

Directive on Awarding Donations and Sponsorships

October 2012

I. Introduction

Gaz Métro's principal mission is to be a distributor of natural gas in Québec. Though its subsidiaries, interests and partnerships, it also provides other energy-related services and invests in the implementation of energy projects that generate growth.

Gaz Métro aims to be an avant-garde energy company. As such, it believes that development is based on the reconciliation of economic, social and environmental interests, as well as on the desire to meet current and future needs. That is why it works hard to be a good corporate citizen.

Gaz Métro is therefore committed to a sustainable development approach to how it carries out its activities, an approach based on values of responsibility, efficiency and respect.

II. Background

1) Donations

In 2008, Gaz Métro established its Community Investment Policy to govern its philanthropic activities.

Gaz Métro's Community Investment Policy gives priority to projects and to promising initiatives that contribute to improving the quality of life of the community. The rigorous application of this policy is intended to ensure that the funds and efforts invested have the best possible effects on the community.

2) Sponsorships

Gaz Métro is active in the community and has incorporated the sponsorship of events into its activities in the last several years. The projects and events with which it is associated must correspond to its mission, vision and values. They must also provide an opportunity to increase the visibility of its activities and product.

The activities, events and organizations selected must reach the same target clientele as Gaz Métro, so it can position itself as an avant-garde company in the energy field and as an important player in the business world in Québec.

In its choice of investments and sponsorships, Gaz Métro is mindful of its desire to support the community and of its commitment to sustainable development. It also wants to invest in events and organizations that support and promote natural gas as a source of energy and give it priority, both economically and ecologically, for the present and future energy needs of our society.

III. Selection criteria

Donations and sponsorships awarded by Gaz Métro must meet one or more of the following objectives:

- Give priority to projects and promising initiatives that help improve the quality of life of the community.
- Affirm its leadership in the energy field;
- Enhance its reputation;
- Showcase its product and its corporate values;
- Maintain or improve its relations with the community and with its stakeholders.

1) Donations

The donations accorded by Gaz Métro are governed by its Community Investment Policy.

More precisely, Gaz Métro gives preference to organizations and projects in the communities near its Head Office and around its business offices.

For a request for a donation to be considered by Gaz Métro, it must respect certain fundamental criteria:

- The request must come from a non-profit organization that is recognized as a registered charity by the Canada Revenue Agency. In addition, Gaz Métro's donation must be used to implement a project that will improve the quality of life of the community;
- The donation must not be used to cover a deficit or to supplement an individual's income;
- Besides being from one of Gaz Métro's preferred sectors, the request must be supported by a complete file showing the contributions the project or the organization makes toward improving the quality of life of the community. Gaz Métro will make an on-line form available to help such organizations.

Requests that do not meet these criteria will be automatically refused.

Gaz Métro gives preference to its involvement in the health, educational, cultural, environmental, and social-community sectors. Consult the Community Investment Policy for more details.

2) Sponsorships

Gaz Métro gives priority to sectors that are related to its business interests and its target clientele. It also considers events that help promote its corporate positioning and enhance its reputation.

The project submitted to Gaz Métro must enable it to reach one or several segments of its clientele:

- Residential customers;
- Business customers
- Influencers close to its business interests (engineers, architects, promoters and builders of homes, apartment buildings and commercial or institutional buildings, general contractors, economic development professionals, professional associations representing one of these publics, etc.).

The project, event or organization must:

- Project a strong image, be credible, dynamic and have an excellent reputation;
- Offer a high quality, potentially innovative development
- Put respect for the environment front and centre;
- Be motivational and a source of pride for its employees;
- Be held, or established in Québec;
- Offer a forum for Gaz Métro to develop business relations with its current and potential customers, as well as partners;
- Have an excellent cost: visibility ratio.

The request must come from a recognized association, promoter or from a for-profit or non-profit organization. The applicant (organization, association, or promoter) must have an excellent internal organization, be able to provide all the information needed throughout the analysis, and have the team needed to successfully run the event.

IV. Exclusion criteria

Gaz Métro recognizes that all projects have their own raison d'être and that they must be studied with respect. However, Gaz Métro has determined that it will not award either sponsorships or donations to the following requests:

- An individual or a private project, or a request to support an individual or a family;
- A project related to social clubs;
- A regional campaign of an organization that it already supports provincially;
- A project or event held in a location where Gaz Métro does not operate its natural gas distribution network;
- A project outside Québec;
- A project connected to a religious, advocacy or political group ;
- A project that requests the reimbursement of costs related to the consumption of natural gas;
- A planned cooperative mission abroad;
- A sports or social event organized for employees, a member of the family, or business partners.

V. Steps in the analysis a request

1) Receipt of the request

All requests for donations must be made via an online form so as to optimize processing and give a thought for the environment. Gaz Métro will not analyze any request sent by e-mail, mail or fax.

2) Analysis and recommendation

The analysis of requests is conducted according to the criteria and rules established in this Directive and in the Community Investment Policy.

No donation or sponsorship is automatically renewable. All renewal requests must be the subject of an online request and a new analysis.

3) Response to the applicant

A written response will be sent to the applicant confirming Gaz Métro's decision within 8-12 weeks.

4) Negotiation of an agreement

Following the awarding of a donation or a sponsorship, representatives designated by Gaz Métro will negotiate a contractual arrangement with the organization. A partnership agreement must be signed with the organization if the total amount accorded is \$10,000 or more, or if the project extends beyond more than one year.

5) Follow-up

When a project has been completed, an event held, or at the end of the fiscal year of the recipient organization, Gaz Métro may request a financial statement or an activity report for any commitment of \$10,000 or more.

Gaz Métro reserves the right, on an ongoing basis, to evaluate or audit the activities of organizations receiving its financial support, and to terminate all payments if the recipient organization is not respecting the terms of the agreement.