INVESTMENT POLICY
Caisse Desjardins du Lac-Memphrémagog

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Desjardins
Caisse du Lac-Memphrémagog

1. Background

At Caisse Desjardins du Lac-Memphrémagog, we receive many requests from community organizations for donations and sponsorships. Since our founding in 2001, we've provided essential funding for a variety of community initiatives.

This investment policy outlines how we handle funding applications for community projects and events. It is based on our three-year plan and Desjardins Group's priorities.

2. Goals

The goals of this investment policy are to:

- Ensure equal funding access to members who meet the eligibility criteria
- Establish eligibility criteria
- Formalize the application review process
- Set priorities
- Support our caisse business objectives

3. Guiding principles

Our investment policy is rooted in the following cooperative values:

- **Equality**: Ensuring equal funding access to all member applicants and following a standard review process for all applications
- **Fairness**: Considering the merits of each application, the unique needs of each community or group, and the impact on community development
- **Democracy**: Making decisions using the democratic process, including voting on the collective dividends that support the Community Development Fund
- Cooperative **education**: Empowering people to improve our community
- **Responsibility**: Honouring our commitments and doing our part to strengthen the community
- **Solidarity**: Supporting members and our community through volunteering and community outreach

To receive our support, organizations must share these cooperative values. These values must be an integral part of their mission, priorities and initiatives.

We involve other Desjardins caisses and entities as needed. Applications that are regional or national in scope are referred to the appropriate Desjardins Group decision-making bodies.

We typically offer multi-year funding agreements. Funding may be spread over up to five years, and amounts may increase or decrease over the payment period. If funding is not recurrent, applicants can reapply when their agreement expires.

We don't provide funding for government programs.

We focus instead on developing mutually beneficial partnerships that go beyond the scope of this policy.

4. Focus areas

Education: Events and organizations that focus on education and keeping kids in school

Cooperation: Cooperatives and cooperative events and organizations

Culture: Artistic and cultural events and organizations

Health and healthy living: Events and organizations that promote health, healthy living, the environment, sports and recreation

Socioeconomic development: Cooperative and economic events and organizations, as well as events that support the community's socioeconomic development

Humanitarian work and community service: Community and humanitarian events and organizations

5. Forms of support

5.1 Donations

We provide financial assistance, materials and services to not-for-profit organizations (associations, institutions and cooperatives) to support their development activities and boost our visibility. These donations directly support organizations' causes.

5.2 Sponsorships

We also provide financial assistance, materials and services to forge business partnerships, support activities, events and projects, and boost our visibility among specific members and the public. With event sponsorships, we use advertising, promotion, and public, media and business relations to communicate with a target audience.

5.3 Community Development Fund (CDF)

The Community Development Fund is a collective dividend. The amount contributed to the CDF each year is determined by member vote at the caisse's annual general meeting.

Through the CDF, our members support the sustainable development of communities in cooperation with community organizations and institutions. The CDF is not used to fund government programs.

The CDF's mission is to support key local initiatives in the areas of socioeconomic development, the environment, cooperative and financial education, and other community priorities.

See our community action plan in the appendix for a list of our focus areas.

Through the CDF, our members invest in projects and events that aim to:

- significantly contribute to community sustainability
- create jobs
- set up or maintain local services
- fund a special cause
- start, consolidate and develop local cooperatives
- bring new socioeconomic activity to the region

The CDF can also serve as an economic driver by supporting major events that have a significant economic impact on the region.

We can help get initiatives off the ground and partner on existing projects.

5.4 Escouade D volunteer team

Escouade D is a team of volunteers made up of caisse employees and directors who lend a hand at community organizations' events and activities. To get the assistance of Escouade D, organizations must submit a funding application at least 30 days before the event.

6. Eligibility criteria

An organization must be an active member of the caisse for at least 90 days and do most of its business with Desjardins.

It must be a cooperative, government entity or registered not-for-profit organization.

It must be active in one of our focus areas and work to improve the well-being of the community or a particular subset of the community.

It must submit a funding application at least three months before its event. We accept just one application per year per applicant and make an offer of support once a year.

Projects and events must benefit our members and the caisse's territory. They must have a local impact and a local visibility plan. Our territory includes the cities of Magog and Stanstead; the municipalities of Austin, Barnston West, East Bolton, Eastman, Ogden, Sainte-Catherine-de-Hatley, Saint-Étienne-de-Bolton and Stanstead East; the village municipality of Ayer's Cliff; and the township municipalities of Orford, Potton and Stanstead.

We don't provide funding for the following organizations, projects or events: proms, yearbooks, seminars, conferences, feasibility studies, homeowners associations, visual art, political parties or organizations, lobbying or advocacy work, projects or organizations with questionable financial management, or organizations that have been defrauded or involved in illegal activity.

7. Evaluation criteria

- Sound financial management, administration, governance and project/event management
- Self-funding efforts
- Multiple partnerships
- Project/organization viability
- Impact and importance of the project/event for the community

All CDF and sponsorship applications must be submitted with a visibility plan outlining how the caisse's support will be recognized. See Appendix A for ideas.

Additional criteria for donations

- Applicant organizations must be a CRA-registered charity or a not-for-profit organization as well as a registered Quebec enterprise.
- They must rely primarily on volunteers.
- Donations may not be put toward the applicant's operating budget or used to eliminate its deficit.

Additional criteria for sponsorships

- Sponsorships must create additional visibility or business opportunities for the caisse as part of a mutually beneficial business relationship.
- We must be the only financial institution sponsor. The term "financial institution" refers to banks, trusts, credit unions, caisses, trust companies, insurance companies, securities brokers, payroll services companies, credit card companies and other businesses offering similar products and services.

Additional criteria for CDF funding

- Applicant organizations must have a variety of revenue streams.
- They must demonstrate how the project/event will enhance community well-being.

- We must be the only financial institution providing this type of support. The term "financial institution" refers to banks, trusts, credit unions, caisses, trust companies, insurance companies, securities brokers, payroll services companies, credit card companies and other businesses offering similar products and services.

8. Reviewing bodies

Our caisse board of directors has adopted this community funding policy and amends it as needed. It reviews it every three years. The board also approves the budget and is regularly provided with internal reports on caisse financials.

For funding requests over $5,000, the board has set up a Funding Application Review Committee that reviews applications in accordance with this policy and makes recommendations to the board of directors.

The management team reviews each application and notifies applicants of their decision.

Applications are reviewed in accordance with this policy, the Desjardins Group Code of Ethics and Professional Conduct, and applicable laws, regulations and standards.

9. Review process

Applications with all required documents (financial statements, annual report, budget estimates, visibility plan, etc.) must be submitted using the following form: https://www.desjardins.com/ca/your-caisse/involvement-community/?transit=81550066.

If the application is approved, we will make payments as follows:

- Requests for $5,000 or less will be reviewed and approved/rejected by the management team
- Requests for over $5,000 will be reviewed and approved/rejected by the board of directors based on the recommendations of the Funding Application Review Committee.

10. Application deadlines and processing times

Organizations should refer to the application deadlines below and apply early.

Complete applications will be reviewed within 90 days of receipt. They will be reviewed within 120 days if received between May 1 and July 31.

Incomplete applications will be returned and have to be resubmitted.

We may contact an organization if we would like an in-person presentation.

There are six application periods per year. Applications must be received no later than the last day of the month.

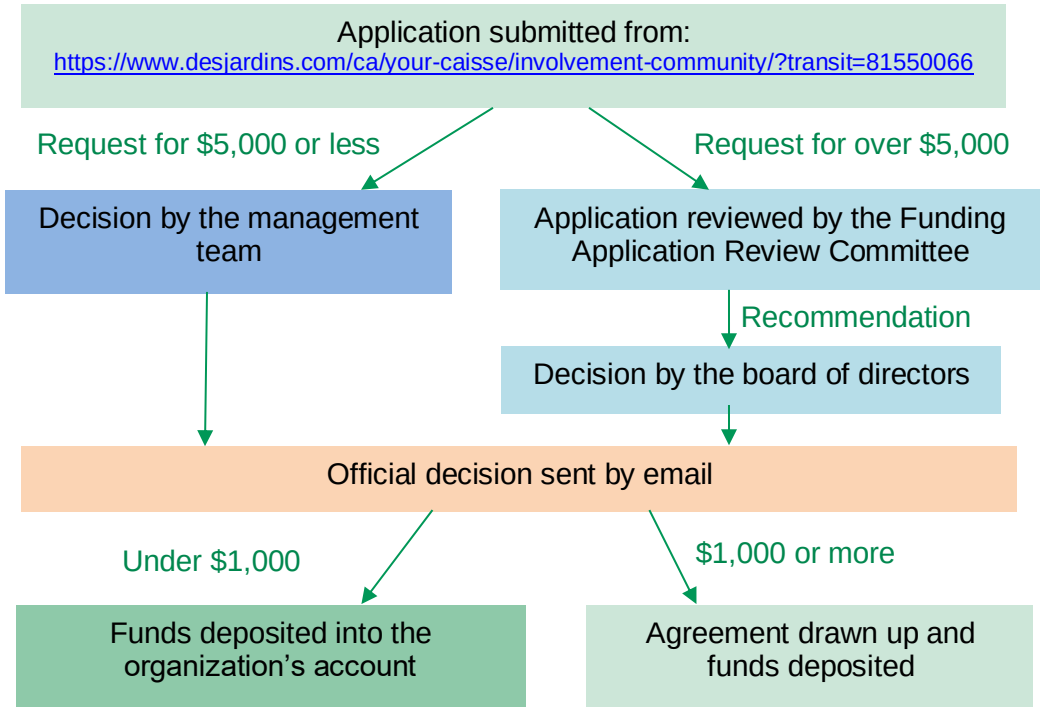
Applications received between…	…will be reviewed in…	…and decisions will be sent in
January 1 and February 28	March	April
March 1 and April 30	May	June
May 1 and July 31	August	September
August 1 and September 30	October	November
October 1 and November 15	December	January
November 16 and December 31	January	February

11. Payment

Organizations offered $1,000 or more must sign an agreement.

If the application is approved, we will direct deposit the funds into the caisse account indicated in the funding application.

Overview



Appendix A – Visibility plan

A visibility plan must accompany all CDF and sponsorship applications. Applicants may provide their own visibility plan or complete the form provided. The plan may be commensurate with the sponsor's financial support.

We must be the exclusive financial institution partner. The term "financial institution" refers to banks, trusts, credit unions, caisses, trust companies, insurance companies, securities brokers, payroll services companies, credit card companies and other businesses offering similar products and services.

Organizations must follow the rules and standards governing use of the caisse's signature (logo) and obtain the caisse's consent before producing, printing or using any materials containing the caisse's signature (logo).

Unless otherwise indicated, only the term Desjardins or Caisse Desjardins du Lac-Memphrémagog may be used in any advertising or promotional materials.

Sample visibility plans

Sample 1 – Event

- Logo on all posters distributed in the region (X posters)
- Logo on promotional brochures (X copies distributed in Memphrémagog RMC distribution channels)
- Program: logo on the cover and a one-page colour ad inside
- Website: logo and link on your home page along with an ad banner
- Social media: mention of your partnership with Desjardins (tag: Caisse Desjardins du Lac-Memphrémagog) including photos or videos on Facebook and your other social media pages
- Event venue: two large coroplast signs, four beach flags, a 10' x 10' promotional tent and two free-standing banners (indoor events)
- Logo on the sponsor sign
- Colour logo/ad projected onto a big screen
- "Presented by X" read live at the event
- Logo on participant or volunteer T-shirts
- Logo in the promotional video for the event
- Newspaper ads: logo and "Presented by X" in event notices

- TV ads on channel X: 30-second spot running from [date] to [date] with our logo and he mention “Presented by X”
- Media relations and press releases: logo and “Presented by X” in press releases about the event, invitation to the press conference, and mention or remarks during the press conference
- Welcome cocktail: invitation to the VIP cocktail
- Complimentary tickets: six VIP tickets to the event
- Award presentation by a caisse representative
- Special Desjardins member advantage (TBC)

Sample 2 – Sponsorship of an annual event

- Logo on all posters
- Logo on promotional brochures
- 2’ x 4’ coroplast sign on permanent display in your office
- Website: logo and link on all pages of your website
- Social media: mention of your partnership with Desjardins (tag: Caisse Desjardins du Lac-Memphrémagog) including photos or videos on Facebook and your other social media pages
- Letterhead: logo on your letterhead
- Lunch and learn or special event: free-standing banner at the event and distribution of a promotional brochure

Sample 3 – Project

- Logo on all communications (posters, brochures, letterhead, inside your annual report, etc.)
- Press conference: remarks by a caisse representative, logo on the press release, caisse press release in the media kit, visibility during press conferences (free-standing banner, coroplast sign or beach flag)
- Official cheque presentation with media coverage
- Invitation to the groundbreaking ceremony and official opening
- Area for a staffed caisse booth or promotional tent at the official opening
- Honourary plaque inside or outside your building
- Website: logo and link
- Social media: mention of your partnership with Desjardins (tag: Caisse Desjardins du Lac-Memphrémagog) including photos or videos on Facebook and your other social media pages
- E-newsletter: logo on monthly newsletters sent to members
- One free room rental per year for five years

Caisse Desjardins du Lac-Memphrémagog

2018 Action Plan – Community Development Fund

In light of our 2017 member consultation and the link between community needs and caisse investments, we recommend prioritizing the areas of health, education, economic development and essential community services.

Focus area	Priorities/Actions	Eligible projects or organizations
1. Education	▪ Help the young people in our community become financially literate ▪ Support organizations that work directly with young people to help them stay in school and succeed academically (e.g., homework help, school supplies) ▪ Provide students with support ▪ Support educational initiatives that improve the educational attainment and employability of our young people	▪ School caisse, student caisse, youth dividend ▪ Personal Finance: I'm in Charge! program ▪ Scholarships ▪ Desjardins Foundation ▪ Fondation Christian Vachon ▪ Phelps Helps ▪ Etc.
2. Health and healthy living	▪ Support initiatives that provide basic health care to the public ▪ Support local initiatives that purchase needed medical equipment ▪ Contribute to initiatives that address specific health care needs ▪ Foster the emergence and growth of health cooperatives ▪ Support the development of sports infrastructure	▪ Fondation de l'hôpital de Memphrémagog ▪ Local health cooperatives ▪ Centre sportif régional la Ruche ▪ Etc.
3. Economic development	▪ Attract, create and grow businesses ▪ Help develop major tourist events and organizations that significantly benefit the region ▪ Support the emergence of social economy cooperatives and businesses	▪ Major events that have a significant economic impact on the region (e.g., Fête des Vendanges Magog-Orford, Festival La Grande Coulée) ▪ Corporation ski & golf du Mont Orford ▪ Magog Technopole ▪ Créavenir (young entrepreneurs) ▪ Etc.
4. Essential community services	▪ Support organizations that provide essential services to the community (e.g., emergency food or financial assistance) ▪ Organizations must provide long-term benefits to the community and promote community involvement, synergy and development. Projects must rally people from different backgrounds around a common goal to meet a collective need. They must reflect the community's development priorities and make the community stronger.	▪ Banque alimentaire Memphrémagog ▪ Solution budget plus ▪ Etc.