

Charitable Donations and Matching Guidelines

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I. ND Paper Giving Statement

The people of ND Paper aspire to build a better future, in part by forging strong mutually-beneficial partnerships with the communities in which we operate. Our formal giving practices reflect this aspiration by supporting primarily local and regional causes, with particular focus on positively impacting the sustainability of our environment, the well-being of our communities, and the long-term viability of our industry-at-large.

As a new company intent on establishing a strong relationship with local communities and a reputation as an ethical and moral corporation, ND Paper has established initiatives to support the organization's giving and to raise the profile of the company's philanthropic presence in communities local to its divisions and offices. This policy outlines the process for charitable and goodwill donations which are designed to reflect ND Paper's values.

II. Policy

ND Paper will continue to support established giving initiatives at its divisions, and will build on past giving with charitable contributions, sponsorships, or in-kind services, gifts or give-aways which positively impact the environment, the community or our industry. We encourage and applaud employee involvement in community life and demonstrate that support with our charitable contribution matching program.

At the beginning of each fiscal year a community giving budget that reflects our financial reality is established at the corporate level and allocated to divisions to manage locally through an employee committee. This policy guides decisions on all applications for support, including sponsorships, charitable donations, in-kind services, gifts or giveaways. This policy delineates who makes the decisions regarding donations, builds a consistent approach throughout the company, gives clear visibility and controls on the amount of giving, and ensures the company properly captures tax benefit of contributions.

Giving may take place at the corporate or division level in any of the following ways:

- **Division-level donations** (Local impact; donations less than \$1,000 can be approved at the local level)
- **Corporate-level donations** (Regional/national/global impact)
- **Employee charitable contribution matching**

All company-sponsored contributions will promote our business goals, create positive visibility and demonstrate social responsibility. Preference is given to initiatives that directly support **environmental sustainability, community well-being, and long-term viability of the paper industry.**

Charitable donations by the Company may only be made where:

- The donation is made in compliance with applicable laws;
- The donation is not made to secure an improper business advantage; and
- The donation is made to a properly established organization and there is a valid purpose for the donation.

For the sake of clarity, employees must never offer a gift or contribution to an individual or organization that could be considered a bribe, payoff, or kickback. Please refer to the ND Paper employee Code of Conduct for further detail related to avoiding the appearance of impropriety.

All donations require receipts or record of donation, to include the following elements: brief description of the organization including background and mission statement, date and amount of the donation, name of organization and point of contact, IRS status and tax ID number (if applicable), nature and value of the donation, and the nature and value of any goods or services received in return.

- Donations of \$75 or more require a receipt from the receiving organization.
- For in-kind donations, ND Paper will document the nature and estimated value of the donated service.
- If ND Paper purchased items to donate, a receipt is required to be submitted to substantiate the dollar value of the donation.
- If the company is donating our products, ND Paper will calculate and record the value of the donation.

Requests for promotion or advertising purely to advance the ND Paper brand should be directed to Corporate Communications.

ND Paper reserves the right to verify the eligibility of any contribution prior to donating.

The interpretation, application, and administration of the charitable giving program will be determined by the Company, and its decisions shall be final. The Company reserves the right to amend, modify, or discontinue the charitable giving program, in whole or part, at any time without notice.

III. Guidelines for evaluating requests

Any charitable or community organization may request donations, sponsorship, or in-kind services. Organizations do not need to be an IRS-approved nonprofit organization to apply for donations. Note, however, the exclusions below.

Exclusions

- ND Paper will not support organizations that discriminate on the basis of age, sex, race, religion, national origin, sexual orientation, or disability with respect to employment, volunteer participation or the provision of services.
- Contributions will not be made to individuals or organizations conducting fundraising (third party giving) on behalf of nonprofit agencies. An exception may be made if the third-party organization is a tax-exempt non-profit organization.
- Requests from religious organizations for sectarian purposes will not be considered; however, a community program sponsored by a religious organization will be considered (e.g., food pantry).
- Requests from professional sports teams will not be considered for charitable donations.
- Requests that solicit financial support for individuals, political candidates, and political campaigns will not be considered. Requests for political donations should be directed to ND Paper's Vice President of Government Affairs & Corporate Initiatives
- Multi-year funding commitments will not be considered. Recurring requests must be submitted annually.

IV. Application Process

All incoming and outgoing requests for charitable contributions/sponsorships, in-kind services or support, and/or company volunteer support, or business courtesies will be coordinated and administered by the designated group or representative as described below. Individual employees may not respond to requests from individuals or organizations. Employees wishing to request a donation on behalf of an organization with which they are affiliated must submit their request through the same process as an external organization.

- Biron Division – HR Manager
 - Chicago Office/corporate – Communications Manager
 - Dayton Office – Production Planner
 - Fairmont Division – Business Development & Training Leader
 - Old Town Division – HR Manager
 - Rumford Division – HR Director
1. The organization or individual seeking a donation will be directed to make the request in writing using the Charitable Contribution Application posted on ND Paper's web site. The form includes: background on the organization or individual; a registered charity tax ID number, if applicable; how the requested funds will be used; other sources of funding sought; and how ND Paper will be recognized for its donation. Applicants will acknowledge ND Paper's requirement for a receipt of any donation.
 2. Requesting organizations should address their request/application form to the nearest office or division via email or post.
 3. Each division or office donation coordinator will track all incoming requests on a shared spreadsheet. The application will then be forwarded to the local donations committee.
 4. The receiving division will acknowledge requests upon receipt, or within one week of receipt at latest. Divisions will establish a timeframe to review each request, with the goal of responding to each request via email or post within four (4) weeks of the date of request.
 5. The donations committee of each division meets at regular intervals or specified times to review applications for support.
 6. Once the donations committee has reached a decision on an applicant's request, the applicant will be informed in writing/by email of the decision.
 7. For approved applications, the donations committee will submit a check request to corporate Accounts Payable, which will write a check to the recipient organization. Accounts Payable will mail the check to the appropriate division donation coordinator for presentation to the requesting organization.
 8. The recipient will provide a receipt to ND Paper for all cash and in-kind donations exceeding \$75.

V. Employee Contribution Matching

ND Paper's charitable matching program was established to support the work of charitable organizations and to encourage employee giving. It embodies the corporate values of treating people with respect and being a positive force in our communities.

The program provides a dollar-for-dollar match for employee contributions to one of ND Paper's designated charities for that year, up to a maximum amount set annually in the corporate budgeting process.

- Based on input from charitable giving committees at each of its locations, ND Paper will designate a list of charities approved for employee matching donation. The list may change from year to year.
- Organizations interested in being considered in future years for employee matching funds should send a written request to one of the offices listed in Section IV. Requests must be received by August 31 for consideration as a designated matching fund recipient the following year.
- The company will make a maximum of one matching donation per employee per fiscal year.
- To be eligible, the employee must be a full-time employee both at the time their contribution is made and when it is matched.
- All requests for matching funds must be properly submitted by the employee between January 1 and June 30. Any unallocated funds set aside for employee match will be distributed to that employee's division's funds for donation in response to community requests.

Employee Match Procedures

- ND Paper will match employee contributions to pre-approved organizations up to an amount determined in the annual budgeting process.
- ND Paper employees must choose one (1) organization from the approved list and can designate a donation to that organization to be eligible for the company match.
- The list of pre-approved partners is titled “Charitable Contribution Partners” and is located on the SharePoint homepage.
- The company will make a maximum of one matching donation per employee per fiscal year.
- Employees must submit their contribution request in writing via the Employee Matching Contribution form. A receipt showing the employee donation must be attached.
- To be eligible for a matching donation, the employee must submit a matching request form to their local charitable donation committee by June 30.
- Company matching donations will be paid in the third quarter.

The Company reserves the right to verify the eligibility of any contribution prior to paying a matching donation. The interpretation, application, and administration of the charitable matching program will be determined by the Company, and its decisions shall be final. The Company reserves the right to amend, modify, or discontinue the charitable matching program, in whole or part, at any time without notice. All information regarding contributions made by individual employees will be treated confidentially.

VI. Recommended Funding Guidelines

- 15% - Environmental
- 45% - Community
- 15% - Paper industry
- 25% - Employee matching

This suggested distribution of funds is subject to the discretion of the Chief Executive Officer.

VII. Glossary

Charitable contribution - A gift made by an individual or an organization to a nonprofit organization, charity or private foundation. Charitable donations are commonly in the form of cash, but they can also take the form of sponsorships, or in-kind services, gifts or give-aways.

***Community well-being examples** – Donations to hospitals or medical centers in mill communities; sponsorship of a band or booth at a local festival; donations to local fire-fighting organizations;

***Environmental sustainability examples** – Donations of supplies to a community group conducting litter clean-up; providing shuttle service to paddlers participating in a canoe trek past the mill (sponsored by a local environmental non-profit); sponsoring an outdoor education program through local schools

In-kind services - Charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given. Gifts in kind are distinguished from gifts of cash. Examples of in-kind giving at ND Paper: locally-made paper donated to a school or organization; turkeys donated to food pantries at Thanksgiving; providing shuttle service to paddlers participating in a canoe trek past the mill (sponsored by a local environmental non-profit).

Gifts - Property, including money, or the use or income from property, given without receiving something of equal value in return.

Give-aways – An item that is given free, often for promotional purposes. Commonly, this refers to items such as pens, T-shirts, or other token items.

***Long-term viability of paper industry examples** – Donations to non-profit organizations supporting the logging industry; sponsorship of high school STEM programs

Sponsorship – When a business makes a donation to a charity and, in return, receives advertising or promotion of its brand, products, or services. A qualified sponsorship payment is acknowledged by the charitable nonprofit in the same way as any other charitable donation.