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|-----------------------|-------------------------------------|--------------------------------|----------------|
| <b>Title:</b>         | Procurement Policy – Dumont Project |                                |                |
| <b>Prepared by:</b>   | Alger St-Jean                       |                                |                |
| <b>Approved by:</b>   | Board of Directors                  | <b>Date approved:</b>          | April 15, 2014 |
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Magneto Investments L.P. ("Magneto") considers that responsible procurement is an important component of its vision for the Dumont Project.

## 1 PURPOSE

Establish a framework to promote healthy and fair competition, and a positive impact on the communities where we operate in terms of safety, good environmental practices and wealth creation.

## 2 GOALS

For the Dumont Project, implement a procurement approach that favours suppliers who provide competitive goods or services and benefits the local community on social, economic and environmental levels.

### Magneto therefore will:

- Use standard selection criteria to evaluate procurement offers, namely:
  - Cost competitiveness
  - Quality of work and experience
  - Ability to meet the prescribed technical specifications with regards to goods and services
  - Ability to supply and deliver goods and services
  - Timely delivery and performance
  - Continuity of supply, delivery and after-sales service
  - Past health and safety performance, and current health and safety programs
  - Past environmental performance and current environmental programs
  - Financial capability
  - Any other criteria deemed appropriate by Magneto
- Prioritize suppliers that have a real impact on the regional economy, given equal capacity, quality and cost.
- Encourage major subcontractors and suppliers to support local employment and subcontracting, as well as partnerships with local businesses.
- Communicate economic opportunities in order to increase local knowledge about business opportunities and work with local socio-economic groups.
- Assess local procurement opportunities in terms of needs, selection criteria and risk for both the Corporation and the local communities.
- Set up a process to report any illegal activity around the purchase of goods and services.
- Use existing or recognized guidelines to report on the compagny efforts to maximize local benefits.