



DONATION POLICY

**Approved on July 31, 2003 and amended on February 15, 2007 and
November 4, 2010**

OBJECTIVE: Concerned about community welfare, Fibrek has included social responsibility as one of its core values. Fibrek is therefore involved in the communities in which it operates and has chosen to collaborate with its employees, clients and partners in order to build a performing, competitive and sustainable organization. Well aware of the impact of philanthropic activities on its relationships with communities, clients and consumers, as well as on its overall brand positioning in the market, Fibrek has developed the following guidelines governing the allocation of corporate donations and sponsorships in order to further enhance its reputation with varied interest groups.

APPLICATION: The following Corporate Donation Policy applies to all Fibrek facilities.

RESPONSIBILITY: This policy is overseen by the Vice President, Change Management and Supply Chain.

PROCEDURE: **GOVERNING PRINCIPLES**

Based on framework established for the allocation of corporate donations and sponsorships, Fibrek wishes to guide the actions of its employees so that they can more effectively respond to requests, ensure consistency in their interventions, and maintain the local “flavour” of its investments in our various facilities, while increasing the company’s exposure in Montréal’s business community.

Governing principles

- In each of its facilities, Fibrek gives special weight to social commitment to an organization, a project or a cause.
- Fibrek’s corporate donations and sponsorships are intended for organizations and institutions whose mission is to improve the quality of life in communities where the company is established as well as for individuals who share the company’s singular focus and desire for excellence and actions made in a spirit of sustainable development.
- Fibrek encourages and values the involvement of its employees in their community. Consequently, Fibrek supports their efforts by investing in the causes that they hold dear.

In order to make the most significant contributions in the communities where it is located, Fibrek has elected to focus its charitable activities in the following sectors: health, education, environment and sustainable development as well as social and community development projects.

Fibrek’s managers must inform their immediate supervisor before accepting to play an important role in a non-profit organization or fundraising campaign. If the person’s involvement is deemed significant, the Vice President, Change and Supply Chain Management must be consulted before the manager accepts to fulfil any major role such as sitting on a Board of Directors or acting as Honorary President for a large-scale event, since it

may entail a contribution by the company.

Any request which would represent a total contribution in excess of \$25,000 in one year or of \$100,000 over more than one year must be submitted to the Human Resources and Corporate Governance Committee for approval.

ANNUAL BUDGET

The annual charity expenditure budget is determined by the Corporate Donation Committee and distributed amongst each Mill Committees.

For reference purposes and in order to take into account the cyclical nature of the pulp industry, Fibrek's target amount for charity expenditures will vary between 0.1% to 0.3% of the EBITDA (earnings before interest, tax, depreciation and amortization).

Contributions of less than \$2,000 are under the control of Mill Committees, while contributions in excess of \$2,000 require the approval of the Corporate Donation Committee. Requests from the sales and marketing department will be forwarded to the Corporate Donation Committee.

Types of contributions

- A contribution can be of a charitable nature and provided as funds, materials or services to non-profit or humanitarian organizations, to enhance Fibrek's public image as a socially responsible company.
- A contribution can also be of a promotional or advertising nature and provided as funds, materials or services for the purpose of conducting activities. This type of contribution offers the company visibility that enhances its reputation, brand, products and services. This marketing tool is also useful for promotional, advertising and public relations purposes.

FUNDING IN KEY SECTORS

Health:

Fibrek believes that an accessible and effective health-care system is essential to the well-being of Québec's population. Similarly, the company promotes a healthy lifestyle in order to improve the overall health of the communities in which it is established. As such, Fibrek grants donations to hospital foundations, finances projects which clearly promote a healthy lifestyle, and provides funding for health research.

Education:

In order to encourage the emerging labour force, Fibrek gets involved in education by awarding university scholarships and post-university grants to the children of employees, investing in research or development-centric university chairs, particularly on the environment and forestry, and funding projects in underprivileged areas to prevent children from dropping out of school.

Environment and sustainable development:

Because environmental safety is at the core of Fibrek's concerns and the company wishes to further establish its position as a leader in the production of green energy, we award corporate donations and sponsorships to support organizations whose activities focus on sustainable development (air quality, land-use planning, awareness of environmental issues including recycling and preserving biodiversity) or to organizations who strive to expand our knowledge of environmental issues. To be eligible, organizations must use a balanced approach, and their official policies and environmental principles must be consistent with Fibrek's policies and priorities regarding the environment, health and safety.

EXCLUSIONS

- Organizations without a government-issued charitable registration number are generally not eligible for corporate donations.

FIBREK'S CORPORATE DONATION COMMITTEES

1. A local committee is created at each mill for the purpose of reviewing contribution requests of less than \$2,000. In order to maximize the impact and consistency of our actions, the local committee must submit to the Corporate Donation Committee an annual corporate donation and sponsorship plan. *Local committees* include the following members:
 - The Mill manager
 - The Human Resources manager at the plant
 - One to three other members selected amongst employees
2. The *Corporate Donation Committee* includes the following members:
 - The President
 - The Vice President and Chief Financial Officer
 - The Vice President, Change Management and Supply Chain

Mill committees will submit monthly follow-up donation and sponsorship reports to the Vice President, Change Management and Supply Chain.

The Corporate Donation Committee will submit an annual report to the Human Resources and Corporate Governance Committee on the actions taken during the year.