



Qikiqtani Inuit Association

Restated By-law #6

Being a By-Law for the enactment of,
and the procedures for amending or terminating, the
QIA LEGACY FUND POLICY
As amended and restated to the date of approval

**Approved by Extraordinary Resolution at a
General Meeting held in Iqaluit, Nunavut on October 4, 2022**

QIA LEGACY FUND POLICY BY-LAW

1. ENACTMENT OF RESTATED POLICY AS A QIA BY-LAW

1.1 The QIA Legacy Fund Policy, a copy of which is attached hereto, is hereby enacted as a QIA by-law being Restated By-law No. 6 and known as the QIA Legacy Fund Policy By-Law.

1.2 This QIA Legacy Fund Policy By-Law and the QIA Legacy Fund Policy attached hereto have been approved following compliance with all procedures set out in the former QIA Revenue Policy By-Law, Article 2, and former QIA Revenue Policy, Article 16, as required for their amendment and restatement, including, without limitation, approval by not less than 75% of all QIA Directors, and ratification by Extraordinary Resolution of QIA Voting Members at a general meeting called for the purpose of considering this amended, restated and renamed by-law and policy.

1.3 This QIA Legacy Fund Policy By-Law and attached QIA Legacy Fund Policy replaces and supersedes the former QIA Revenue Policy By-Law and QIA Revenue Policy attached thereto.

1.4 Upon registration of this QIA Legacy Fund Policy By-Law pursuant to the *Societies Act*, this by-law shall come into force effective April 1, 2023.

2. POLICY AND BY-LAW AMENDMENT OR REPEAL

2.1 In addition to the requirements of the *Societies Act* and the general by-laws of QIA regarding the amendment or repeal of by-laws, the terms of this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, may not be amended or repealed except following the strict compliance of the society with the further procedural requirements set forth in this by-law.

2.2 Notwithstanding Article 2.1 or any other provision of this by-law, minor amendments of this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, that do not substantially alter the purpose and financial provisions of the QIA Legacy Fund Policy may be amended by the QIA Board, and this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, may then be amended in accordance with the usual requirements of the *Societies Act*. For greater certainty, the additional approval and procedural requirements set out in this QIA Legacy Fund Policy By-Law are intended to apply to major amendments or the repeal of this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, and are not required for minor amendments of this by-law and the attached QIA Legacy Fund Policy.

2.3 This QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, may only be amended or repealed by resolution approved by not less than 75% of all of the Directors of the QIA Board, and ratified at an annual general meeting or by an Extraordinary Resolution of QIA's Voting Members at a general meeting called for the purpose of considering the proposed amendment or repeal, provided that QIA shall have fully and strictly complied with the additional procedures and requirements as set forth in this by-law for approving such amendment or repeal.

2.4 Notwithstanding the general procedures for amending QIA by-laws as set out in the general by-laws relating generally to the conduct of the affairs of QIA, an annual general meeting or general meeting where the amendment or repeal of this QIA Legacy Fund Policy By-Law,

including the attached QIA Legacy Fund Policy, is to be considered by the meeting shall strictly comply with the following additional procedural requirements:

(a) Notice of the place, date and time of the meeting, including a detailed description of the proposed amendment, termination or repeal and a summary of the proposed resolution must be publicly disseminated not less than six months prior to the meeting date (the "Notice");

(b) The Notice shall be posted on QIA's web site, and conspicuously placed in all community Hamlet offices, HTO offices, and at least 3 other public places, of the Qikiqtani region;

(c) The Notice shall be published in two or more newspapers having a general circulation in the Qikiqtani region not less than once a month for six consecutive months prior to the meeting;

(d) The Notice shall be advertised on community radio and television in all communities to the greatest extent possible for not less than six consecutive months prior to the meeting;

(e) The Notice shall also be posted to not less than two commonly used social media accounts or sites;

(f) The President of QIA shall be required to participate on one or more community radio stations in the Qikiqtani region on not less than 3 occasions prior to the meeting to discuss the proposed amendment or repeal that is to be considered at the meeting;

(f) QIA shall develop a communication's strategy, which shall commence when the Notice is published and continue for 6 months until the meeting, to raise awareness of the meeting; and

(g) The meeting shall be open to the public, and all General Members of QIA, professional advisors to QIA, or other Persons with an interest in the issues under discussion, shall have the right to address the meeting to support or criticize the proposed amendment or repeal.

2.5 A resolution passed at an annual general meeting or Extraordinary Resolution to amend or repeal this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, when passed following compliance with all requirements of this QIA Legacy Fund Policy By-Law, comes into force upon registration pursuant to the *Societies Act*, but may be effective as of an effective date where specified in the annual general meeting resolution or Extraordinary Resolution.

2.6 Prior to registration of an annual general meeting resolution or Extraordinary Resolution pursuant to the *Societies Act* to amend or repeal this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, the President of QIA shall personally certify in a statutory declaration to be posted on QIA's website, that all of the requirements of this QIA Legacy Fund Policy By-Law have been fully complied with to approve the resolution for amendment or repeal.

2.7 Notwithstanding any provisions of the *Societies Act*, or any provisions set out in the QIA general by-laws relating generally to the conduct of the affairs of QIA, and that may provide that irregularities or omissions, including accidental omissions, do not invalidate actions taken and resolutions passed at meetings of QIA, unless all of the procedural requirements set out herein for the amendment or repeal of this QIA Legacy Fund Policy By-Law, including the attached QIA Legacy Fund Policy, have been fully complied with, a meeting held for such purpose is invalid, and any resolution passed or action taken or authorized in furtherance of any such proposed

APPROVED by Extraordinary Resolution at a General Meeting held in Iqaluit, Nunavut on October 4, 2022.

QIA LEGACY FUND POLICY

1. PURPOSE

1.1 The purpose of this Policy is:

- a) To improve economic self-sufficiency of Qikiqtani Inuit through time, in a manner consistent with Inuit social and cultural needs;
- b) To provide QIA with a stable source of revenue that balances the immediate and long-term needs and priorities of Qikiqtani Inuit;
- c) To promote transparency and accountability regarding QIA savings and investments; and
- d) To establish a Legacy Fund in furtherance of the foregoing, to be maintained, operated, and governed in strict conformity with the provisions of this Policy, and the relevant provisions of the QIA Revenue Allocation Policy.

2. GLOBAL RULES

2.1 The Legacy Fund shall receive revenue from QIA in accordance with this Policy and the relevant provisions of the QIA Revenue Allocation Policy. This money shall be referred to as Legacy Fund Income as described in Article 3 of this Policy.

2.2 All money allocated to the QIA Legacy Fund in accordance with this Policy will be promptly deposited into one or more investment accounts maintained by the Legacy Fund according to the Legacy Fund Investment Policy.

2.3 The total amount of Legacy Fund Income that is contributed to the Legacy Fund in any given year shall be added to capital, and the aggregate accumulated capital shall be referred to as the Legacy Fund Capital. The value of the Legacy Fund Capital is determined by the Book Value recorded in QIA's audited financial statements and reports, based on the aggregate values of all investment accounts maintained for the Legacy Fund.

2.4 Each year QIA will allocate money from the Legacy Fund for spending consistent with the QIA Revenue Allocation Policy and this Policy. This money shall be referred to as Legacy Fund Revenue which shall be spent as described in Section 2.8 of this Policy.

2.5 All investment of the Legacy Fund Capital shall comply with the requirements of the Legacy Fund Investment Policy.

2.6 In accordance with Article 4 of this Policy, QIA must maintain a minimum of eighty- five million (\$85,000,000 dollars, in 2022 dollars, in the Legacy Fund, as the Legacy Fund Minimum Amount.

2.7 The Legacy Fund Investment Policy shall have as one of its objectives an investment goal of achieving a minimum annual Return on Investment of four percent (4%).

2.8 During each QIA Fiscal Year, QIA shall annually spend from the Legacy Fund an amount equal to four percent (4%) of the Legacy Fund Capital calculated as of March 31 of the preceding QIA Fiscal Year. This is referred to as the Legacy Fund Revenue Target.

2.9 All annual Operating Expenses associated with the Legacy Fund will be deducted from Legacy Fund Revenue, and the net amount is referred to as the Legacy Fund Net Revenue. All Legacy Fund Net Revenue calculated for a QIA Fiscal Year shall be allocated and disbursed by QIA during that QIA Fiscal Year according to the QIA Revenue Allocation Policy, less the Operating Expenses budgeted for that QIA Fiscal Year.

2.10 Operating Expenses shall be determined according to the Legacy Fund Operational Procedures.

2.11 Legacy Fund Net Revenue cannot reduce the Legacy Fund Capital to a value less than the Legacy Fund Minimum Amount. For greater certainty, once the Legacy Fund Minimum Amount has been reached no further Legacy Fund Net Revenue may be allocated or disbursed until the Legacy Fund Capital exceeds the Legacy Fund Minimum Amount.

2.12 Any unallocated or unspent Legacy Fund Net Revenue will be added to future allocations of Legacy Fund Net Revenue for spending consistent with the QIA Revenue Allocation Policy.

3. LEGACY FUND INCOME

3.1 Legacy Fund Income shall consist of the following contributions:

- a. A minimum of seventy-five percent (75%) of all Royalties paid to QIA pursuant to Commercial Agreements provided such funds are otherwise unrestricted as to their use and purpose.
- b. A minimum of seventy-five percent (75%) of all fees, other revenue, and royalties paid to QIA by Nunavut Tunngavik Inc. as part of the Nunavut Tunngavik Inc. Resource Revenue Policy.
- c. All Legacy Fund Return on Investment.
- d. Any additional money, securities, property, and other assets received by QIA from time to time that have been considered and directed by the QIA Board of Directors to be allocated to the Legacy Fund.

4. LEGACY FUND MINIMUM AMOUNT

4.1 QIA must maintain a minimum of eighty-five million (\$85,000,000 dollars, in 2022 dollars, in the Legacy Fund. This amount shall be referred to as the Legacy Fund Minimum Amount. The Legacy Fund Minimum Amount shall be adjusted for inflation at the end of each QIA Fiscal Year by the lesser of two-percent (2%) or the most recent Consumer Price Index (CPI) to determine its value in 2022 dollars for each QIA Fiscal Year. The cost of annual Operating Expenses may result in Legacy Fund Capital being less than the Legacy Fund Minimum Amount, in which case there shall be no spending of Legacy Fund Net Revenue until the Legacy Fund Capital increases and exceeds the Legacy Fund Minimum Amount.

5. LEGACY FUND SAVINGS OBJECTIVE

5.1 QIA's long-term savings objective is to achieve one-hundred and fifty million (\$150,000,000) dollars, in 2022 dollars, in the Legacy Fund. This shall be referred to as the Legacy Fund Savings Objective.

5.2 If the Legacy Fund Savings Objective is reached, as confirmed in an Annual Report, a Policy Performance Review must be delivered to the QIA Board of Directors in the following fiscal year.

6. ONE-TIME ALLOCATIONS

6.1 Notwithstanding any other provision of this Policy, One-Time Allocations from the Legacy Fund are permitted for the sole purpose of providing QIA with additional resources for Economic Diversification initiatives as described in the QIA Revenue Allocation Policy.

6.2 Legacy Fund Income and/or Legacy Fund Capital may be allocated and/or transferred from the Legacy Fund as a One-Time Allocation for Economic Diversification Initiatives as described in the QIA Revenue Allocation Policy.

6.3 A One-Time Allocation may not exceed a maximum aggregate amount equal to ten percent (10%) of the Legacy Fund Capital based upon the value of the Legacy Fund Capital as calculated in QIA's most recent audited financial statements.

6.4 A One-Time Allocation cannot reduce the Legacy Fund Capital to less than the Legacy Fund Minimum Amount.

6.5 A One-Time Allocation must align with QIA's Strategic Plan and Strategic Objectives.

6.6 A One-Time Allocation must comply with all other provisions of the QIA Revenue Allocation Policy.

6.7 A One-Time Allocation requires approval by not less than 75% of all the QIA Board of Directors.

6.8 A One-Time Allocation can only occur once every four-QIA Fiscal Years beginning in the QIA Fiscal Year commencing on April 1st, 2023.

7. GOVERNANCE

7.1 Compliance with this policy shall be the responsibility of the QIA Board of Directors.

7.2 The QIA Board of Directors and the Executive Committee shall responsibly supervise the management and investments of the Legacy Fund as a reasonably prudent person would and shall take reasonable steps for the Legacy Fund Savings Objective to be achieved within a reasonable amount of time based on the advice of the Investment Advisory Committee and the Wealth Manager.

7.3 At all times, the QIA Board of Directors and the Executive Committee shall retain and rely upon the advice and expertise of the Investment Advisory Committee and Wealth Manager as defined in the Legacy Fund Investment Policy. The members of the QIA Board of Directors and the Executive Committee shall not be personally responsible or liable for any decisions made in reliance on the advice and expertise of the Investment Advisory Committee and Wealth Manager.

- 7.4 QIA may also retain and rely upon legal and or accounting advice and expertise or other professional services related to the management, and investment of the Legacy Fund Capital.
- 7.5 The QIA Board of Directors may delegate certain authorities to the Executive Committee as set out in the Legacy Fund Investment Policy and/or the Legacy Fund Operational Procedures.
- 7.6 The Executive Committee may delegate certain authorities to the Executive Director of QIA as set out in the Legacy Fund Operational Procedures.
- 7.7 The Investment Advisory Committee shall operate in accordance with this Policy, the Legacy Fund Investment Policy, the Legacy Fund Operational Procedures and any Terms of Reference approved by the QIA Board of Directors for the Investment Advisory Committee that are not inconsistent with all such policies and procedures.
- 7.8 The provisions of the Legacy Fund Investment Policy, the Legacy Fund Operational Procedures, and any other policies or procedures made in furtherance of this Policy may not be contrary to or otherwise inconsistent with this Policy.

8. Transparency

- 8.1 QIA shall ensure that all necessary Legacy Fund books and records are properly kept, including proper books of account with respect to all sums of money received and expended, and any other transactions affecting the financial position of QIA and records of any advice considered by QIA in making decisions in furtherance of the purpose and objectives of this Policy.
- 8.2 All Legacy Fund books and records shall be kept at such place in Nunavut as the Executive Committee directs.
- 8.3 QIA will include in its Annual Report a description of the management, allocation and use of all QIA Legacy Fund Revenue which shall be written in easily understandable language to the greatest extent possible.
- 8.4 The QIA Annual Report shall be released to the public on QIA's website and any other means deemed to be necessary or desirable by the Executive Committee.
- 8.5 The QIA Annual Report shall include, at a minimum, the following information regarding the QIA Legacy Fund:
- a. A summary of the Legacy Fund's financial position as outlined in the most recent audited financial statements and report with detailed statements made available to all General Members of QIA upon request;
 - b. A statement of the amount of money or other assets received by the Legacy Fund according to each revenue source during the period covered;
 - c. A statement of QIA investments including the Book Cost and Market Value of QIA's total investments at the beginning and at the end of the QIA Fiscal Year;
 - d. A summary of all QIA investment activity during the QIA Fiscal Year;

- e. A comparison of QIA's investment performance relative to the objectives of this policy and the Legacy Fund Investment Policy as assessed by QIA's Investment Advisory Committee;
- f. An estimated timeline to reaching the Legacy Capital Savings Objective as assessed by the Investment Advisory Committee;
- g. Any other information the QIA Board believes would be of interest to General Members of QIA and the public.

9. Legacy Fund Performance Review

9.1 A Legacy Fund Performance Review shall be delivered to the QIA Board of Directors every four (4) QIA Fiscal Years. The results and recommendations of the first review shall be delivered no later than March 31, 2028. Notwithstanding the foregoing, QIA is not limited to a Legacy Fund Performance Review only every four (4) years and may at any time conduct a Legacy Fund Performance Review or otherwise review the performance of the Legacy Fund.

9.2 Legacy Fund Performance Reviews are conducted to assess QIA's operational effectiveness in implementing this Policy for the purpose of determining whether operational modifications are necessary or desirable to enhance the effectiveness of management and operations of this Policy.

9.3 A Legacy Fund Performance Review shall include a review of the Legacy Fund Investment Policy and Legacy Fund Operational Procedures.

9.4 For greater certainty, any change or modification in the management and operations under this Policy, including, without limitation, any change or modification to Operational Procedures does not require QIA to follow the requirements of Article 11 of this Policy.

10. Legacy Fund Financial Objectives Review

10.1 A Legacy Fund Financial Objectives Review shall be performed once the Legacy Fund Capital reaches the Legacy Capital Savings Objective for the purpose of reviewing and possibly adjusting the Legacy Capital Minimum Amount and the Legacy Fund Savings Objective.

10.2 For greater certainty, once the Legacy Fund Capital Savings Objective has been achieved in no event under any circumstances shall the Legacy Capital Minimum Amount be adjusted to be less than the most recently achieved Legacy Capital Savings Objective.

10.3 Where the Legacy Fund Savings Objective has been adjusted no further Legacy Fund Financial Objectives Review may take place until the most recent revised Legacy Fund Capital Savings Objective has been reached.

10.4 In the event QIA does not establish a new Legacy Fund Savings Objective following a Legacy Fund Financial Objectives Review, the next Legacy Fund Financial Objectives Review will take place in eight (8) years starting from the end of the QIA Fiscal Year in which the last Legacy Fund Financial Objectives Review was concluded.

10.5 During a Legacy Fund Financial Objectives Review QIA is permitted to adjust the minimum percentages of revenues allocated to Legacy Fund Income as described in Sections 3.1a.

and 3.1b. of this Policy. Under no circumstances shall QIA be permitted to reduce the minimum percentages of revenues allocated to Legacy Fund Income as described in Sections 3.1a. and 3.1b. to less than fifty percent (50%) of such specified revenues.

10.6 For clarity, adjustments of the Legacy Capital Minimum Amount and the Legacy Fund Savings Objective following a Legacy Fund Financial Objectives Review do not require QIA to follow the requirements of Article 11 of this Policy

11. POLICY AMENDMENT, REPLACEMENT OR REPEAL

11.1 Effective April 1, 2023, this Policy amends and replaces the existing “QIA Revenue Policy” attached to existing QIA By-Law No. 6 and is retitled the “QIA Legacy Fund Policy” and which shall be enacted by amended and restated QIA By-Law No. 6 which is retitled the “QIA Legacy Fund Policy By-Law” to be passed by the Voting Members at an annual general meeting by Extraordinary Resolution, provided that Restated QIA By-Law No. 6 and this Policy attached thereto is also approved by not less than 75% of all the QIA Directors, and the Extraordinary Resolution with Restated QIA By-Law No. 6 attached together with this Policy is registered under the *Societies Act*.

11.2 Subject to Section 11.3, on registration of the QIA Legacy Fund Policy By-Law under the *Societies Act*, this Policy may not be amended or terminated except pursuant to the amendment and repeal requirements that are set forth in the detailed provisions of the QIA Legacy Fund Policy By-Law.

11.3 Notwithstanding Section 11.2, for minor amendments of this Policy that do not substantially alter the purpose and financial provisions of this Policy, this Policy may be amended by the QIA Board of Directors, and the QIA Legacy Fund Policy By-Law may be amended in accordance with the requirements of the *Societies Act*. For greater certainty, the additional approval and procedural requirements set out in the QIA Legacy Fund Policy By-Law for major amendments or the termination and repeal of the Policy and QIA Legacy Fund Policy By-Law are not required for minor amendments.

12. OPERATIONAL PROCEDURES

12.1 QIA shall ensure that Legacy Fund Operational Procedures are developed to guide the implementation of this Policy.

12.2 The QIA Board of Directors is responsible for ensuring the Legacy Fund Operational Procedures are developed, approved, and implemented. Additionally, the QIA Board of Directors has the authority to amend or replace the Legacy Fund Operational Procedures from time to time.

13. DEFINITIONS

13.1 Except as defined in this Policy, the *QIA Interpretation Policy for the Legacy Fund and Revenue Allocation Policies*, or as required by the context, a term or phrase used in this Policy has the same meaning as set forth in the *Nunavut Agreement*.

13.2 For the purposes of this Policy:

“Legacy Fund” or **“QIA Legacy Fund”** means the fund previously established under the former QIA Revenue Policy that is replaced by this Policy, and which fund is continued by QIA in accordance with this Policy and the QIA Legacy Fund Policy By-Law.

“Legacy Fund Capital” has the meaning set out in Section 2.3 of this Policy.

“Legacy Fund Income” has the meaning set out in Article 3 of this Policy.

“Legacy Fund Investment Policy” means the investment policy approved by the QIA Board of Directors for the management and supervision of investment decisions related to the Legacy Fund, as that policy may be amended, varied, replaced, or repealed from time to time by the QIA Board of Directors.

“Legacy Fund Minimum Amount” has the meaning set out in Article 4 of this Policy.

“Legacy Fund Net Revenue” has the meaning set out in Section 2.9 of this Policy.

“Legacy Fund Operational Procedures” means the operational procedures described in Article 12 of this Policy developed for the implementation of this Policy as approved, amended, or replaced from time to time by the QIA Board of Directors.

“Legacy Fund Revenue” has the meaning set out in Section 2.4 of this Policy.

“Legacy Fund Revenue Target” has the meaning set out in Section 2.8 of this Policy.

“Legacy Fund Savings Objective” has the meaning set out in Article 5 of this Policy.

“One-Time Allocation” has the meaning set out in Article 6 of this Policy.

“Policy” means this QIA Legacy Fund Policy which amends and replaces the former QIA Revenue Policy, as this Policy may be amended, retitled, varied, replaced, or repealed but only in strict conformity with Article 11 and the QIA Legacy Fund Policy By-Law.

“Royalties” means payments or other compensation received by QIA pursuant to Commercial Agreements whereby QIA receives or is entitled to receive such payment or compensation based on a percentage of revenue or profit or calculated as a guaranteed fixed amount or otherwise determined pursuant to the Commercial Agreement, and includes, without limitation, compensation for licensing rights (including fishing licenses, water licenses or compensation for use of water), royalties negotiated in an Inuit Impact and Benefit Agreement pursuant to the Nunavut Agreement, compensation for rights granted for use of copyright or other intellectual property, and, where applicable, royalties for mineral or mining rights, or other compensation reasonably determined by the QIA Board as constituting a Royalty.

14. EFFECTIVE DATE

14.1 This Policy is effective April 1, 2023.