

Board Rule No. 21

Corporate Donation Policy

The Alaska Railroad Corporation ("ARRC") has a long history of supporting the communities it serves and in which its employees work and live. In keeping with this history, ARRC will adhere to the following principles and guidelines when providing corporate cash and in-kind donations to charitable and civic organizations. The principles and guidelines contained in this Policy may be changed from time to time when ARRC determines a change is appropriate.

1. PURPOSE

Alaska Statute 42.40.120(c)(3) provides that the ARRC Board of Directors ("Board") must approve the donation of property or other assets belonging to the corporation. This Policy constitutes Board approval for the types of cash and in-kind donations specified herein. Requests for the donation of corporate property or other assets that are not specified in this policy must be submitted to the Board for approval. Requests must be provided in writing to the Board Secretary at least thirty (30) days in advance of a Board Meeting.

2. FUNDING CRITERIA

ARRC uses the following criteria for its donation decisions:

2.01 WHERE WE FUND: ARRC donations are awarded to nonprofit groups throughout Alaska with an emphasis placed on organizations in communities located along the railbelt.

2.02 WHAT WE FUND: ARRC donations focus on organizations that enhance educational opportunities, community quality of life and economic health. ARRC has a special interest in increasing learning, civic participation and professional growth opportunities for Alaska youth.

2.03 WHAT WE DO NOT FUND:

- Political or religious organizations, activities, or causes
- Endowments
- Operating budgets (e.g. salaries, day to day expenses)
- Annual or automatic renewal grants
- Beauty pageants or participants
- Sports teams and sporting events. Exception: An ARRC employee or employee team may be supported upon approval of the ARRC Vice President of Corporate Affairs.
- Gifts to individuals or organizations for the benefit of a single individual or family

- Travel expenses of groups or individuals
- Requests from organizations that discriminate based on race, creed, color, sex or national origin
- School requests outside of our school business partnerships with the exception of certain in-kind donations (e.g. in-kind donations to Parent Teacher Associations). *Please refer to the in-kind section 4.02 of this policy for more information.*
- Programs that unnecessarily duplicate services already provided in the community or for purposes that could be addressed through existing agencies.

3. ELIGIBLE RECIPIENT ORGANIZATIONS

The following types of organizations are eligible to receive donations under this Policy

3.01 CHARITABLE ORGANIZATIONS: Charitable organizations are non-profit organizations with a tax employer identification number that provide community services and philanthropy. ARRC refers to its funding criterion to determine which requests will be approved.

3.02 CIVIC ORGANIZATIONS: Civic organizations are non-profit organizations providing community services and opportunities for business development. ARRC participates through membership and event sponsorship in a number of civic organizations to improve community, government, and business relations and to foster state and community development.

4. DONATION CATEGORIES

ARRC may grant both cash and in-kind donations with an emphasis placed on in-kind donations.

4.01 CASH DONATIONS: ARRC may provide cash donations, sponsorships and pay membership fees to both Charitable and Civic Organizations. Funding support for the cash donation, sponsorship and membership budget is determined each year as part of ARRC's overall operating budget and plan. The Board must provide specific approval for any cash donation requests over \$10,000 that are not included in the Board-approved budget. ARRC's Vice President of Corporate Affairs is responsible for administering the cash donation program.

4.02 IN-KIND DONATIONS: ARRC may provide the following types of in-kind donations to charitable, civic and government organizations. ARRC's Vice President of Corporate Affairs is responsible for administering the in-kind donation program.

A. TRIP PASS, RAIL TIES AND PROMOTIONAL ITEMS: ARRC considers the donation of trip passes, used rail ties and promotional items (e.g. posters, prints and pins) throughout the year. Eligible organizations interested in these items must submit a contribution application to the Corporate Affairs Department for consideration.

B. TRANSPORTATION SERVICES AND TRAINS: It is ARRC's policy to donate train rides for the public at its annual Open House events and for its school business partnerships. ARRC's President and CEO may approve other donated trains and passenger and freight transportation services on a case-by-case basis.

C. DENALI CAR DONATION PROGRAM: ARRC supports the Denali Car Donation Program designed to help non-profit organizations leverage funding and capacity building efforts through use of the Denali Car on ARRC's regularly scheduled service (May through September) between Anchorage and Seward.

5. DONATION APPLICATION FORMS

Donation procedures and application forms for the Denali Car Program and cash and in-kind donations can be found on ARRC's website at www.AlaskaRailroad.com and must be submitted to the ARRC Corporate Affairs Department. Donation requests for transportation services, trains, and other personal property, must be provided in writing to the ARRC Vice President of Corporate Affairs.