



## **COMMUNITY INVESTMENT AND DONATIONS POLICY**

### **POLICY**

Pengrowth Energy Corporation (“**Pengrowth**”) is committed to supporting initiatives that promote community development, healthcare, education and sustainable development. To this end, Pengrowth will support key focus areas which align with our values to create a positive impact in the communities in which we operate and to foster a positive corporate reputation on behalf of shareholders.

### **BACKGROUND**

Pengrowth is committed to delivering outstanding value for its shareholders by making strategic oil and gas investments, responsibly managing its assets, and by encouraging its "team members" to find new ways to improve corporate and fiscal performance.

Pengrowth seeks to build a stronger quality of life in communities in which its team members live and operate. Through our Community Investment and Donations Policy, we invest in our team members by enhancing and supporting community involvement and by helping to provide ongoing opportunities for team members to develop and enhance their skills. Pengrowth is proud to work with associations, charitable organizations, community groups, and not-for-profit agencies (collectively, non-profit organizations) to support important projects that enhance quality of life.

### **FOCUS AREAS**

Pengrowth’s community investments and donations serve to enhance quality of life by providing funding and resources in support of non-profit organizations that make a real and lasting impact. Our community investment program supports non-profit organizations that focus on excellence and lifelong skills development, and includes support for:

- Community Development – Economic, social and cultural initiatives that contribute to quality of life and community well being;
- Healthcare – Municipal and regional healthcare projects and services that respond to critical community needs;
- Education – The introduction or enhancement of educational programs in the areas we operate; and
- Sustainable Development –Environmentally responsible, socially conscious initiatives that strive to ensure natural resources are available for future generations.

## **DURATION OF COMMITMENTS**

The duration of commitments for sponsorships and donations should usually be limited to no more than three years. The period and conditions are to be set out in a signed agreement.

## **GENERAL ELIGIBILITY CRITERIA**

Requests for Pengrowth's financial support are evaluated by determining that:

- The request satisfies one or more of the key focus areas.
- A relationship to Pengrowth operations and its team members can be verified.
- The request does not duplicate existing programs, services or facilities offered by Pengrowth.
- Supporting the request provides value to Pengrowth in terms of enhancing its reputation or through direct marketing or business development opportunities.
- The project is aligned with Pengrowth's corporate values and business principles.
- The funding will help support as broad a group in the community as possible.
- The non-profit organization does not discriminate or exclude individuals or groups from participation or membership.
- The non-profit organization requesting funding is financially healthy and well managed.
- The non-profit organization is normally a tax-registered charity, association, community organization or not-for-profit agency with a published list of independent directors and officers, and is able to provide current financial statements upon request.
- The request includes a clear statement of the expected use of Pengrowth's financial contribution and a clear outline of benefits expected as a result of our company's support to the non-profit organization.

## **EXCLUSIONS**

Pengrowth reserves the right to review and amend funding guidelines in the best interests of shareholders at any time.

Pengrowth will not normally support the following types of requests:

- Telephone solicitations, including fundraising programs carried out by third-party fundraisers or professional solicitors.
- Service clubs or fraternal organizations.
- Groups whose activity is focused primarily or exclusively on the advocacy of a particular political or social cause.

## FIELD-BASED FUNDING

In areas where Pengrowth has facilities or operations, we recognize that many groups are formed to support important local priorities. These priorities can range from local sport teams, annual community events and other items that require special attention and are important to the people and organizations in our operating communities.

Pengrowth allocates a portion of its annual budget to fund certain local initiatives which will be managed under the discretion of field leadership teams. Budgets for each operating area are reviewed on an annual basis and are based on the size and scope of operations, number of team members in an area, future plans and significant community needs.

Field office requests under \$10,000 should be forwarded to the regional manager for approval.

## COMMUNITY INVESTMENT PROCESSING AND DONATION APPLICATION

Pengrowth allocates a portion of its annual budget for the specific purpose of funding worthwhile, important initiatives that have a positive impact in the communities where we live and work. Pengrowth's annual budget is approved by the Board of Directors (the “**Board**”) in the fourth quarter of each year.

All external applications are to be electronically submitted through [www.pengrowth.com](http://www.pengrowth.com) or internally through the Insider, our company’s Intranet. Community Investment and donation funding requests that exceed \$25,000 are reviewed by the officers of Pengrowth.

It is important to note that one-time, or incrementally distributed, community investment and donation funding requests exceeding \$250,000 will be considered by the Pengrowth Board through the normal budgeting process.

All applications must be received prior to Sept. 30 of each calendar year. Applications received after the September 30<sup>th</sup> deadline will be reviewed but will not be included in the corporate budget presented to the Board for the coming year. Support for applications received after September 30<sup>th</sup> may therefore not be possible.

Accurate information must be provided when describing funding requests and must include:

1. Name, address, phone number, contact information and registered charity or non-profit number of the non-profit organization the team member wishes to support.
2. Non-profit organization's focus, including history, goals and accomplishments to date.
3. Details of the project to be sponsored, if relevant, including:
  - Objectives
  - Program beneficiaries
  - Key dates and location(s) for project or event activities
  - List of committed and potential donors, including government
  - Project plan that includes objective(s), scope, budget and milestones/timelines
  - Desired outcomes and measures of success

- Geographic scope of program
4. Which key focus area(s) is addressed and why Pengrowth should sponsor this project, including potential benefits for Pengrowth, the non-profit organization and the municipality / region where the funds will be applied.
  5. Total amount and timing over which the funding is requested.
  6. Sponsorship opportunities available (i.e.: exclusive, presenting, etc.), including a list of other major partners, if applicable.
  7. Type of support requested (i.e.: direct financial, in-kind, etc.).
  8. Assistance decision deadline.

Adopted by the Board of Pengrowth on December 16, 2010.