



Donation and Sponsorship Policy

**June
2021**

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1. GENERAL FRAMEWORK

1.1 Policy *OUR SOCIAL ROLE*

Pepco has a *Social Role* policy. It specifically indicates that Pepco must contribute to the social dynamism by supporting various socio-humanitarian and health activities as well as by associating itself with various environmental and sporting activities. This commitment is framed by the policy on the granting of donations and sponsorships.

1.2 Accountability

The management of corporate donations and sponsorships is under the responsibility of Communications Officer or Executive Assistant.

1.3 Budget

The budget for donations and sponsorships is established annually as part of the company's Communication Plan.

2. GENERAL OBJECTIVES

As a corporate citizen and commercial enterprise, Pepco supports the sociocommunity life of the cities and towns where it operates through donations and sponsorships.

The company contributes to activities or projects that take place in Hearst, Hornepayne, Thunder Bay, Greenstone, Timmins and Montreal.

2.1 Attribution

Pepco's donations and sponsorships must have one or more of the following objectives:

- Exercise its role as a corporate citizen.
- Maintain or improve relations with the community.
- Promote its strategic directions or products and services.

2.2 Exclusions

A donation or sponsorship may not be made to:

- An organization whose financial situation is precarious.
- An organization or project which does not meet the requirements relating to the intervention slots selected.
- An organization or project dedicated to a political or religious cause.
- An organization that supports a single person or the realization of a personal project such as a product, event or individual activity.

2.3 Introductory provisions

- This policy is effective and applies as of June 14, 2021.
- Contributions in the form of donations and sponsorships are granted according to the annual budget for these activities.
- With some exceptions, funds provided under this policy must be used in the year for which they are allocated.
- A donation or sponsorship to an organization in a given sector does not necessarily commit Pepco to support all organizations working in that sector.
- No donation or sponsorship is automatically renewed, and any renewal request must be re-analyzed on a case-by-case basis.
- Pepco's management may authorize, following the submission of a recommendation to that effect, a waiver of this policy.

3. FIELDS OF INTERVENTION

The fields of intervention chosen by Pepco are the environment and sustainable development, amateur sports, health and the socio-community sector.

Pepco considers the level of active participation of families in the assessment of applications that respect the fields of intervention of this policy.

SPONSORSHIPS

3.1 Environment and sustainable development

Pepco carries out its activities taking into account the three pillars of sustainable development: the economy, society and the environment.

In this field of intervention, Pepco's support is expressed by the contribution to projects in order to:

- Promote awareness-raising activities or projects related to Pepco's activities, particularly school-age children.
- Support events or projects on themes that aim to develop the responsibility and action of citizens about the environment and sustainable development.
- Support the marketing of Pepco's technological innovation initiatives.

3.2 Sport

Pepco encourages the practice of sports, for the collective well-being of the residents of our business communities. The company aims to:

- In amateur sport, promote projects and events that promote multidisciplinary sports practice as well as those that encourage the active participation of Pepco families.
- Support certain sports activities that have a commercial or social interest for the company.

DONATIONS

3.3 The socio-community

In this field, Pepco offers financial support to organizations fighting poverty.

The main criteria for assessing the acceptability of the application and the level of contribution are:

- The holding of a fundraising and/or fundraising campaign.
- The organization's annual budget.
- The ability to obtain financial support with other partners and its environment.

3.4 Health

Donations in the health sector are limited to major fundraising campaigns.

Pepco agrees to consider a contribution to a campaign or to a fundraising activity as long as the funds raised focus on the quality of care.

To establish the amount of its contribution, Pepco sets an amount based on the fundraising campaign for equipment needed to increase the quality of care. Other elements taken into consideration in the evaluation of participation are the particular services provided by an institution in order to cover a large territory; the impact, importance and influence of the institution in its region.

4. OTHER TYPES OF CONTRIBUTION TO ORGANIZATIONS (SURPLUS ASSET)

Pepco can also provide support to certain organizations by donating surplus equipment or products identified as surplus assets. Organizations must meet the criteria of this policy and be part of the sociocommunity field.

5. SPONSORSHIP AND DONATION APPLICATION PROCESS

The application process consists of five steps:

1. Receipt of the request via Pepco's website.
2. Analysis and recommendation.
3. The response to the applicant.
4. La negotiation of an agreement.
5. Follow-up

5.1 Receipt of the application

- If the related event request is less than \$ 5,000 , the applicant must submit it at least sixty (60) days before the activity takes place.
- If the related event request is equal to or greater than \$ 5,000 related, the applicant must submit it at least ninety (90) days before the activity takes place.
- To increase the efficiency of the processing of the request, it is suggested that the applicant complete the form which can be found on the Pepco website at the following address: www.pepco.ca/sponsorship-donation

5.2 Analysis and recommendation

The requests are analyzed according to the criteria and rules established by this policy.

Pepco may, throughout the analysis, request any additional information it deems necessary and useful to complete the application and make its recommendations.

The sponsorship selection criteria include, but are not limited to:

- The possibility of reaching the target audience for the activity or event.
- The favorable relationship between the amount requested and the return on the investment.
- The potential for leveraging the sponsorship.
- Alignment with Pepco's values and business objectives.

Failure of the applicant to cooperate, to Pepco's satisfaction, may result in rejection of the submitted application.

5.3 Response to the applicant

5.4 Negotiation of an agreement

Following the awarding of a donation or sponsorship, Pepco's designated representatives negotiate a contractual agreement with the organization concerned.

A formal agreement must be signed with the organization if the total amount awarded is equal to or greater than \$1000.

5.5 Follow-up

Each agreement is monitored by Pepco.

6. DESSIMATION OF THE POLICY

This policy is available on Pepco's website at:

www.pepco.ca/sponsorship-donation

