquiring any Security or interest therein after the date hereof, irrevocably consents to the principal amount of this Security 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 Trigger Event and the resulting Automatic Conversion, which occurrence and resulting Automatic

Conversion shall occur without any further action on the part of such Holder or beneficial owner or the Trustee.

The Federation may, at its option, with the prior written approval of the AMF, redeem the Securities, in whole at any time or in part from time to time, on or after the Reset Date, on not less than ten (10) nor more than sixty (60) days' prior notice to the Holders of Securities, at a Redemption Price equal to 100% of the principal amount thereof, plus Accrued Interest to, but excluding, the Redemption Date.

Prior to the Reset Date, at any time on or after a Special Event Redemption Date, the Federation may, at its option, with the prior written approval of the AMF, redeem all (but not less than all) of the Securities, on not less than ten (10) nor more than sixty (60) days' prior notice to the Holders of Securities, at a Redemption Price which is equal to the greater of (i) the Canada Yield Price and (ii) par, together, in either case, with Accrued Interest to, but excluding, the Redemption Date.

In the event of redemption of this Security in part only, a new Security or Securities and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

Notwithstanding anything to the contrary, the occurrence of a Trigger Event prior to the date fixed for any redemption shall automatically rescind any such notice of redemption and, in such circumstances, no Securities shall be redeemed and no payment in respect of such Securities shall be due and payable.

The Federation may, subject to the prior written approval of the AMF, purchase the Notes, in whole or in part, in the open market or by tender (available to all Holders of Securities) or by private contract at any price.

On any Conversion Date, a Holder of the Securities 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, convert all, but not less than all, of the principal amount of the Securities, plus Accrued Interest (net of any Taxes), held by a beneficial holder of the Securities on the date specified in the notice that is not less than 30 days nor more than 60 days prior to the Conversion Date, 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) without the payment of any further consideration therefor.

Notwithstanding anything to the contrary, the occurrence of a Trigger Event prior to the date fixed for any conversion shall automatically rescind any notice of conversion and, in such circumstances, no Securities shall be converted and no Conversion Consideration shall be due and payable.

If an Event of Default occurs and a Trigger Event has not occurred, but subject to the provisions of the Indenture, then the Trustee may, in its discretion, and shall upon receipt of a written request from Holders of not less than 25% in principal amount of the Securities, upon written notice to the Federation, cause the entire principal amount of and Accrued Interest on the Securities to become immediately due and payable, as of the date on which the said notice is received by the Federation.

The Holder of this Security shall be deemed to have notice of the provisions of the Indenture which relate to the modification or amendment of the Indenture and the Securities and the

convening of meetings of Holders of Securities and such provisions shall be binding on them. Any amendment or variation of the Indenture or the Securities that affects the recognition of the Securities as regulatory capital under capital adequacy requirements adopted by the AMF (including the AMF Guideline) shall require the prior written approval of the AMF.

For disclosure purposes under the *Interest Act* (Canada), whenever in the Securities or the Indenture interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Federation in any place where the principal amount of and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Federation and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities are issuable only in registered form without coupons in denominations of Cdn\$1,000 and integral multiples of Cdn\$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities are exchangeable for a like aggregate principal amount of Securities and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

Prior to due presentment of this Security for registration of transfer, the Federation, the Trustee and any agent or mandatary of the Federation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Federation, the Trustee nor any such agent or mandatary shall be affected by notice to the contrary.

REGISTRATION PANEL

DATE OF REGISTRY	IN WHOSE NAME REGISTERED	PRINCIPAL INCREASE	PRINCIPAL DECREASE	NEW PRINCIPAL AMOUNT	SIGNATURE OF REGISTRAR
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(Form of Transfer)

FOR VALUE RECEIVED, the undersigned _____ **[Name of transferring registered Holder]** hereby assign(s) and transfer(s) unto _____ **[Name and social insurance number (if applicable) of new Holder]** of _____ **[Full postal address]** the within Securities, together with the principal thereof and all accrued interest thereon, hereby irrevocably constituting and appointing attorney to transfer the said Securities on the register maintained for that purpose with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

Signature of Guarantor*

Signature of transferring Holder**

* The signature must be guaranteed by an authorized officer of a Canadian chartered bank or by a medallion signature guarantee from a member of recognized Medallion Signature Guarantee Program.

** The signature must correspond with the name of the Holder on the Registration Panel, without alteration or deletion.