

FORM 3

SOCIETY ACT

CONSTITUTION

1. The name of the Society is Gwaii Trust Society.
2. The purposes of the Society are:
 - (a) to carry out activities beneficial to the communities (collectively, the “Community”) of the archipelago of Haida Gwaii also known as the Queen Charlotte Islands (the “Islands”) through:
 - (i) accepting funds from any donor, grantor or contributor;
 - (ii) assisting in promoting the cultural and economic health of the Community;
 - (iii) assisting in promoting the making of decisions by the Community that affect the economy and culture of the Community;
 - (iv) assisting in developing strategies to promote the well-being of the Community;
 - (v) fostering the spirit of cooperation, cultural understanding and trust by promoting the concept of the Islands as the Community;
 - (vi) stimulating employment in the Community through improvements in Islands infrastructure;
 - (vii) making the Community a better place to live through improvement of the Islands’ infrastructure and thereby making the Islands a more desirable place to visit and to do business;
 - (viii) assisting in the promotion of education and artistic expression in the Community;
 - (ix) providing for research into the land and marine ecosystems and archaeology of the Islands;
 - (x) providing for conserving and sustaining the land and marine ecosystems and archaeological sites of the Islands;
 - (xi) providing for research into planning and implementation of strategies for a long-term sustainable economy for the Community; and

- (xii) providing, where appropriate, local municipal services in lieu of a municipality doing so;
- (b) to carry out the activities described in subclause 2(a) of this Constitution, in a manner broadly consistent with the principles enunciated in the agreement made between Her Majesty the Queen in the Right of Canada and Her Majesty the Queen in the Right of British Columbia dated July 12, 1988, commonly called the South Moresby Agreement including, without limitation, the principles of economic development, job creation and economic diversification; and
- (c) to do all such things as may be necessary or conducive to the attainment of the aforesaid purposes.

3. No part of the Society's funds or assets shall inure to the benefit of any private individual, and no part of the activities of the Society shall consist of participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office. No part of the Society's income shall be made payable to, or otherwise made available for the personal benefit of, any member of the Society except as otherwise permitted by clause 5 of this Constitution.

4. Upon the winding-up or dissolution of the Society no part of the funds or assets of the Society shall be distributed to the members and all its funds and assets which remain after the payment of:

- (a) all costs, charges and expenses properly incurred in such winding-up or dissolution; and
- (b) all debts of the Society,

shall, subject to clause 9 of this Constitution, be distributed to one or more non-profit organizations, as defined in paragraph 149(1)(l) of the *Income Tax Act*, as amended from time to time, for use in the Islands. The recipient shall be chosen by ordinary resolution of the members of the Society, or failing such resolution, by resolution of the directors of the Society.

5. The Society shall be operated exclusively as a non-profit organization without financial gain to its members and any profits or other accretions to the Society shall be used as and when determined by the directors of the Society in promoting and furthering the purposes of the Society. Provided, however, that nothing in this provision shall prevent the Society from employing any member or director as an employee or independent contractor and nothing in this provision shall prevent the Society from paying any director or member so employed a fair and reasonable remuneration for services actually rendered to the Society by such director or member in their capacity as an employee or independent contractor.

6. The Society shall hold an annual public meeting at which the directors report to the Islands' residents on the operation of the Society and the Fund (as defined in clause 9 of this Constitution) and answer questions concerning the operation of the Society and the Fund.

7. The incorporating of the Society and the application and enforcement of the by-laws of the Society are strictly without prejudice to the unresolved dispute between the Haida Nation and Her Majesty the Queen in the Right of Canada and Her Majesty the Queen in the Right of British Columbia over political, legal and jurisdictional matters.

8. The by-laws of the Society shall be those filed with the application for incorporation of the Society until repealed, amended, altered or added to.

9. The Society:

- (a) shall hold all funds donated, granted or contributed at any time to the Society as the capital of a perpetual fund (the "Fund") and invest the capital of the Fund so as to earn income to be used, firstly, as an addition to the capital of the Fund to the extent necessary to maintain the value of the capital of the Fund so that it will have, at any time, when adjusted for inflation and subject to any advancement of capital from the Fund made pursuant to subclause 9(b) of this Constitution, a value at least equal to the sum of all funds donated, granted or contributed to the Society before that time and, secondly, to finance achievement of the other purposes of the Society to the extent that there is income in excess of that needed to maintain the value of the capital of the Fund;
- (b) notwithstanding the provisions of subclause 9(a) of this Constitution, may make advances from the capital of the Fund to finance achievement of the other purposes of the Society; and further provided that no advancement of capital from the Fund will be made unless it is approved by a resolution of the members of the Society (a "Capital Advancement Resolution") which is passed at a general meeting of the Society by the affirmative vote of all but one of members of the Society existing at the time of such general meeting and all procedural steps relating to the passing of a Capital Advancement Resolution will be governed, with necessary changes, by the by-laws of the Society which govern procedures relating to the passing of special resolutions of the Society; and

the Fund shall be administered through trust arrangements with one or more trust companies that are incorporated under the laws of Canada or of a province and investments by the trustees of the capital of the Fund shall be limited to those investments described in Section 15 of the *Trustee Act*, R.S.B.C., c. 414 and Section 17 of the *Trustee Act*, R.S.B.C., c. 414 as amended from time to time or such equivalent statutory provisions as may be in effect from time to time shall apply with respect to such investments.

10. Clauses 3, 4, 5, 6, 7, 8, 9, and 10 of this Constitution are unalterable in accordance with Section 22 of the *Society Act*, R.S.B.C., c. 390.