Preamble

The purpose of this TDC Venture Development Policy is to establish the TDC process to: enter into an economic development ventures; outline the criteria and scoring for evaluating venture proposals; and outline the communication principles.

Nothing herein shall be construed so as to abrogate, derogate, define, limit or recognize any Aboriginal right, treaty right or any other right of the Tsal'alh, any other St'át'imc community, or the St'át'imc Nation.

1. Definitions
   - Tsal'alhmec is a Tsal'alh community member.
   - TDC is the Tsal'alh Development Corporation.
   - TG is the Tsal'alh Government.
   - The term Venture is used to refer to any type of solely owned TDC business.
   - A Limited Partnership (LP) is a legal entity formed between two or more partners that is designed for the partners to undertake an economic activity together, share risk, and share benefits.
   - A Joint Venture (JV) is a legal agreement between two partners that is designed for the partners to undertake economic activity together, respecting each partner's independent risk and benefits.
   - Other Partnership Agreements can be used by TDC to undertake economic activities, on a case-by-case basis.

   The purpose of establishing ventures and partnerships for the TDC is to maximize economic development opportunities that supports the realization of the TDC vision, which is to

   'create a self-sufficient stable foundation for wealth creation, self-sufficiency, economic independence that benefits/enhances the lifestyle of Tsal'alhmec, and future generations'.

2. Criteria & Scoring
   All potential Ventures will be reviewed and assessed through scoring, based upon the ability to support 'wealth creation', which is based upon the following criteria:

   a. *Capital Contribution Matching & TDC Majority Ownership – 20%*
      i. Any potential partners must match or better capital contributions invested into the development of a Venture. If the TDC contribution includes lands or resources, these investments will be assessed at fair market value. These investments are intended to support start up and continue throughout the life of each Venture /business.
      ii. All legal partnerships require that TDC maintains a 51%, or greater, share in the company throughout the life of the business.

   b. *Financial Return on Investment (ROI) – 20%*
      i. All ventures are required to demonstrate in the business plan a strong unique selling proposition, industry growth potential, and realize a 10%, or better, ROI annually, over the life of the business.

c. *Employment, Training & Contracting – 20%*

   i. All Ventures require that the proposed project contains an *Employment, Training & Contracting Plan* that allows Tsal'alhmec to receive accredited, transferrable, and ladderable training (where available/relevant), and create employment and contracting opportunities that offer living wages.

      The goals for employment and contracting opportunities are as follows:

      - A specific number of jobs that establish careers, reflective of industry standards and trends; and

      - A specific compensation amount per job, should a partner be unable to fulfill hiring commitments.

d. *Sustainability – 20%*

   i. All Ventures are required to incorporate to the greatest degree possible an integrated total quality management system that supports the viability and sustainability of the project.

   ii. All proposed Ventures will strive to achieve, and maintain, the highest industry environmental protection standards, or better them, throughout the life of the business.

   iii. All ventures are required to include in the business plan a capacity development plan that contributes to Tsal'alhmec, community, and/or TDC and TG organizational development.

   iv. The TDC will only entertain ventures partners whose companies do not have any outstanding issues within the past 5 years. Partners who are proposing a partnership with the TDC are required to submit reports demonstrating that they are in good standing with respect to issues that include but are not limited to: audit (e.g. provision of reports), legal issues (e.g. Registry records), substantial legislative/regulatory violations, or service delivery issues (e.g. Letters of Reference/Client Reference Check), and who are in good standing with relevant professional associations (Association Letter of Reference).

   v. All potential partners must demonstrate an interest in incorporating and aligning their company with TDC values and wealth creation into their respective business(es), understand and be willing to invest the time required to build respectful relationships.

   vi. All partnerships will focus on the on-going long-term relationship with the TDC and Tsal'alh, and will strive to support long-term growth and expansion.

   vii. All partnerships are also required to include, where possible, emerging technologies that can contribute to the long-term viability and sustainability of the project and potentially contribute to other community development needs (e.g.: health, education).

e. *Land Use – 20%*

i. A potential Venture that involves use of Tsal'alh lands within the St'át'imc territory must adhere to the Tsal'alh and St'át'imc respect to and adhere to the evolving Tsal'alh and St'át'imc Lands and Resources Plans, Policies, and By-laws throughout the life of the business.

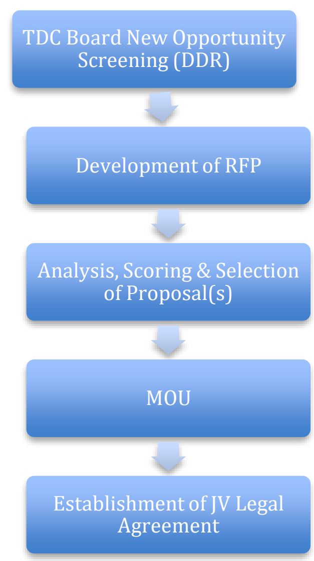
ii. All potential Ventures require that any required research and development activities, including but not limited to land surveying, mapping, or inventorying are undertaken with a TDC/TG approved contractor who is responsible for maintaining the integrity of the process, according to Tsal'alh and St'át'imc science, processes, and practices.

f. *Net Gain and Community Support – 30% Bonus*

   i. Ventures that can contribute to any additional net gains (short, medium, and long-term) will receive a bonus scoring of 10%.
   ii. Partners who can provide a letter of support from one or more St'át'imc communities, will receive a bonus scoring of 10%.
   iii. Any RFP specific measures that contribute to additional wealth creation outcomes will also receive a bonus scoring of 10%.

3. <u>Process</u>

The TDC Board is responsible for reviewing, analyzing, and approving ventures that will support the realization of the TDC vision.



The TDC, any of its holdings, the Board, and/or staff offices may bring forward a proposed venture for consideration, which will be reviewed at monthly TDC Board meetings.

The TDC Board will evaluate all potential venture opportunities, <u>only</u> upon the completion of a comprehensive business plan.

** Any proposed ventures, projects, or activities that have the potential to impact community rights, as defined by the community, must be referred to the TG.

The following is the process used to consider ventures for TDC.

a. <u>Screening for new Opportunities:</u> Where the opportunity exists to consider the development of a Venture, the Board will:

   - Screen new proposed ventures. See *Appendix A: TDC Briefing For New Projects* and supporting CEO DDR (Due Diligence Report); and
   - Evaluate the business plan/business plan summary, including financial projections (based upon GAAP).

   The Board may also request the CEO and/or partner to undertake additional research to determine the overall viability of a project.

All project information must be fully disclosed in a TDC Venture Development Briefing with the intent of limiting any potential liability and improving the overall effectiveness of the project.

b. Request For Proposals: The TDC Board will direct the CEO to prepare and advertise a TDC RFP's for potential opportunities where: the business plan demonstrates high viability: supports wealth creation, and requires resourcing of $25,000 or more, which includes financial, human, equipment, etc.).

c. Analysis, Scoring & Selection: A potential partner may submit a proposal, according to the terms outlined in a TDC RFP.

   The TDC Board will schedule a review of all proposals, undertake analysis, scoring, and selection of proponents based upon the RFP criteria, and this policy.

   A decision to approve or reject a proposal will be made within 90 days of receipt of the proposal.

d. Memorandum of Understanding: If an organization(s) receives approval to proceed with developing a JV/LP with TDC, the TDC Board will draft an MOU that will be provided to the partner organization(s) by the CEO. The MOU will include an outline of the agreed upon shared resources that will be committed, and the commitment process (proposed appropriate partnership model).

   This process may include the need for additional research recognizing that, at a minimum, all TDC economic development projects require a comprehensive business plan and financial projections (based upon GAAP).

   Research following completion of an MOU must be developed in cooperation with the TDC CEO, who is responsible for communicating Board goals and objectives to any potential partners.

e. Legal Agreement: Upon the completion of all of the above steps the TDC Board and successful partner will jointly retain legal counsel to set up the appropriate legal agreements (JV, LP or other legal structure, non-disclosure agreements, issue resolution processes) to proceed with development and implementation.

   These agreements must conform to the accountability measures of TDC, including but not limited to quarterly reporting, and a detailed annual report (including audited financials) approved by the Board.

Throughout the process the TDC Board, CEO, and employees are encouraged to document best practices and lessons learned regarding policies, processes, and procedures that contribute to the successful development of Ventures through continually enhancing systems. Therefore, this process may be subject to change with 30 days notice.

2. Communication Principles

a. A guiding principle of this policy is to provide a degree of predictability through collaborative planning that respects and enhances the TDC, and their partners, to achieve their organizational vision(s).

b. In order to achieve this principle, the TDC CEO is responsible for sharing this policy with the general public and interested partners, and ensuring their complete understanding of this policy and the criteria.

c. The TDC Board and CEO should participate in any research for a potential partnership as early in the process as possible in order to establish trust, as well as project and cost efficiencies. The CEO is responsible for immediately reporting any new projects and briefings to the TDC Board.

d. Announcement of any successful partnerships will be undertaken by the TDC President or CEO to the Tsal'alh, and St'át'imc communities, before any other public announcements. The TDC is under no obligation to make any further public announcements.

e. Regular reporting (quarterly and annual) for each venture is required for all TDC ventures that includes financial reporting (in for the format determined by the Board), and as outlined in the plan and/or legal agreement.

TDC Board Venture Screening Briefing

(date)

A. Submitted by: Name/Organization

B. Background: Including partner background, if applicable.

C. Relevant Documents:

D. Project Description: This section should contain a summary of the project, based upon research (cited appropriately), its history (if any) with the TDC, and current status with the TDC.

This section must fully-disclose all information in order to limit any potential liability to the parties.

This section should discuss the goals, objectives, measures of success, targets, timelines, term of the proposed venture, and associated resourcing requirements.

This section should also summarize the components required within a business plan (e.g. management plan, market strategy, industry trends, operations plan, capacity development plan, benefits, risks, and potential challenges).

E. Capital Investment:

This section should outline in detail the resources required for the project and where funding is anticipated to be contributed from.

Financial Project Costs	
Capital & Equipment	
Marketing Development	
Inventory/ Supplies	
Pre-Operating	

Source of Funds/ Financing	
TDC Equity	
Other (e.g. Partner Equity)	
ANTCO/AFI	
Commercial Financing	

This section should also outline financial projections for sales/ revenue, and net income for the first three years of operation, based upon preliminary or completed financial projections.

F. Alignment with TDC Criteria:

This section should identify the priority(ies) that the project aligns with and detail the benefits overall and directly to TDC.

a. Capital Contribution & Majority Ownership
b. Financial ROI
a. Employment, Training & Contracting
c. Sustainability
d. Land Use
e. Net Gain
f. Community Support

G. Recommendations for Additional Research Required:

H. Next Steps:

APPROVALS:

TDC Board Chair

CEO