

**Minutes of the Meeting of the Trustees of
the Ozija Thiha Education Trust (“OTET”)
held February 9, 2022 at the Bearspaw
Youth Centre, Stoney Reserve, Alberta**

PRESENT

Trustees: Anthony Bearspaw
Pierre Lefthand
Robert Shotclose

Also Attending: Terry Munro CMC, Munro & Associates Inc. Advisor

Former Chief Victor Buffalo, Samson Cree Nation (for part of the meeting)

Michael Flatters, Burnett Duckworth & Palmer LLP, Legal Counsel (for part of meeting)

Michael Job CFA, Leith Wheeler Investment Counsel, Investment Manager (for part of the meeting)

The meeting was called to order at 10:35 a.m. and Robert Shotclose agreed to act as Chair and Terry Munro as Secretary.

A proper notice of the meeting had been given, and as a quorum of Trustees was present, the meeting was declared to be duly constituted for the transaction of business.

1. Opening Remarks

Robert Shotclose welcomed all in attendance for the first formal Board of Trustees' meeting of the OTET.

Councillor Pierre Lefthand provided an opening prayer in the Nakoda-Sioux language.

Due to the fact that this was the first meeting of the OTET Board of Trustees, the Bearspaw First Nation invited former Chief Victor Buffalo of the Samson Cree Nation to say a few words. Chief Buffalo was Chief for five (5) terms of office, he has been awarded the Order of Canada, the Alberta Order of Excellence, five honorary degrees and many other awards. He was the Chairman of Peace Hills Trust Company for over 20 years and on the Board of Directors for 42 years. Peace Hills Trust, owned entirely by Samson, is Canada's first and largest Indigenous owned financial institution.

Of special interest to OTET is that Chief Buffalo established the Samson Education Trust Fund (SETF) in 1980. He stated SETF started with \$1M in capital from oil royalties and grew over time through capital injections and investment of the trust funds. He said today SETF has \$40M in trust capital and an annual budget for assisting students of over \$3M. He was one of the first indigenous leaders in Canada to pioneer the use of trusts by First Nations.

Chief Buffalo congratulated the Board of Trustees and the Bearspaw First Nation in establishing an education trust fund. He stated there will be challenges in setting up and operating the Trust, however, he was confident that the necessary money will find its way to the Trust.

He stated the SETF has had a very positive impact on the Samson Cree Nation and its members. He stated it has helped raise the education level of his Nation considerably higher over a 40 year period. He said he was proud to know the Trust has assisted and encouraged hundreds of his members to earn their college diplomas and university degrees. Samson has several hundred members with university degrees, Master's and Doctorate (PhDs) degrees including some in law and medicine.

Chief Buffalo called upon the OTET Board of Trustees to learn and follow the rules of their trust deed while at the same time build up the financial size of the Trust so it will be in a position to assist as many students as possible now and in the future. He said as the first Trustees of the Trust Fund it is important that it be placed on a solid foundation and the correct path so it will be easier for others to follow in the future and make certain it will be successful.

The Trustees asked a number of questions and thanked Chief Buffalo for his insight and assistance in having the OTET get off to a good start. Chief Victor Buffalo left the meeting.

2. Minutes of Board of Trustees Meetings

The Board reviewed the matter of the need for proper and accurate minutes of their Board meetings. Terry Munro provided an example of meeting minutes from a recent Ozija Thiha Legacy Trust Board of Trustees meeting. He stated it was critical that proper minutes be taken to record the details of decisions made by the Board, to have a clear record of any discussions that were made, to demonstrate that the Trustees are discharging their fiduciary duties as trustees and create an accurate record of the work of the Board.

All Trustees agreed that professional minutes of all meetings must be taken and the record be preserved for possible reference in the future. Terry Munro said legal counsel and auditors often turn to the minutes of Board meetings for clear evidence of decisions and other relevant information.

3. Foundational Documents OTET

Robert Shotclose and Terry Munro provided an overview of the essential documentation for the establishment of the OTET. Terry Munro congratulated the Bearspaw Chief and Council and staff for their fortitude and hard work associated with building the framework of the OTET for the benefit of the Bearspaw First Nation and its students.

Robert Shotclose reviewed with those present:

- Bearspaw First Nation Council Resolution #2022-001 dated January 24, 2022 establishing the Ozija Thiha Education Trust, adoption of trust deed and appointing of Trustees.
- He also reviewed the shortened Term of Office (Article 7.1 of Trust Deed) found in the Resolution.

Terry Munro conducted a very general review of the OTET Trust Deed dated January 24, 2022. He covered all the critical areas and stated legal counsel would be joining the meeting and would provide greater detail on certain issues.

ON MOTION duly made **IT WAS RESOLVED THAT** the Board of Trustees hereby table the above-noted documents for the record and for inclusion in a newly created OTET Minute Book. **CARRIED**

4. Appointment of OTET Chairperson, Article 4.11 of Trust Deed

The Trustees spoke about the role of the Chair of the OTET Board of Trustees. The duties are to facilitate highly effective performance, provide in the overall management of the Board's affairs by ensuring the Board fulfills its specific duties and responsibilities under the OTET Trust Deed with full transparency and the application of sound governance practices. The delegation of duties to the Chair of the Board provides further attention in and oversight practices to important administrative functions of the Trust.

After some discussion on the position of Chair of OTET the matter was tabled until the next Board of Trustee's meeting. A job description will be prepared.

5. Signing Authority for Ozija Thiha Education Trust

Under Article 9.5 of the OTET Trust Deed, the Trustees may at any time direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligation may or shall be executed.

The Trustees in prior discussions concluded that signing authority for the OTET shall provide for that any two (2) of the three (3) Trustees can bind the Trust.

ON MOTION duly made **IT WAS RESOLVED THAT** unless otherwise prescribed by the Trustees, any two (2) Trustees be and are hereby authorized to execute any such instrument, contract, obligation or other document as may be necessary from time to time in the administration of OTLT.

The foregoing authorization shall remain in effect until amended by Resolution of the Trustees and that a Resolution in writing be prepared and signed in relation to this signing authority. **CARRIED.**

6. OTET Trustee Honoraria

A wide-ranging discussion took place in relation to the fixing a per diem rate for trustee honoraria. Trustees were aware of the fact that the Trust was just beginning and has a number of financial challenges. Terry Munro provided information on the payment of honoraria in respect to other education trust funds of Samson, Ermineskin and Onion Lake.

ON MOTION duly made **IT WAS RESOLVED THAT** The Board of Trustees confirm the fixing of a per diem rate of four hundred dollars (\$400) for Trustees for attendance at OTET Board of Trustees meeting.

7. Ozija Thiha Education Trust Statement of Investment Policies and Procedures

Terry Munro provided general description of a SIP&P and its purpose. He provided an example using the Ozija Thiha Legacy Trust SIP&P. He stated good governance requires that the Board of Trustees prior to entering into investments have in place a detailed SIP&P.

It was noted that OTET would not be required to prepare a SIP&P until significant funds were transferred to the Trust. Terry Munro said that if an investment manager was chosen by the OTETF and the funds were invested in a pooled fund, the Board of Trustees would adopt the SIP&P already in place for that particular investment fund.

8. Ozija Thiha Education Trust Administration Policies

The Trustees discussed the necessary steps to establish the OTET and its administration including how to handle certain day to day activities. It was noted that the Trust currently has no operating funds and therefore the Bears paw First Nation would need to step in to financially assist the OTET get started.

Robert Shotclose advised that he had discussion with the Bears paw First Nation CFO James Sand about the Trust and its accounting needs. It was pointed out donations will be flowing to the Trust and clear records must be made for all trust income.

After some discussion, the Board of Trustees agree that the Bears paw First Nation Finance Department through James Sand would produce financial statements for the OTET including quarterly statements.

In addition, the need for a part-time employee or contractor was raised. Terry Munro stated that his firm would be prepared to assist the Bears paw First Nation in establishing the Trust, however, he did not want to get involved in too many day-to-day activities. He stated they would be better dealt with by a part-time contractor from the Nation, someone with strong administrative and financial skills.

The issue of a budget for OTET was discussed by the Trustees. It was concluded that due to the fact that the Trust has no funds to date and the activity (scholarship and awards) will be driven only by the funds received through donations, it was not possible to draft a meaningful budget at this point.

9. Roles and Responsibilities of a Trustee

Well known Calgary trust lawyer Michael Flatters from the firm Burnett Duckworth & Palmer LLP joined the meeting.

Michael Flatters provided a definition of Trustee (or the holding of a trusteeship), he stated it is a legal term which, in its broadest sense, is a synonym of anyone in a position of trust and so can refer to any person who holds property, authority, or a position of trust or responsibility to transfer the title of ownership to the person named as the new owner, in a trust instrument, called

beneficiary. He also provided an overview on the certain duties the OTET Trustees have towards the Trust. He stated they must:

- Carry out the expressed terms of the trust instrument – A trustee is bound to act in accordance with the terms of the trusts upon which he or she holds trust property, and commits a breach of trust if he or she departs from the terms of the trust.
- Defend the Trust.
- Prudently invest trust assets
- Be impartial among beneficiaries – the trustee must act impartially between individual beneficiaries as well as between different classes of beneficiaries.
- Account for actions and keep beneficiaries informed, these include a duty to inform beneficiaries as to their entitlements under the trust and other matters concerning the trust.
- Be loyal
- Not delegate your duties and responsibilities as a Trustee
- Not to profit; however, may charge an honorarium for services to the Trust
- Administer in the best interest of the beneficiaries

A trustee carries the fiduciary responsibility and liability to use the trust assets according to the provisions of the trust deed.

Michael Flatters made a comparison of the trust deed to that of an operator's manual found with a car or truck. He stated you must be familiar with the contents of the manual; however, you may only need to refer to certain specific sections from time to time.

He said have a proper management and administrative structure in place for the operation of the trust fund was key. He stated this allows the business of the Trust to "stay on the rails" and not drift from the trust purpose. The trust purpose is charitable one – to support, encourage and financially assist Bears paw First Nation students. He reviewed with the Trustees Article 3 Trust *Purpose and Power* as well as the definition of *(p) Trust Grant* in the OTETF Deed:

- (a) **"Trust Grant"** means a gift or other use of Trust Income monies made in furtherance of the Trust Purpose and such grants, without limitation, may include gifts and uses for any:
- (i) scholarship;
 - (ii) incentive;
 - (iii) accomplishment;
 - (iv) achievement;
 - (v) educational activity;
 - (vi) educational facilities;
 - (vii) mental and physical challenged students.

provided only that such gift or other use be made in furtherance of the Trust Purpose;

Michael Flatters answered a number of questions raised by the Trustees. He congratulated the Nation and the Board on their initiative to assist in promoting the education of Bearspaw members. Michael Flatters left the meeting.

10. Investment of OLETF Capital Moneys – Presentation from Leith Wheeler

Robert Shotclose introduced the representative for Leith Wheeler Investment Counsel, Michael Job. He stated that the investment firm Leith Wheeler is from Vancouver and has been selected by many Indigenous groups and First Nations to manage their trust funds.

Michael Job said that it was an honour for his firm to be able to present to the OTET Board of Trustees. He said he prepared a short presentation for the Board that he hoped hit all the highlights of their services.

Michael Job provided information in relation to the background and experience of Leith Wheeler, who they are and what they do. In terms of Indigenous experience, he said they currently manage over \$1.5 Billion for 35 First Nations. He also provided a list of all the support they provide Indigenous educational programs in Western Canada.

Michael Job provided an overview of the different pooled funds they offer for investments by First Nations and others. He also reviewed the annualized returns from these funds.

Annualized Returns¹ As of December 31, 2021

LW Unrestricted Diversified Pooled Fund	Q4	1 Year	Since Inception ² 04/01/2020
Canadian Equity	5.8%	29.6%	42.3%
<i>S&P/TSX Composite Index</i>	6.5%	25.1%	37.0%
U.S. Equity	7.6%	28.0%	47.2%
<i>S&P 500 Index (C\$)</i>	10.7%	27.8%	38.3%
International Equity	1.4%	7.0%	24.6%
<i>MSCI EAFE - Net Index (C\$)</i>	2.4%	10.5%	22.2%
Fixed Income	1.7%	-1.4%	3.8%
<i>FTSE Canada Universe Bond Index</i>	1.5%	-2.5%	2.1%

The Board of Trustees had a good open discussion with Mr. Job. He said that the current high rates of return were exceptional but not sustainable. Terry Munro stated that most trusts target 4% after inflation as their investment goal.

Mr. Job emphasized that most First Nation's moneys were invested in global, United States and Canadian financial markets as well as in government and corporate bonds. He also provided a general overview on the global and Canadian economic outlooks. Although they are concerned about inflation, Leith Wheeler is generally positive about the economy going forward in 2022. He

was asked if there was a custodian for the investment fund. Mr. Job provided an explanation of what a custodian is and does. He stated the custodian for their investment funds is CIBC Mellon which has approximately 3.5 trillion dollars as Assets Under Administration.

He also stated Leith Wheeler would be pleased to provide an annual scholarship to OTET if engaged.

The Trustees thanked Mr. Job for his detailed presentation

11. OTET Fiscal Year End

Terry Munro spoke about the timing of the fiscal year end for OTET. It was pointed out that the financial industry, throughout the world uses December 31 as the fiscal year end. The OTET trust deed article 10.0 deals with records and accounting. The Trustees are aware the Bears paw First Nation, as a government, operates on a March 31 fiscal year end, the same as the Government of Canada. Terry Munro stated that other education trusts use March 31 as year end without any difficulty.

ON MOTION duly made **IT WAS RESOLVED THAT** the Board of Trustees hereby fix March 31 as the fiscal year end for OTLT. **CARRIED.**

12. OTET Banking Arrangements

Robert Shotclose discussed the need for OTET to have an operating bank account. The trustees were of the view that a bank account separate and apart from the current banking relationship of the Stoney Nakoda would be beneficial. Robert Shotclose stated that some preliminary discussion had begun between Bears paw First Nation and the First Nations Bank of Canada. After some discussion the trustees agreed that setting up an account with FNBC for OTET would be appropriate.

ON MOTION duly made **IT WAS RESOLVED THAT** the Board of Trustees hereby authorize and direct the opening of a bank account at First Nations Bank of Canada in the name of Ozija Thiha Education Trust. **CARRIED.**

13. OTET Administrative Policies

The Trustees discussed the necessity of having administrative policies in place for the OTET to ensure good governance and transparency. Terry Munro stated that policies can be adopted at any time by the Board for any issue pertaining to the trust. He stated by reducing a matter to writing it gives everyone, trustees, members, students and Chief and Council the opportunity to know the rules set by the Board for certain topics.

The Trustees reviewed to a draft of policy; *OTET Travel and Expense Reimbursement Policy*. The Board members carefully reviewed the policy which sets out in great detail the rules for travel and expenses. There are many restrictions the Trustees must follow and an OTET Expense Form must be completed and signed off by other trustees before any payment can be made.

The Trustees agreed to be bound by the policy. Robert Shotclose said the policy governance function provides clear authority and the necessary foundation for growth and operational stability of the Trust Fund.

ON MOTION duly made **IT WAS RESOLVED THAT** the Board of Trustees hereby adopt and authorize the use of OTET *Policy OTET-001 Travel and Expense Reimbursement Policy* and use of *OTETF Expense Report Form*. **CARRIED.**

14. Trust Capital and Trust Income

As discussed with legal counsel, there are some important terms for new trustees to become familiar with and understand. The terms Trust Capital and Trust Income are important to know and what the differences are.

The OTET Trust Deed defines them as follows:

- (b) **"Trust Fund"** means the sum total of the Trust Capital and Trust Income and all deposits and investments made with those monies;
- (c) **"Trust Capital"** means all money and property of every nature and kind donated and conveyed or transferred to the Trustees for the Trust Purpose by Bearspaw First Nation Chief and Council, the Bearspaw First Nation, or by any other person, entity or government and designated by them as Trust Capital and includes all capital gain less all capital loss ever accrued or realized upon such Trust Capital;
- (d) **"Trust Income"** means all income of every nature earned, accrued or realized upon the Trust Capital and all monies and property donated, conveyed or transferred by Bearspaw First Nation Chief and Council or by any other person, entity or government and not designated by them as Trust Capital;

Terry Munro stated one way to think about these terms is that "Trust Capital" can never be spent and is invested forever to create Trust Income. He said once moneys are deemed Trust Capital they are never coming out of the Trust. Trust Income is money that can be spent for the trust purpose. Moneys can be deemed Trust Income and used, for example, for scholarships and awards.

In the Bearspaw First Nation Council Resolution reviewed at the beginning of the meeting, it is stated that:

"Bearspaw First Nation Chief and Council hereby authorize and direct the transfer of funds known as the "Steel River Group contribution" in the amount of \$50,000 otherwise payable to the

Bearspaw First Nation to the Ozija Thiha Education Trust as a contribution to the capital of the Ozija Thiha Education Trust."

This means \$50,000 has been designated as Trust Capital by the donor BFN. When an investment manager is selected for the Trust, this money will be transferred to the firm for long-term investment.

15. OTET Corporate Sponsorship Program

The Trustees discussed the development and coordination of a corporate sponsorship program with partnerships with companies primarily doing business with BFN, Stoney Nakoda and Stoney Tribal Administration.

Terry Munro provided an overview on how the corporate sponsorship program was developed by the Onion Lake Cree Nation.

It was agreed that a vendor's list be developed so correspondence could go out to potential donors for student scholarships and awards. Terry Munro also pointed out that OTET could approach other trusts and endowments for financial assistance.

The Trustees were advised that only the BFN could issue official tax receipts as it was registered with the CRA not OTET.

Although no formal sponsorship has begun, OTET has already received donations from Munro & Associates Inc., Matt & Lydia Hill Family and Mawer Investment Management (\$5,000).

16. OTET Board of Trustees Meetings

Generally quarterly meetings are held by the Board, however because OTET is a start-up a number of meetings will be required at the beginning. Rob Shotclose compared this to a start-up of a new business with many decisions to be made similar to the Bearspaw Travel Centre Project.

A Board meeting will be required in the near future to appoint an investment manager and a Chair for OTET.

17. Termination

There being no further business the meeting was terminated by the Chairman at 2:55 p.m.



Chairman



Secretary