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Monitor:	President & CEO	No.: CO-2
Approval Date:	November 6, 2009	Supersedes: September 19, 2006

POLICY

The Northwest Territories Power Corporation is committed to the principles of ‘corporate social responsibility’ and ‘good corporate citizenship’. Customers, communities, employees and shareholders hold an expectation that the Corporation will set and achieve objectives related specifically to this aspect of doing business. Donations and sponsorships are not recoverable from customers.

The Corporation will implement and maintain a Donations & Sponsorship program with the express purpose of demonstrating good corporate citizenship in the communities in which the Corporation is active.

This Policy will focus on the following **key objectives**:

- To be recognized as an active participant at the community level.
- To achieve fairness and consistency by evaluating all ‘Applications for Donations’ against the predetermined criteria listed in this Policy.
- Develop and implement the Policy in a way that it becomes another ‘vehicle’ for communicating important milestones and how the Corporation operates.
- Support sponsorship opportunities that strive for excellence, create favorable recognition and acceptance of the brand and enhance the Corporation’s reputation as a good corporate citizen.
- Support sponsorship proposals that offer the opportunity to maximize the Corporation’s investment through staff involvement and thereby create a sense of ownership and commitment to the program.
- Support sponsorship proposals that provide the Corporation with the opportunity of a long-term partnership, given that real return on investment will only start to be realized after a period of two to three years.

Total budget to support this Policy will be approved by the President & CEO and allocated through head office. In any given fiscal year it is anticipated that the budget will equal 1 to 1.5% of projected net earnings.

DEFINITIONS

‘**Donations**’ are cash or in-kind contributions made to local community groups. They are typically one-off in nature, reflect the overall objectives of this Policy, and the Corporation

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has no real expectation in terms of return on investment. They are generally for an amount of less than \$500.

‘Donations – Philanthropic Grants’ relate to those special community/area/territory initiatives that invite the Corporation to give by way of a grant to a specific project, for example, the recent grant given to the Stanton Regional Health Foundation. Such grants would be made on the basis that there would be no expectation of increasing the material gain (other than that related to corporate recognition, credibility and reputation) of the Corporation.

‘In-kind Donations’ are donations that do not involve a direct cash contribution but instead might include providing promotional items such as Powerstore clothing. A monetary value must be assigned to in-kind donations to keep them in line with budgetary and reporting parameters.

‘Scholarships’ – from time to time the Corporation may award scholarships to recognize academic excellence.

‘Sponsorships’ relate to opportunities that will in most cases offer a long-term association with a particular event or program. In most cases sponsorships would allow the Corporation to develop a working relationship with the other party and to proactively participate to ensure maximum return on investment is achieved.

DIRECTIVES & GUIDELINES

1. Authority

1.1 Donations

Are authorized and managed by the Communication & Customer Service Coordinator. All donation requests are to be directed to the Communication and Customer Service Coordinator to ensure consistency and to streamline procedures for handling donations.

Head office directors may also from time to time approve additional smaller donations as part of their respective departmental promotional plan. Records of donations shall be forwarded to the Communication and Customer Service Coordinator for reporting and filing.

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1.2 Donations – Philanthropic Grants

These Donations would normally be for larger amounts of money and must be authorized by the President & CEO.

1.3 Scholarships

Scholarships’ recognizing academic excellence may be awarded by the Corporation from time to time, and the program is the responsibility of the Communication & Customer Service Coordinator in consultation with the President & CEO and Director of Corporate Communications.

1.4 Sponsorships

The Sponsorship Portfolio will be managed by the Communication & Customer Service Coordinator, in consultation with the President & CEO and Director of Corporate Communications.

1.5 Requests for donations and sponsorships that do not meet the criteria listed in this policy, but do support the strategic direction of the Corporation, can be approved by the President & CEO.

1.6 Information regarding approved donations and sponsorships will be published in the Corporation’s quarterly customer newsletter and as part of the Corporation’s annual community report.

2. Funding Areas

Through this Policy the Corporation supports groups and organizations that operate in the following broad community sectors:

- Sport & Recreation – exercising mind and body
- Health & Education – encouraging wellness
- Arts & Culture – embracing our people
- Environment & Community – sharing the land

3. Donation Applications – Criteria, Exclusions and Application Guidelines

Donation applications will be evaluated against predetermined criteria and with due regard to the value of the donation request. Also to ensure that the Policy achieves approved objectives and is applied with consistency, some exclusions have been listed, together with application guidelines.

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3.1 Criteria

Preference is given to groups and organizations that:

- Are non-profit and can demonstrate community support and involvement.
- Are working for the benefit of a wide range of stakeholders, in particular the youth of a community.
- Can demonstrate how the money or in-kind donation is to be spent and the expected outcome of the event.
- Commit to acknowledging the Corporation's contribution through the placement of various promotional banners, brochures, posters and the corporation's logo on promotional material.
- Commit to acknowledging the Corporation's contribution by sending letters to community and political leaders, and reports on the event through local media.
- Commit to providing the Corporation with a letter following the holding of the event that summarizes the outcomes and benefits.

3.2 Exclusions

The following are not eligible for support:

- Individuals
- Organizations, projects and other activities outside NWT
- Advertising and promotions, including advertising solicited on behalf of another organization
- Reducing or donating the cost of electricity services
- Churches or other religious groups
- Professional fund-raisers working on behalf of an organization
- Generic request that may have been sent to various organizations – the 'To whom it may concern' letters.
- Applications that meet general criteria, but may negatively impact the reputation of the Corporation (for example, events that pose significant risk of injury to participants or public, events perceived to have negative environmental impacts, etc.)

3.3 Application Guidelines

Requests for donations should be short and submitted in written form. They should include the following:

- An outline of the project or event for which the donation is being requested and the expected outcome.

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- The amount being requested, together with a total budget or projected cost of the event.
- A list of all project contributors or partners, particularly companies, foundations and government agencies.
- A list of personnel involved with running the organization.
- Information and commitments that will meet the criteria listed in this Policy.

To qualify for support and to assist with processing, applications should be submitted at least two months prior to the scheduled project or event.

In special circumstances Corporation staff responsible for administering this Policy can waive any or all of the above requirements in the best interests of the parties concerned.

4. Donations – Philanthropic Grants

All applications for philanthropic grants should be forwarded to Corporate Communications for evaluation and further action. It is anticipated that over the course of a year the Corporation may approve up to **three** such grants.

In evaluating philanthropic grant applications, consideration will be given to:

- Scope Relevance – does the cause relate to any project in which the Corporation has a vested interest and will giving have a direct or indirect benefit to the Corporation with respect to the project.
- Social Relevance – does the cause have a great deal of public support, do supporters receive associated credibility and profile and will customers and stakeholders perceive the Corporation is exploiting the cause or making a positive difference?
- Opportunities – will support enhance the perception of the Corporation and profile of senior management?
- Quality of Program – does the organization have a credible track record, is it financially stable and does it meet high professional standards as a non-profit organization?
- Leveraging Media – is the cause or program appealing in a positive way to the media, is there a planned media strategy and will the Corporation be recognized and how?
- Measurability – does the organization have the resources to deliver what it promises, can the results be measured and how will they be reported?

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5. Sponsorships

The Corporation's sponsorship strategy will be developed and managed in a way that it reflects all of the objectives and criteria that have been identified and included in this Policy document.

Furthermore those opportunities that allow the initiative to be replicated into many of the communities served by the Corporation will receive favorable consideration.

Sole sponsorship or joint sponsorship with two or three other compatible organizations is the preferred position of the Corporation.

All sponsorship inquiries should be directed to the Corporation's Communication & Customer Service Coordinator, 4 Capital Drive, Hay River, NT, X0E 1G2, or telephone (867) 874-5215.