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# Westbank First Nation Corporate Charter

FINAL

July 2016

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Date: July 18, 2016

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Dear Pat,

### **Corporate Charter**

Further to our ongoing conversations and our engagement letter of June 17, 2016, we have pleasure in attaching a draft Corporate Charter (the Charter) for your consideration.

The Charter represents a significant milestone for the Westbank First Nation community (WFN/the community) and has been created with the explicit assistance, input and support of a small working group of community members.

In creating the document we have interacted with 110 members through the Corporate Charter Project Facebook page, representing approximately 14% of WFN membership.

In addition we have had the privilege of working with a core group of members through 9 workshops over the course of September 2015 to March 2016.

This working group have made a significant contribution on behalf of the members to create this Charter document. They have had the opportunity to discuss all the principles contained within it in depth and should be congratulated on their achievement.

We recommend that the energy and commitment of the working group be carried forward into the future, perhaps to provide further guidance as the Charter is developed into a Corporate Law over the course of the coming months.

The Charter itself is a milestone document not only for WFN, but also in taking the debate forward on good practice within First Nations management in general.

We believe it is the first time that a community has considered the options for governance of its Economic Development companies in such a manner, looking at balancing long-term growth and opportunity with the political and operational realities faced by First Nations as they seek to develop businesses that will, over time, underpin self determination.

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We see the Charter therefore as a document to be celebrated and the community should be proud of its development.

The Charter considers, in a structured manner, how WFN Economic Development companies, the Ntityix Group of Companies (Ntityix Group), should be managed and controlled.

It sets out a framework for how the Ntityix Group should be held accountable to members whilst also dealing with the difficult balance of how the Ntityix Group Holding Company Board should be structured so that the multiple stakeholders (the community, its leaders and management) should be represented, but with the introduction of accountable directors with the right level of skills and experience, which the community expects may need to be brought in for the next few years as WFN develops the skills and capacity internally to grow, run and manage significant businesses within its membership.

We look forward to discussing the Charter with you and thank you for the opportunity to be involved in such an exciting and groundbreaking project.

With best regards

Yours truly,



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## Overview of Charter

## Context

Corporate governance of economic development arms within First Nations has been an area of significant contention within many First Nations, who have traditionally found it difficult to balance the values of the community and the skills and experience needed to establish and grow substantial profitable businesses.

We have observed across our client base a tension around control, with many communities opting for almost complete independence of their economic development activity from their government, others opting to have Chief and Council oversee their community's businesses.

In truth, neither model is optimal:

- Truly independent economic development activities are often disconnected from the community and its values, and are often not well performance managed;
- Chief and Council run businesses often suffer from the fact that Chief and Council have not been elected on their business acumen and sometimes lack the ability to provide oversight that is disconnected from the political and government agenda.

WFN has grappled with this paradox, sometimes putting control in the hands of Chief and Council, other times putting control in the hands of independent businessmen, yet whichever model was in place, the Community has felt disconnected from the activities of the Ntityix Group of Companies (Ntityix Group) and dissatisfied with the way they are run, especially when there have been failures of management as well as successes.

The Corporate Charter project was conceived to finally deal with this paradox and to find a consistent corporate governance model that all parts of the Community could both understand and support.

The advantage of such a model is that it promotes transparency and direct accountability, although there are also some important issues that need to be addressed from the Community standpoint:

- The WFN Government needs to assist and support the development of understanding and business skills within the Community to encourage and establish the right levels of interaction between the Community and the Ntityix Group;
- The Community has to invest time to understand and interact with the potentially complex principles and aspects of corporate governance so that it can better understand and interact with the issues the Ntityix Group faces. It is not desirable for the Community to only interact with Ntityix Group when something goes wrong or a decision needs to be made; and
- Chief and Council, whilst playing an important role as representatives of the sole shareholder, WFN, should not and cannot be expected to perform a number of different roles as Community members, politicians and Board directors. There are too many prospective conflicts of interest to allow them to discharge all of these roles effectively.

The Charter takes into account all of these issues and represents a very good start on the journey to solving them as the WFN Government has already demonstrated its commitment to developing skills in the Community, the Community has already demonstrated that it is willing to learn and provide constructive suggestions and input and Chief and Council have demonstrated a commitment to finding a new role within a different structure.

As a result, we see the Charter as not only a method of providing some structure for corporate governance, but a huge opportunity to change the conversation and interaction on the activities of Ntityix Group going forward.

## Purpose

The purpose of this Corporate Charter is to provide WFN with a framework that enables a Corporate Law to be created that sets out how the corporate businesses of WFN, the Ntityix Group, will be governed and managed.

The framework is designed to provide the responsibilities, structures, guidelines and controls necessary to enable the Board of Directors of the Holding Company for Ntityix Group to discharge their duties and oversee the development of all WFN corporate businesses into the future.

The document is an instrument to reinforce the community interest and establish a position of balance between various competing factors:

- WFN membership health and wellbeing;
- Dividends to WFN as the shareholder;
- Leadership in natural resource stewardship; and
- In time, to provide the financial strength to underpin full self determination (that will enhance both the political reputation and economic stability for the Community).

The Charter is a practical tool for all of the stakeholders:

- For the Community it provides comfort that there is a long-term strategy underpinned by stability, with increased accountability and transparency;
- For Chief and Council it allows for better performance management of those leading Economic Development, and places an increased focus on value;
- For the Government it provides comfort that the right skills and capacity are being utilized to maximize contribution; and
- For the Ntityix Holding Company Board its helps provide insight into the values and priorities of membership that will in turn help deliver short- and long-term benefits for the Community.

The Charter establishes a framework that will, in time, set out:

- The priorities over the long-term;
- A structure for corporate governance; and
- Expectations of the Community in terms of decision-making.

In terms of the Ntityix Holding Company Board, the Charter establishes:

- The makeup of the Board - both in terms of numbers and skill sets;
- Guidance for independence and the diversity of Board members;
- The length of tenure; and
- Community Board member and Ambassador qualification requirements.

It also sets out some new roles for consideration by the Board of Ntityix Holding Company, including the appointment of three new roles to WFN, Ambassadors that could comprise one Elder, one Youth and one Ambassador from Chief and Council.

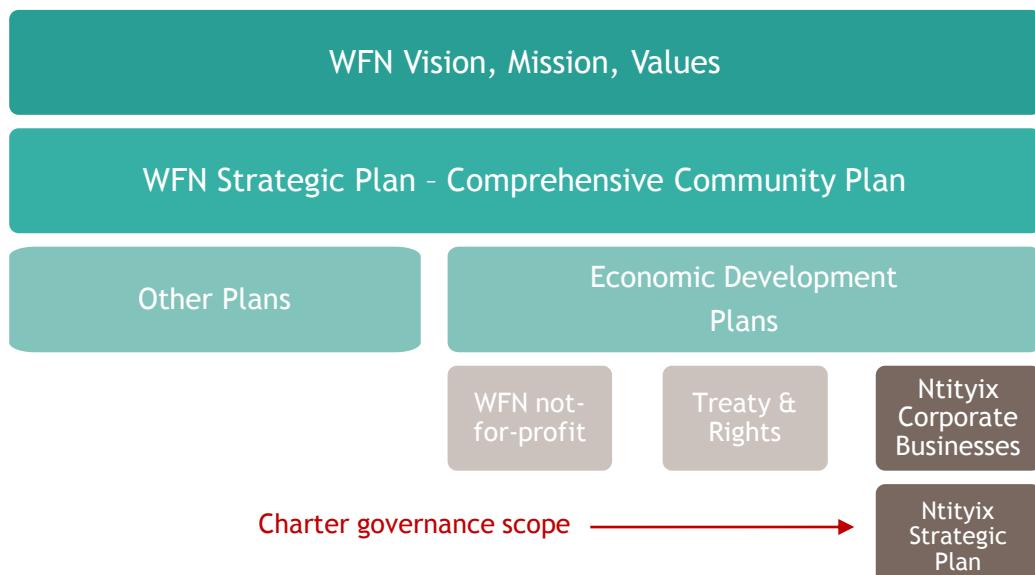
## How the Charter was Created

This charter has been created through a 12 month process which primarily included consultation and facilitation with a small working group of the WFN community, but also work with the existing management team of Ntityix Group, the WFN Spring Salmon Committee and Chief and Council.

In particular we would like to thank the many people who participated in the Community workshops to help form this charter.

## Strategic Alignment

### Corporate alignment to WFN



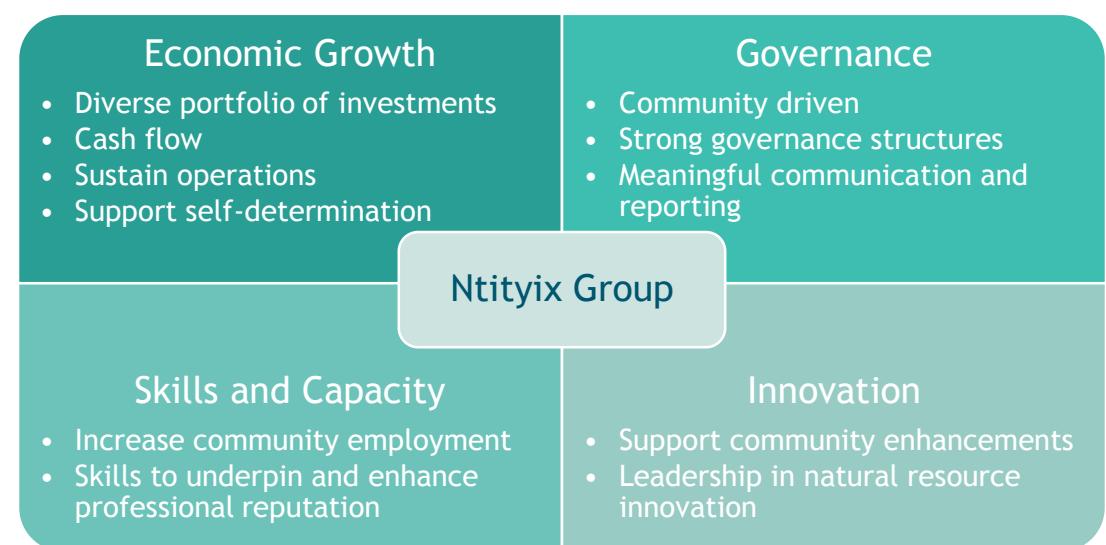
**Fig. 1: Where Ntityix Group fits in WFN**

WFN has an overarching Strategic Plan as well various other plans which provide guidance to the strategic priorities for WFN. To build this document, all plans were reviewed and considered to ensure that the initial direction for Ntityix Group is contextual and consistent with the endorsed and established strategies.

Specific details of those strategies and plan reside with the relevant bodies and within those reference documents. Specifically, this Charter is not designed to cover any not-for-profit businesses currently operated by WFN in the course of providing government services to the WFN community.

For the purposes of this document, and to enable a structure that can be used to consider both Corporate Strategy and the management of key aspects of the Ntityix Group portfolio, such as risk, the community working group has endorsed the following high-level themes that help structure this Charter:

- Economic;
- Governance;
- Skills and Capacity; and
- Innovation.



**Fig. 2: Key management aspects of the Ntityix Group portfolio**

These four themes formed the basis for the conversations with the Community and are areas that are continually referred to through the Charter.

## Core Elements that form the new Corporate Code of Conduct

### Corporate Context

This charter has been developed by the community working group members, with additional context being added by members of the Spring Salmon Committee, and Chief and Council.

The resulting structures, guides, policies and rules are intended to protect the rights and wishes of the community as a whole, and, over time, to create an organization capable of building economic independence for the Nation.

The Charter sets out a structure for the Ntityix Group that the community working group believes will achieve their future vision of self-determination for WFN.

It has been designed so that the principles can be enshrined in a Corporate Law that protects the Community and provides comfort to the Community that decisions have the best chance of being made with the right level of due diligence and investigation.

This is not to say that the Community is espousing a risk adverse environment - far from it. However, the Community is clear that the principles established in the Charter, and the resulting Corporate Law, will provide the maximum potential for protecting the Community from liability and maximizing the opportunities to grow the economy for WFN.

The Charter sets out what the Community expects the Ntityix Holding Company Board to balance - building profit, creating employment and identifying and pursuing the right opportunities - without taking action based on decisions that are ill-informed or too closely aligned with politics.

The Charter sets the Ntityix Group apart from Government, yet only acting semi-autonomously from Government and Chief and Council, as it is impossible to completely separate the complexities of business environment in which Ntityix Group operates as it is a for-profit organization working solely for a single shareholder, WFN Government. This complexity has been addressed in the Charter through inclusion of clear separation of accountabilities and responsibilities from WFN.

Finally, the Charter makes it clear that Ntityix Group is not to deliver services for WFN (at least not without a legal service agreement), nor will the Board influence how the WFN government allocates dividends to the benefit of members, where it is important to reaffirm that Ntityix Group does not and will not directly fund or underwrite Government services.

The Charter is informed by the Corporate Code of Conduct that is set out below. This sets the direction for all business undertaken by Ntityix and will be a key foundational component of the Corporate Strategy in due course.

### Core Elements - the new Corporate Code of Conduct

The following elements underpin every aspect of the Charter and provide a Corporate Code of Conduct that should be followed at all times:

#### 1. Foundational thinking

- a. Community Values - all activities are linked to Community values and all business activity will be conducted in accordance with those values;
- b. Ethical business - that the Ntityix Group can only operate within a set Ethical Universe; and
- c. Adherence to Board structure - so that there is sufficient independence and interests are balanced.

#### 2. Priorities for business

- a. Member interests are protected - with priorities balancing the interests of member entrepreneurs with job and wealth creation for all WFN members as a whole; and
- b. Community interests are protected - especially where a conflict may exist between protection of land and economic opportunity.

#### 3. Reporting and performance

- a. Transparency and accountability - reporting and activities are structured so that the Ntityix Holding Company Board members are directly accountable to the Community for all actions, decisions and communications; and
- b. Collective responsibility - all Ntityix Holding Company Board members bring their own expertise but all are jointly responsible for the performance of the Ntityix Group, both successes and failures.

## Element 1 - Foundational Thinking: a. Community values

The Community working group agreed that the business activities Ntityix Group should pursue should be defined as those that are consistent with the values of WFN. The values of WFN are defined as an important part of the Ethical Universe for WFN, which sets out and helps further define the activities that WFN can undertake.

The ethical universe has four components:

- Guides, Laws, and Policies - the societal elements that inform business behaviours, including but not limited to laws of the land and society, financial reporting requirements, and WFN Law.
- Past Behaviour and Learning - that set out interpretations and historical and cultural aspects of behaviour.
- Principles - that are in force the majority of the time, but where exceptions can be made in certain circumstances.
- Values - the non-negotiable important lasting ideals shared by all members of WFN that guide behaviour in all situations.

The Community discussed all four aspects of WFNs Ethical Universe as set out below:

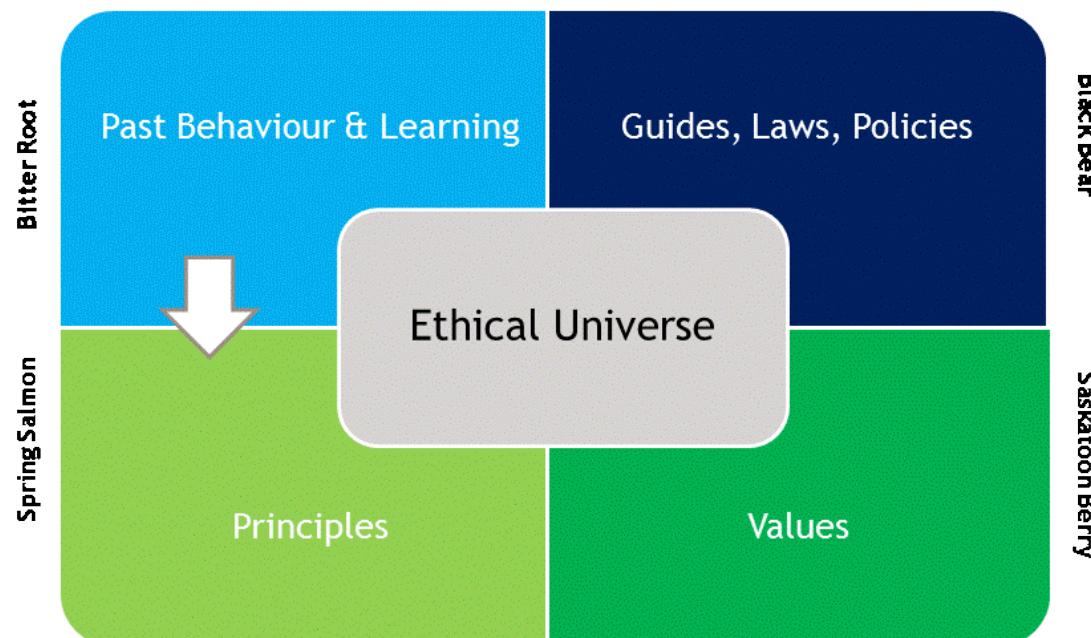


Fig. 3: Aspects that define WFNs Ethical Universe

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The Community working group was clear that these four aspects should form the first foundational element of the Corporate Code of Conduct and have the following impact on Ntityix Group behaviour:

- The Ntityix Group, most particularly the Ntityix Holding Company Board has no authority to work outside of the established values for Ntityix Group at any time. In addition, all business partners should be made aware of these values and will be expected to reflect them;
- The Ntityix Holding Company Board should look to operate within the principles set out by the community, but can consider excluding specific principles if it would result in a commercial disadvantage;
- The Ntityix Holding Company Board should take into account in its business dealing the guides, laws and policies contained within this Charter and elsewhere within the WFN and wider laws. They must abide by them and always stay within the Law; and
- Wherever possible the Board should consider decisions through the lens of past behaviours and learning.

The following slides deal with each of these aspects in turn, starting with the most important - the Corporate Values.

## Element 1 - Foundational Thinking: a. Community values (continued)

### Corporate Values

Corporate values frame all behaviours, decisions, and interactions for the Ntityix Holding Company Board and through it the management of all companies within the Ntityix Group portfolio. These values cannot be avoided, ignored, or changed to benefit any decision, interaction, or investment:

**Honesty** - All members act and behave with honesty.

**Respectful** - All interactions will be conducted respectfully.

**Transparency for Members** - Information is shared with members in a timely manner, and in the right depth and in a way all can understand. There will be no surprises.

**Accountable** - Board members are accountable for results to both members and shareholders.

**Responsible** - The Board are responsible to inform and to answer questions. Membership are responsible to make best efforts to understand and to share that information with others.

**Professionalism** - Ntityix Group will operate professionally and will conduct the necessary financial due diligence on all investments.

**Community Enhancement** - Ntityix Group exists to enable better outcomes for the WFN community and the members.

### Corporate Principles

Corporate principles are those that should always be considered and should be in force the majority of the time, however exceptions can be made in particular, usually commercial circumstances. Where exceptions are made, the Ntityix Holding Company Board should document why the exception was made.

The principles are:

- Enhance the WFN Community - through adding to culture and identity;
- Commitment to excellence - in all business dealings;
- Equality - for all;
- Valuing the land - to enhance WFNs reputation for stewardship;
- Creating wider prosperity - through dividends;
- Adding to the success of the shareholder - where possible enhancing WFN Government ability to deliver services (not to be confused with service provision);
- Sustainability - should be considered rather than short-term;
- Appetite for risk taking - risk taking is encouraged, but with a high level of due diligence;
- Being an upstanding corporate citizen - adding to the reputation of WFN generally and in the business community specifically;
- Maximizing the local economy - through considering the bigger picture;
- Use of internal (member) skills - wherever possible, however this should not be at all costs;
- Building member skills and capacity - continually looking for opportunities to add to the skills and capacity of members; and
- Confidentiality - making sure that business dealings are confidential.

## Element 1 - Foundational Thinking: a. Community values (continued)

### Corporate Guides, Laws and Policies

The Corporate Law will be developed as a result of this Charter.

During our discussions with the Community, the following were also considered important:

- Leadership - WFN is considered a leader among First Nations communities and this should be reflected in the outlook of its corporate businesses;
- Stewardship and everything that WFN does in relation to Land Code, Title and Rights, etc;
- Innovation and creativity - WFN takes pride in utilizing innovative and creative approaches. This should continue in all corporate activities;
- Good communication - should always be promoted and communication should be aligned to WFN member communication wherever possible (e.g. form part of newsletters, etc);
- Results based - results are key; and
- Access expertise - WFN has a history of accessing expertise whenever needed and is not afraid of obtaining external help and support to achieve its objectives.

### Corporate Past Behaviour and Learning

The following aspects of past behavior and learning were also considered useful:

- Hard work;
- Progressive thinking;
- Taking time to understand the issues;
- Attention to detail;
- Creating an achievable yet challenging vision;
- Courage;
- Fairness;
- Pride;
- Being bold;
- Integrity; and
- Humility.

## Element 1 - Foundational Thinking: b. Ethical business

To create the backdrop for shared understanding of all applicable laws, policies and procedures, the Community dialogue created a picture of what sorts of business WFN should contemplate, and a method of describing what was acceptable and not acceptable in terms of developing future business opportunities, based on the aspects of the ethical universe considered above.

This ethical universe essentially acts as a filter through which to assess future opportunities. It is based on the principle that all activities are legal, the organization wants to pursue them and has the resources and capacity to do so.

The ethical universe (shown below) is defined by also looking in detail at:

- Activities that the organization does not have the desire to be involved in because of Community-based ethical or moral concerns (e.g. gambling, medical marijuana, etc); and
- Activities the Community does not have the right capabilities to undertake.

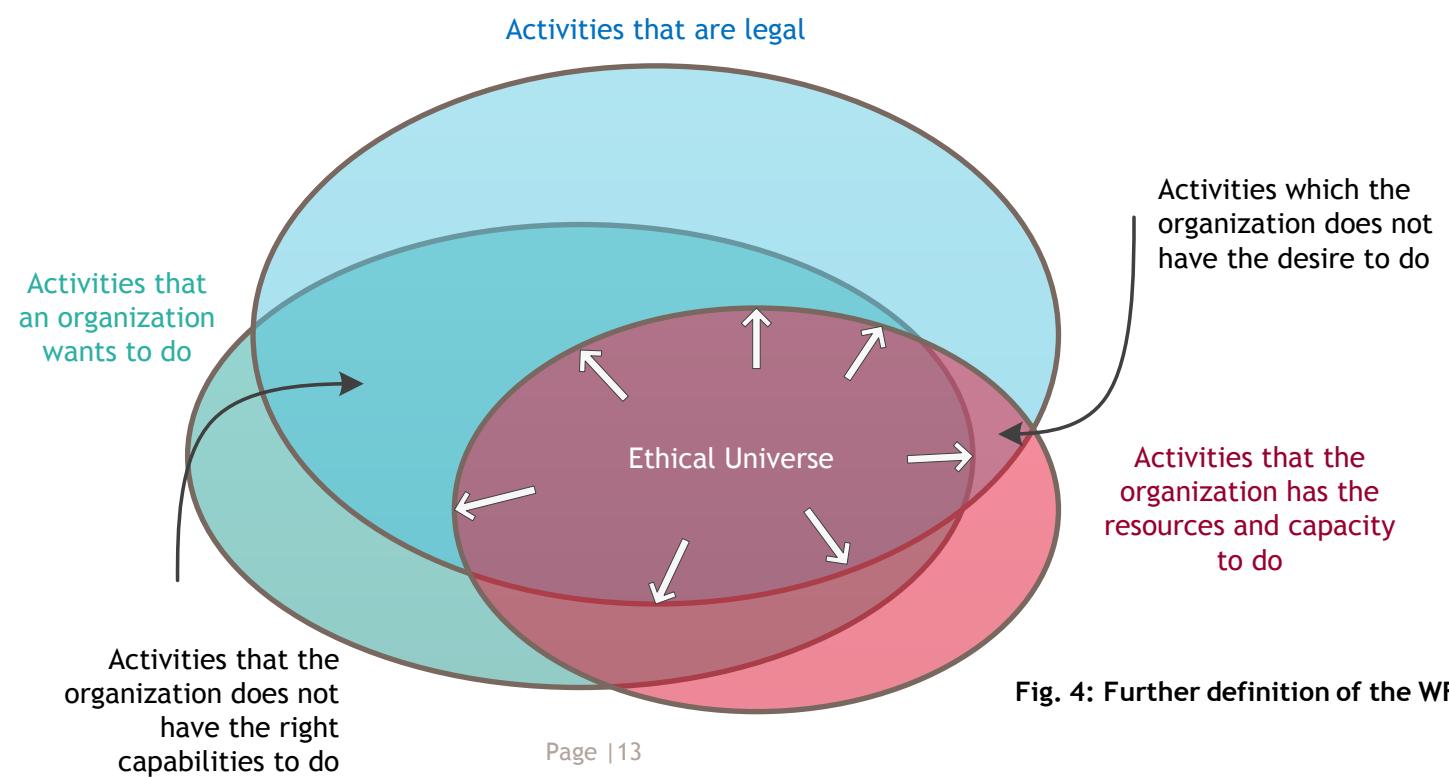


Fig. 4: Further definition of the WFN Ethical Universe

## Element 1 - Foundational Thinking: c. Board structure

### General

The businesses structured under the Ntityix Group are all managed under the direction of the Ntityix Holding Company Board of Directors (the Board). The Board may exercise authority through delegation to committees of the Board and through Executive Management, in accordance with the applicable WFN Corporate Law (that will follow this Charter), the WFN Constitution and other relevant policies and procedures referenced within this Charter. The Board is responsible for providing guidance and counsel to Executive Management in carrying out management responsibilities.

### Expectation of Board Members and of the Board

Each member of the Board and as a whole, shall:

- Dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;
- Comply with all WFN laws, policies and procedures referenced in this Charter;
- Comply with all duties and responsibilities set forth herein;
- Act objectively;
- Adhere to Ntityix Group business conduct, including but not limited to policies on conflict of interest; and
- All members should have financial literacy, defined as ability to read financial statements and understand the basis for fundamental financial ratios in evaluation of performance of Ntityix Group and of potential opportunities.

### Board Membership Criteria

All Board members must demonstrate:

- Accountability for their decisions as a Director;
- Use of good judgement based on a broad range of issues through the lens of each Members' expertise;
- High ethical standards and professionalism;
- Performance evidenced with key performance metrics;
- Commitment to Ntityix performance and the success for WFN; and
- Courage to express views openly, even in face of opposition.

### Board membership

Membership of the Board will be drawn from three different groups:

- A member of Chief and Council (to provide oversight for and on behalf of the shareholder, WFN);
- Independent Directors (who have the requisite skills and experience needed to ensure that there is the necessary challenge and due diligence on potential opportunities); and
- In due course (when the businesses get to significant size) Chief Executive (who the Community working group have indicated should be accountable, to some degree, to membership).

No other member of Chief and Council (apart from the elected member) may sit on the Board. Also, a conflict exists if a member of Chief and Council is also the Chief Executive and they will need to choose which role they undertake.

## Element 1 - Foundational Thinking: c. Board structure (continued)

### Board Membership (continued)

The Board will number between no less than 3 and no more than 10 individuals, depending on the perception of the Board Nomination Committee of the skills and requirements at any given time in the development of Ntityix Group.

The initial Board shall be chaired by an Independent Chair who is not a WFN member. Subsequent Boards could have a Community member as the Chair, providing they possess adequate experience, however they will need to be appointed by the Board Nomination Committee (see below) and must satisfy all the other criteria for the Independent Chair.

The Community working group sees that the initial Board might number 3 individuals and be made up as follows:

- The Independent Chair;
- Another Independent Director with financial expertise, likely a qualified accountant;
- A member of Chief and Council; and
- (In due course) a member of Executive Management.

### Voting

Each Board member will have one vote. Where there is an even number of Board members, the Chair will have the deciding vote.

### Board Performance

The Board will be evaluated against the achievement of goals and objectives set in the Corporate Strategic Plan.

The Chair will have performance measures set by and reviewed by the Board Nomination Committee (see below). Individual Members will be reviewed against specific performance measures agreed and documented at the start of each year with the Chair.

### Board Selection Process

The first Chair of the Board shall be selected through a Board Nomination Committee consisting of Community members (possibly the core working group from the Charter Development), members of WFN government (including Chief and Council) and current executive management.

The processes to place the first Chair and replace the Chair thereafter are outlined in Appendix A of this Charter.

The Board Nomination Committee will determine the appropriate characteristics, skills and experience for the individual members of the Board and individual Members, possibly using external advice for the first appointment.

All subsequent Board appointments will then be made by the Board Nomination Committee, with input from the newly appointed Chair of the Board.

In evaluating the suitability of individual candidates and nominees, the committee must ensure the following relevant criteria has been met:

- A general understanding of marketing, finance, corporate strategy and other strategic and operational frameworks;
- A demonstrated understanding of WFN, WFN values and the corporate structure for Ntityix Group; and
- Education, professional certification, or other evidenced based background that aligns to the desired skills and experience required for the individual position.

## Element 2 - Priorities for business: a. Member interests are protected

### Competitive behaviour

The Board will need to consider the impact of operations on member-run businesses.

This should form part of the due diligence on each opportunity.

Whilst members should not be unnecessarily disadvantaged by the business activities of the Ntityix Group, Ntityix Group does not have to take into account the needs of any specific member if it wants to pursue an opportunity or activity, within the boundaries of the ethical universe, values and other guides for effective decision-making.

However, where a member business is unduly impacted by the activity of Ntityix Group, the Board will consider whether there are extraordinary or commercially sensible strategies to rectify that impact, including but not restricted to:

- Partnering with the member and their business, including entering into joint ventures, etc;
- Taking a stake in a member business through purchase of shares or another such instrument; and
- Purchase the member business outright.

This consideration is purely moral and each case will be reviewed on its own merits.

There is no implied or other legal requirements for the Board to make such considerations.

Where the Board does formally consider the impact on a member business it should do so in public. There are two aspects that must be considered as part of the Boards deliberations:

- The intended impact on Wealth creation for the WFN as a whole; and
- The intended impact of Job creation for the rest of the Community.

## Element 2 - Priorities for business: b. Community interests are protected

### Alignment with Priorities in the WFN Strategic Plan

The Community dialogue on protecting the interests of the Community were structured around an assessment of the priorities set out in the WFN Strategic Plan.

An analysis of that alignment, and what that means, by the different strategic priorities contained within the WFN Strategic Plan is set out below.

The Community working group is aware that this will need to be reaffirmed during the creation of a Corporate Strategic Plan that will need to show direct alignment with the WFN Strategic Plan.

### Priority 1 - Economic Growth

The relevant aspects for Economic Growth - the primary driver behind all corporate activity - are set out below:

- Diverse portfolio of investment
  - Current industries are forestry and real estate development on WFN land as well as investments not on the community or treaty and rights land; and
  - Ntityix Group should consider expand operations across a broad platform of businesses and industries to stabilize and diversify risk.
- Cash flow
  - Ntityix Group is not a drain on WFN resources; and
  - The shareholder will work with the Board to set performance indicators. Unless those performance indicators (e.g. Return on Investment) are met, the Board should not contemplate a dividend.

### Priority 1 - Economic Growth (continued)

- Sustain operations
  - The corporations exists to generate sustainable cash flows; and
  - Operations are structured so that they are sustainable in the long-term, unless they specifically take advantage of short-term opportunities.
- Supports self determination
  - The corporations need to generate profits that contribute towards enabling WFN to be self sufficient; and
  - Operations provide both revenues and employment opportunities to support a self determined and sustaining WFN in the future (and are consistent with members values and the desire to enhance members competencies, capacities and skills).

## Element 2 - Priorities for business: b. Community interests are protected (continued)

### Priority 2 - Governance

The relevant aspects for Governance - a rationale for producing this Charter - are set out below:

- Community driven
  - All business will be grounded in community values and the expectation that business and investment partners will share those values; and
  - The community working group has interacted with the structure and content of this Charter. The desire of the community is to guide and establish parameters for Ntityix Group, but not to stifle growth or innovation.
- Strong governance structures
  - The framework established by the community working group is strong enough to set long-term goals and the parameters in which the businesses will operate; and
  - Once established, the Community working group has confidence that Ntityix Group will continue to operate within these parameters and to manage in a way that demonstrably reflects the values of the WFN community.
- Meaningful communication and reporting
  - To demonstrate that the corporation is managed according to the framework and parameters set out in this Charter, communication and reporting must be complete, accurate and timely; and
  - The corporation cannot share all information with all shareholders, members, or partners if the information could lessen business opportunities, strategic advantage, or harm negotiations; however, it is the intent of the corporation to make all decisions based on the control values, within the guides and principles, and endorsed strategies.

### Priority 3 - Skills and capacity

The relevant aspects for Skills and Capacity - key to delivering success in the future - are set out below:

- Increased community employment
  - People are the foundation to enable self-determination through progressing language and culture, traditions, stories, and history into a modern relationship with business; and
  - WFN members are central to the success of; Ntityix Group the development of business skills, technical skills and professional and trade qualifications will enable WFN to better support and grow its community in the long-term.
- Skills to underpin and enhance professional reputation
  - It is important to WFN and Ntityix Group to be recognized as upholding its values and professionalism externally; and
  - Maintaining a flawless reputation will be an important part of enhancing business opportunities, attracting more professional partners and build confidence within the community, with neighbouring nations, with other governments and with external investors.

## Element 2 - Priorities for business: b. Community interests are protected (continued)

### Priority 4 - Innovation

The relevant aspects for Innovation - a key element of WFNs continued success - are set out below:

- Natural resource innovation
  - A deep connection to the land is fundamental to WFN. This relationship must be plentiful and help provide for future generations, helping maintain and develop the connection, be that providing supply for food, or medicine, or continuing traditional practices;
  - WFN has a responsibility be stewards of the land and balance that stewardship responsibility with economic growth;
  - Innovation is the considered efforts in business or techniques in process which replace unsustainable human practices. These innovations can extend beyond WFN traditional territories to benefit neighbouring communities and land; and
  - The corporation will assert its leadership to not only protect and preserve WFN territories, but also build back life in streams, lakes, forests, and lands.

### Priority 4 - Innovation (continued)

- Support community enhancements
  - The business structure and mindset can be used to support and develop services provided by the WFN Government, but only within the right contractual environment;
  - Ntityix Group can assist innovate and manage traditional community services, but should not be confused with WFN Government, nor should it be tasked with running Government services unless a contract is in place that sets out responsibilities and accountabilities; and
  - Ntityix Group can always be used to develop and innovate, but should never be tasked with replacing Government or running services instead of Government.

### Ntityix Group Strategic Plan

This Charter sets out a results-based governance model that requires a corporate strategic plan to support all activities and investments to achieve the vision for WFN.

As a compliment and enhancement to the WFN Strategic Plan, Ntityix Group may wish to consider the need to create and maintain a Strategic Plan specific to the corporate businesses. The WFN Government shall sign off on the plan.

Once signed off the Charter is designed to allow the Ntityix Holding Company Board permission to get on with the delivery of corporate strategic plan and its goals and priorities.

The corporate Strategic Plan should be informed by, but not be unduly influenced by the prevailing social or political agenda within WFN and will be clearly aligned to the Comprehensive Community Plan.

## **Element 3 - Reporting and Performance: a. Transparency and Accountability**

The largest concern the Community voiced during this process was the lack of transparency and accountability on corporate matters.

The Charter therefore sets out the Community expectations in terms of meetings, communication and reporting below.

### **Meetings**

The Board shall meet at least once per quarter, typically once per month and otherwise as required to effectively manage Ntityix Group. Quorum must be established, with no less than a majority in attendance with at least one Independent member and one WFN member. For the initial Board therefore, the Board may not be quorate unless the Shareholder member is present.

### **Notice and Agenda**

Notice of meetings must be published in advance, as set out in the Constitution. Minutes and communication will be the same as the WFN Constitution.

### **Attendance**

Board attendance will be published. It is expected that no Board member miss more than one scheduled meeting (if meetings are held quarterly) or two meetings (if held monthly) within a calendar year, unless there are unavoidable extenuating circumstances.

### **Alternates**

Chief and Council will appoint an alternate member who can attend meetings in the absence of the Board member and have the same voting rights and capabilities.

### **Undue absence**

If a Board member is frequently absent from board meetings, s/he shall be required to explain such absences to the Chair. Attendance is a requirement for all members within their individual performance metrics.

### **Attendance by non-Board members**

From time to time, non-Board members may be invited to specific meetings to offer additional insight not resident on the Board. Approval by the Chair must be in writing and notice on the agenda is required.

### **Communication**

The Board is accountable to communicate to the membership in a manner which promotes transparency and understanding. WFN membership will be provided with reasonable access to corporate information through a board approved disclosure/publication process. The corporate information is to be provided such that membership has the ability to understand the level of complexity in which the Board is functioning without the burden of legalese or business jargon.

The Board must share prospectuses and opportunities with the WFN membership on a regular basis, to be determined as part of the Communications and Reporting Policy.

## **Element 3 - Reporting and Performance: a. Transparency and Accountability**

### **Community Engagement**

To address the needs of the community and the directive of the corporation, a balance is needed in sharing the appropriate amount of information to build understanding and relevancy. The Board will engage in numerous opportunities that become more clear through discussions and research, and if an initiative can be evidenced to be viable, the Board will inform the community. Engagement with the community needs to align to the corporate values, referenced policies and procedures for engagement, and with the Strategic Plan.

Communication with community will take an appropriate form depending on maturity of an opportunity and the reasonable depth of information available. Included in the Articles is a draft communication and engagement matrix which will guide appropriate information sharing to inform and draw feedback from the community.

In brief, the following types of engagement and communications are detailed in terms of benefits and considerations towards high-level engagement and communication outcomes:

- Community meetings
- En'owkinwixw process
- Workshops and focus groups
- Web-based engagement
- Community surveys
- Roundtable consensus building

### **Reporting on Opportunities**

All investment and economic opportunities will use a prescribed template to be developed as part of the Communications and Reporting Policy. This will also be used to assist with due diligence.

### **Financial Reporting**

Reporting includes all structured reports produced and approved by the Board including but not limited to, quarterly financial and annual reports, performance against business objectives and risk management. All formal reports will follow a prescribed template.

### **Strategic Reporting**

The Board will share the annual report, and outcomes report with the community and the members each year. The performance against the strategic priorities and the relative performance against plan shall be included.

Information to support the understanding of the performance against the strategic priorities should be contextual and comprehensive. The Board must provide clear alignment with how each activity supports priorities.

### **Ad Hoc Reporting**

During the year, the Board is expected to respond to reasonable questions and concerns that result from any report published. Questions received electronically, recorded during community meetings or other means should be answered openly. If answer impacts competitive position for Ntityix, a rationale as to why a full answer is not available must be shared.

Documents, reporting, and information shared with community will be archived on an internal community site.

## Element 3 - Reporting and Performance: b. Collective responsibility

### Overview of responsibilities for Ntityix Group

This Charter includes structures, guides, controls and policies to frame activities for the Board and the detail below sets out specific and general responsibilities.

The biggest aspect from the perspective of the Corporate Code of Conduct is that of collective responsibility. While each Board member will have explicit responsibilities that will be performance managed, the effort of the Board is collective and each Board member will assume that collective responsibility. As a result, there are no “portfolios” on the Board with areas of special skill and interest.

### Specific responsibilities

Specifically, the Ntityix Holding Company Board will be responsible for:

- Upholding the WFN community values and existing laws;
- The development and delivery of a Corporate Strategic Plan;
- Identification and assessment of the strategic risks of achieving the strategic objectives within the Strategic Plan;
- Maximizing the return available to the shareholder (WFN sole);
- Being accountable for balancing Economic Development for the whole of WFN with facilitating opportunities for individual members;
- Maintaining an effective Board of Directors;
- Regular reporting and communications with membership;
- Regular formal reporting on performance against Strategic Plan;
- Adherence to all internal controls and policies set out in the Corporate Charter in the management of the Holding Company and all corporations within the group; and
- Periodical review and assessment of the effectiveness of the governance structure by a third party independent reviewer.

### General responsibilities

Generally, the Board has responsibility to:

- Deliver the corporate objectives and strategic priorities;
- Ensure that the necessary human and financial resources are in place to allow Ntityix Group to achieve its objectives;
- Ensure that the necessary corporate and governance structures are in place to allow Ntityix Group to achieve its objectives;
- Develop and determine the ongoing effectiveness of the policies and guides to govern Ntityix Group;
- Determine the nature and extent of the material risks Ntityix Group is willing to take to achieve the objectives;
- Establish an enterprise risk management framework to measure and monitor risk, and to ensure the framework is consistently applied across all Ntityix Group businesses at a business, strategic, and operational level;
- Monitor and report on the progress towards its stated objectives and performance measures;
- Report to relevant stakeholders in a balanced and understandable format;
- Appoint Board committees to enhance the balance of skills, experience, and independence needed for established policies; and
- Independently review the effectiveness of the Board, its members, and committees.

## **Element 3 - Reporting and Performance: b. Collective responsibility**

### **Individual Director Responsibilities**

All Directors are individually responsible to exercise their judgment based on their described role and in the best interest of Ntityix Group and the achievement of the strategic objectives.

Directors will:

- Attend meetings on a regular basis;
- Review, evaluate and approve the corporation's financial reports;
- Review, evaluate and approve significant investments and resource allocations as per policy; and
- Periodically review and evaluate the effectiveness of the governance structure.

### **Limitations of Duties**

Each Board member individually and collectively are accountable to discharge their duties as per the policies and procedures outlined in this charter. All supporting frameworks and criteria for decision making is intended to reduce risk and promote shareholder transparency. Members must adhere to the follow:

- Notwithstanding laws and regulations within WFN Government, and all guides and controls contained and referenced within this charter, the Board must ensure the corporation and all entities within the governing portfolio comply with all applicable laws and regulations;
- In the discharge of the duties under this charter, each member of the Board will be obliged to act with care, diligence and skill; and
- Decisions and investments are not permissible independent of the governance framework.

# **Appendix A**

## **The Board in detail**

## Appendix A - The Board in detail - Governance

### Governance

Ntityix Group is a group of independent corporations governing multiple businesses in numerous industries for the benefit of WFN community. Ntityix Group will provide oversight to different portfolios which will have discrete financial treatments defined for each. The two general categories are:

1. Businesses owned by Ntityix Group for profit
2. Businesses owned by Ntityix Group for a social agenda and not for profit
  - Businesses that have a direct social impact for WFN members; and
  - Business can provide subsidized services to WFN members and for profit from non-members.

### Purpose of the Board

The Board of Directors (Board) has a primary responsibility to enable WFN success towards self-determination and economic sustainment for the community and the membership.

The Directors of the Board have the responsibility to organize and oversee the conduct of the Ntityix Group businesses (categories 1 & 2), to make strategic decisions regarding investments and to report to WFN Government the performance against planned activities to maximize the value of the corporation for the benefit of its members while complying with relevant rules, laws and government standards.

For all strategies and planned activities, the Board must have a continuing understanding of the principal risks associated with the Ntityix Group businesses and the portfolios. To support transparency, the businesses will keep the Board well informed of changes in risk and emerging risks.

Additionally, the Board must manage Board membership to optimize performance including but not limited to governance effectiveness, succession planning, skills and competencies of members, and Board orientation and continuous governance education.

## **Appendix A - The Board in detail - Selection**

All appointed members must provide appropriate evidence to validate alignment to pre-determined skills and other criteria set by the Board Nomination Committee, and the process for selection.

### **The Chair**

The first Chair of the Board will be selected through a balanced process. A Board Nomination Committee will be created, including four (4) community members and four (4) members of WFN Chief and Council, or their selected designate(s). Each group will be afforded the information and the resources to provide clear and thoughtful support towards a decision. All members of the Board Nomination Committee will act independently of each other to ensure fair judgement and commitment for this position.

For the initial Board the Chair should not be a WFN member. Thereafter, the selection process can be amended if there are outstanding WFN member candidates.

The committee will review and assess a list of candidates against pre-determined criteria. The initial list will be created using an independent resource to qualify base criteria such as education, experience, behavioural alignment, and compensation expectation alignment. The committee will focus on WFN alignment and other behavioural qualities.

Subsequent selections of the Chair will be determined against the success of the initial selection and conditions appropriate to the current requirements.

### **Directors**

Directors are selected by the Board Nomination Committee, with input from the newly appointed Chair, against the required skills and expertise needed to execute against the Corporate Strategic Plan. These skills will evolve over time, and can be adjusted to match the strategic need. Outside of the core Director requirements (Board Member Expectations), adjustments to support execution and performance can be made prior to advertising a empty position on the Board.

### **Vacancies / New Positions**

The Board has a responsibility to fill positions promptly to ensure consistency of business discussion and include the full range of required expertise. It is not appropriate to delay the process to fill ratified positions.

### **Interim Directors**

If business conditions require additional or short-term Directors to fill empty or absent positions, provision can be made to bridge skills on the Board with an Interim Director. This person shall be selected using an appropriate and transparent process that clearly aligns to all rules and guides set forth in this Charter. Interim Directors are a risk mitigation procedure and not the standard for business. Documentation to support the decision to engage an Interim Director must be accompanied by a completed template related to Interim Director Appointments.

## Appendix A - The Board in detail - Composition

### Composition of Board

It is the responsibility of the Board Nomination Committee and Chair to ensure that the right skills, experience, background and diversity exists to fulfill the strategic directions and decision making needs for Ntityix Group. The Committee and Chair has the accountability to review the competency mix and assess whether gaps exist. Recommendations to the Board (and subsequently to the WFN Government) must be in the format and structure outlined in the Articles.

Terms of reference (TOR) are included to assist the Board in clarifying responsibilities and ensuring effective communication between WFN Government, businesses, community and external partners. The Articles outlined specific guidelines for Board structure and policies.

### Board Profile

The Board will be composed of members with the foundational interests in the following three areas:

- Elected WFN members of Chief and Council;
- Independent Directors; and
- Executive Management.

### Number of Members

The number of Board members will be no less than three (3) and no more than ten (10) people. The optimal size of the initial Board is three (3) or four (4) people, given the current size and complexity of Ntityix operations.

### General composition

For the initial Board, the Board Nomination Committee; and for each subsequent Board, the Ntityix Holdings Corp Board itself, shall use best efforts to ensure that:

- The makeup of the Board matches the Board profile;
- Members can act critically and independently of one another;
- Each member fully understands the values for Ntityix Group and WFN;
- Each member has the expertise to perform his/her role and contribute to composition and capacity;
- At least one Board member has financial expertise demonstrated by certification; and
- The initial Board will have an independent Chair. Thereafter, if WFN members can demonstrate that they have the requisite skills and experience (as required by the Board Nomination Committee) they should be allowed to compete openly for the position.

## Appendix A - The Board in detail - Composition (continued)

### Elected WFN Chief and Council Director

The Board will include one member of Chief and Council. This nomination or recommendation will be promoted from the Council to the Board Chair. This Board member must not:

- Hold a position or employment on any other business governed by WFN or Ntityix Group; and/or
- Hold a position on another Board or executive committee which has a real or perceived conflict of interest related to the achievement of the corporation's objectives.

### Independent Director

An independent director is one that meets all of the following criteria:

- Is not and has not been employed by the WFN Government in the past 12 months;
- Is not or has not acted as an advisor or consultant to the corporation within the past 12 months;
- Is not and has not been affiliated with any significant partner, supplier, customer at any time in the past 12 months;
- Does not currently have a personal service contract with the corporation, unless responsibilities are being carried forward into the new role;
- Is not affiliated with any non-profit organization that receives significant funding from the profits within the corporation;
- Is not employed as an executive officer of another company/Board where any of the corporate's executives also serve on that Board;
- Is not a brother, sister, parent, child, or a close relative of a current Chief and Council member; and
- Has not served on the Board for more than two non-consecutive five/seven year terms (see Terms of Appointment below).

### Executive Management Director

(In due course, possibly when the businesses are of sufficient size to justify the appointment) A Chief Executive who is employed by one or more businesses governed by the corporation.

### Committees

The Board has the ability to create committees for specific duties and reviews. Each committee will operate to a pre-approved mandate, adhering to specific duties and responsibilities.

Committees must have one accountable Board sponsor who provides direction and relevant information from the Board.

### Ambassadors

The concept of an Ambassador is included within this Charter and is new to WFN. It is based on the fact that the Community recognizes that there are members with significant skills which should be used to benefit Ntityix Group. Ambassadors are not Board members, and have no official vote on Board matters. The Board has discretion in determining the necessity for the appointment of Ambassadors. Ambassadors, if appointed, are appointed for a fixed tenure and may be eligible for a stipend, subject to Board approval and depending on the specific circumstances and uses for each Ambassador. The Board is responsible to set the scope, agenda and performance metrics for each appointed Ambassador.

One Ambassador (to a maximum of 3 in total) will be drawn from each of the following groups: Elders; Youth; and Chief and Council (with only one from each group in tenure at any one time).

### Advisors

Use of advisors to augment or enhance specific required expertise can be used, for a clearly defined tenure, with Board approval. Board members individually or as a group can decide to leverage external help to Strategic Planning, facilitation, due diligence, or any other activity that aligns to the strategic plan and the objectives for the corporation.

## **Appendix A - The Board in detail - Roles**

### **Chair**

The Board and WFN Government supports the concept that the Chair is separate from that of the Chief in Council. The Board should be able to function independently of the management of Government, and the Chair should be able to have debate and collaboration on investment and business decisions. The Chair will provide leadership from the business perspective whilst Chief and Council is the leadership of the membership.

### **Financial**

Financial capability is a requirement on the Board at all times. It is not imperative that only one member is able to fulfill a financial minimum standard, however, only one is responsible for tasks and duties related to financial due diligence.

### **Business Acumen**

Board members should all have the minimum business acumen expectations; however, only those who are placed on the Board to fulfil specific duties related to business expertise such as strategic, investment, partnership negotiations, legal, etc. require evidence that the education, skills and experience meet the requirements set out by the specific duties.

### **Community Voice**

The Board will always have at least one WFN member that understands and communicates effectively with the membership. This member needs to balance the needs and expectation of the community and membership with business opportunities.

### **Shareholder interest**

One member will be the shareholder representative and will ensure at all times that the interest of the shareholder, Westbank First Nation, is protected. This member will be selected from within Chief and Council.

### **Independent financial advice**

One member should have the necessary financial and legal experience to ensure that the Board can undertake sufficient financial and legal due diligence on all prospective investments.

### **Role Authority**

The Board of directors of Ntityix Group have the authority to make financial commitments on behalf of Ntityix Group as set out in the financial approval policy. Individually, Directors have no authority to make financial commitments for Ntityix Group businesses.

Directors are required to review and annually commit to the TOR and Articles attached with a signed declaration statement.

Directors may at times need services of advisors to assist with matters involving individual's responsibilities as a director. A director who wishes to engage an outside advisor must obtain the authorization and expense or budget limit prior to signing a letter of engagement.

Performance measures, risk register, Terms of Reference, structures and guidelines need to be established and reviewed by the Shareholder.

## Appendix A - The Board in detail - Board Structure and Appointments

### Election by the Community

All applications to the Board Nomination Committee for any candidate for the Board shall include:

- Resume: positions s/he holds or has held in the past five (5) years including memberships on any other boards or committees;
- Candidates profession;
- Any convictions for any relevant crimes (to reflect those set out in the WFN constitution); and
- Any other information relevant to assess his/her suitability as a member of the Board.

### Term of appointment

Each Board member will be appointed for an initial 12 month probation period, and then for up to a further 4 years (5 years in total) with the option to extend for a further 2 years upon review by the Chair. Terms will be staggered to ensure continuity.

### Reappointment

Before recommendation for a reappointment, the Board must carefully consider past performance on the Board.

### Board Retirement

Board members will retire periodically. To avoid adverse impacts of multiple retirements at the same time, the Board may amend the rotation plan (or extend by 6 months on the 5 year cycle).

### Board Professional Development

The Board should host professional development meetings which may include detailed reviews of the strategies, risk registers, business and economic environment issues, sustainability, governance and control, etc to ensure continue ability to proactivity provide corporate leadership.

### Board Evaluation

The Board evaluation process should be designed to allow the Board to form, as well, correct gaps. Evaluation process is outlined in the Articles.

### Chairman

The Board Nomination Committee shall elect a Chair.

### Duties

Primarily responsible for the activities of the Board and its committees. S/he shall act as the spokesman for the board and is the principal contact for the chief executive officer (CEO).

The Chair and the Chief and Council shall meet every quarter to discuss Ntityix business.

The Chair of the Board presides over the general assembly.

### Committees

- The Board may appoint committees from among its members to perform specific tasks;
- The Board shall determine the members of any committee;
- The Board shall establish the reporting, remuneration, governance, and nomination of the committee;
- Board responsibilities of committee action;
- The Board remains collectively responsible for the decisions and actions taken by any committee; and
- The committee can only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board (decisions that, by law, must be taken by the Board may not be delegated to a committee).

## Appendix A - The Board in detail - Managing Conflicts of Interest

A conflict of interest is a situation in which a person has a private or personal interest sufficient to appear to influence the objective of the corporation and/or his/her interests. There are fundamentally three types of conflict:

1. Actual - official duties are or will be influenced by private interests.
2. Perceived - official duties appear by an informed observer to be influenced by private interests.
3. Foreseeable or potential - official duties may be influenced in the future by private interests.

It is the responsibility of all members of the board to manage conflict of interest situations to ensure decision-making is not influenced by conflicting interests. This is done through providing education, ensuring that meeting agendas are provided in advance to enable members to foresee possible conflicts, ensure that people are clearly told if information must be protected, and to ensure that the act of self-declaring possible conflicts has a documented process.

### Declare, Discuss, Deal

Draft conflict of interest policy can be found in the appendix.

Managing conflict starts with prevention and if conflicts cannot be prevented, conflict of interests must be managed. All conflicts must be declared to ensure full transparency. This declaration must be documented. In situations where it is perceived or foreseeable, it is necessary to discuss doubtful situations. And lastly, if conflict exists, the board membership must deal with the conflict in these, but not limited to these ways:

- Restrict the involvement of the individual;
- Recruit an objective third party to assist;
- Remove the individual for affected duties;
- Relinquish the private interest; or
- Resign from official duties.

All activities regarding conflict events must be fully documented and recorded including the process undertaken to manage the conflict and decision justification.

### Examples of Conflict of Interest

Self-interested funding, contracting or hiring: when an affected person uses a position on the Board to influence a decision to provide funding or contracts to another organization in which he or she has an interest, or to go outside normal hiring processes to give a job to a friend or family member.

Improper influence: when an affected person solicits or accepts some form of benefit in return for influencing Board activities or promoting someone else's interests on the Board.

Misuse of information or property: when an affected person uses information or property to which the person has access at work, and to which others would not have access, for some personal benefit.

Inappropriate outside activity: when an affected person's activities outside the Board are in conflict with the interests of the Board.

Accepting undue benefits, such as significant gifts which place an affected person under obligation to the donor.

## **Appendix B**

### **Considerations for Risk Management**

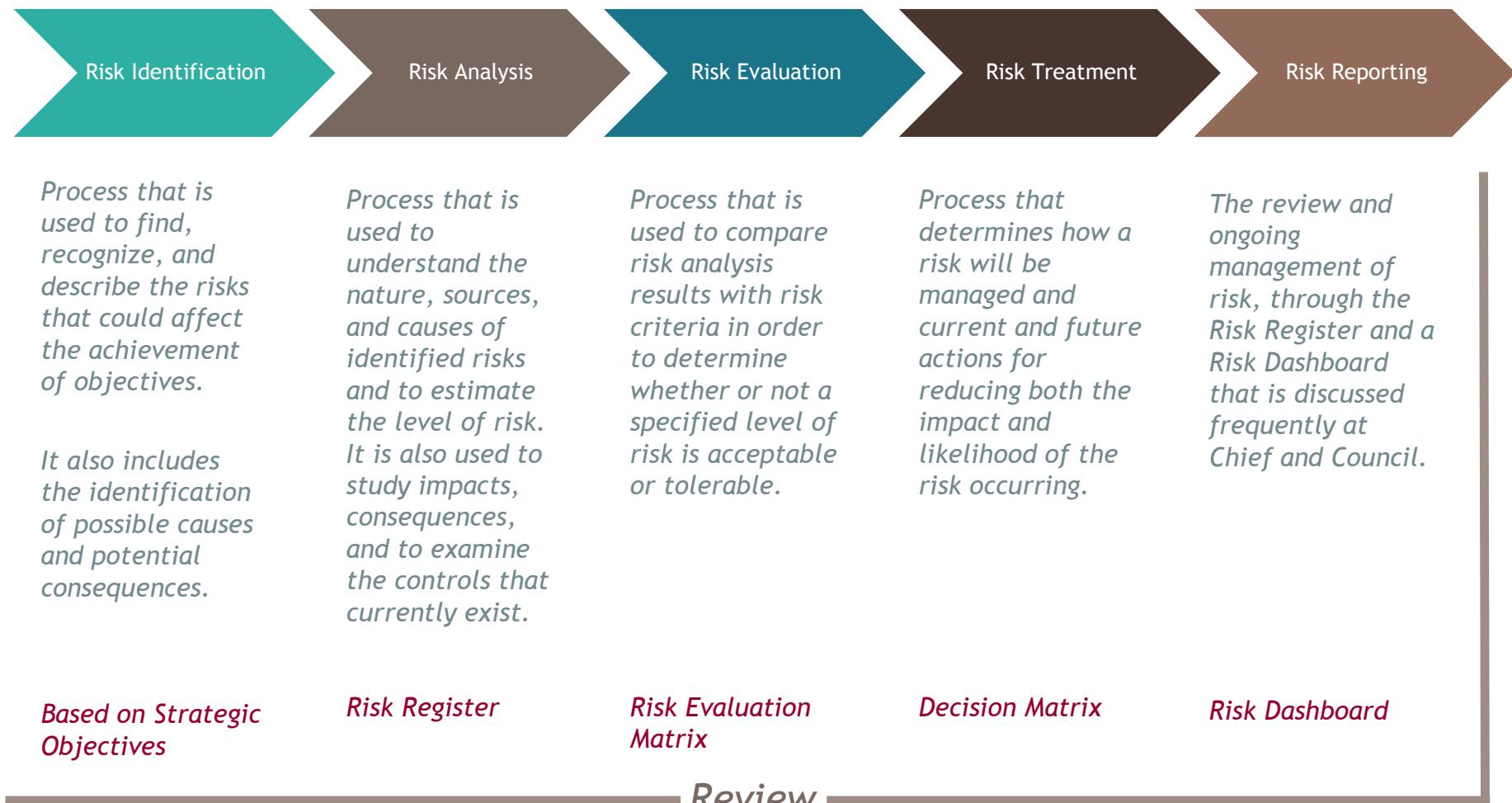
## Appendix B - Considerations for Risk Management

The Board will manage and report on risks that face the achievement of the strategic priorities and all related activities within strategic projects.

Risk management includes the structure or architecture an organization uses to manage risk. This architecture includes risk management principles, a risk management framework, and a risk management process.

Risk management is the continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss.

Risk management refers to a coordinated set of activities and methods that is used to direct an organization and to control the many risks that can affect its ability to achieve objectives.



# Risk Management

## Strategic Risk Management

Strategic risk management includes the structure or architecture an organization uses to manage headline risks which have an effect on the success of the corporation, the businesses and the community. This architecture includes risk management principles, a risk management framework, and a risk management process.

Strategic risk management aligns the corporations objectives associated with the strategic pillars with the associated risks. Risk management is the continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss.

Risk management refers to a coordinated set of activities and methods that is used to direct an organization and to control the many risks that can affect its ability to achieve objectives.

Ntityix Group will focus on strategic risks and will integrate risk management activities across the following different themes:

- Economic;
- Community;
- Governance;
- Business; and
- Stewardship.

## Benefits of Managing Risk

Risk management provides a clear and structured approach to identifying, assessing, monitoring, controlling and evaluating risks. Having a clear understanding of the right level of risks will allow the corporation to measure and prioritize them and take the appropriate actions to reduce losses.

An outcome-based approach to managing risk is different than the rules based approach by translating benefits into tangible evidence for the target audiences. The rational to manage identified risks is to deliver quality services consumers desire, to run operations effectively and efficiently, and to achieve strategic outcomes for the larger public audience. This is a nuance to the rules based approach founded from regulatory or policy drivers.

Operational benefits of implementing and managing a risk program are:

- Better decision-making capabilities;
- Better information ;
- Transparency;
- Effective use of resources;
- Shared risk awareness; and
- Organizational performance.

# Risk Management

## Risk Management Framework

The corporation has identified and defined five strategic positions that will categorize the strategic risks against four risk themes.

- Economic - Maintain a diverse portfolio of investments that meet the cash-flow requirements to sustain planned operations and community enhancements
- Governance - Build a professional reputation based on strong governance and control structures
- Skills and Capacity - Optimize Ntityix Group businesses, increase community employment and support self-determination.
- Business - Build the corporate business to replace non-business revenues that support operations of WFN
- Innovation - Ntityix Group will be recognized as a leader in natural resource innovations.

## Risk Register

The Risk Register is the collection of all strategic risks the Board is providing oversight for, the detail on each risk, description of the consequence and impact, treatment decision and management plan. The risk register will be maintained and reported at each Board meeting. Activities related to reducing exposure can be delegated to executive management or governance committee. The Board is accountable for the effective management of the Strategic Risks which face the corporation and the businesses Ntityix Group governs.

The risk register will include all relevant information to determine the correct treatment method and details for effective management.

Each risk will be described with an event in the future, which has a changed state or the deviation of the optimal path which causes an impact or consequence on the achievement of a Strategic Goal. Risk has a quantitative and/or qualitative cost.

## Risk Alignment to Strategic Priorities

Strategic Priorities will be described in the risk register in terms of what the impact might be if this priorities was not achieved. To understand and complete a risk register, this is an essential step to ensure that the consequences of different factors can be reflected with the correct degree of emphasis.

## Appendix B - Considerations for Risk Management - Risk Register

### Risk Themes and Categories

There are a number of generic risk theme's which can be used to focus the discussion of risk such that a complete picture can be understood. Within each risk theme, there might be various categories which allow for a better assessment of each risk against the achievement of the strategic priorities. Risk categories should be described in terms of how the organization sees that risk being an issue. An example might be a Risk theme of Community, with a category risk of Ethics. Ethics for the organization might be described to mean the delta between traditional practices and innovative practices such that an ethical dilemma is created. Other example might be under Community, a category for Language and Culture. This could be the material loss of Language and culture teachers in the community impacting the ability to enhance a sense of culture.

### Components of the Risk Register

- Risk Statement: Complete risk statement including an event which is significantly positive or negative, and has a significant impact/consequence.
- Context for Risk: Notes and evidence of symptoms which allow us to understand that this risk is real.
- Consequence or Impact: Description of what the consequence would be if this risk materialized.
- Likelihood: Judgment on the likelihood that this risk will occur in the present environment.
- Treatment Decision and Method: Given the information about the risk, what treatment method will the organization take on to manage.
- Responsible: The individual who is responsible to manage and report to the Board on the risk.
- Action Plans: What are the activities and resources that will be employed to manage the risk.
- Intended Results: Description of the intended results of the management plan. Some management plans must be employed in phases to incrementally reduce risk exposure.

## **Appendix C**

### **Draft Terms of Reference for the Board of Directors**

## **Appendix C - Draft Terms of Reference for the Board of Directors**

### **Introduction**

[insert Ntityix Group intro from Annual Report]

### **Purpose**

The Board of Directors has the primary responsibility to foster the Corporation's short and long-term success as set out in the Corporate Strategic Plan and in alignment with the WFN Strategic Agenda.

The Board are stewards of all companies and businesses that are governed under the corporation, consisting of providing oversight and supervisory management, to guide and assist the success of operations. Through the Board to the President and CEO, the standards of conduct and other cultural and policy based alignment will be applied.

These terms are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

### **General Legal Obligations of the Board of Directors**

#### **Reference**

- Financial Policy;
- Conflict of Interest Policy;
- Terms and Conditions of Employment; and
- Human Resources and Operational Policies.

### **Board Profile**

The Board will be composed of members with the foundational interests in the following three areas:

- Elected WFN Members;
- Independent Directors; and
- Executive Management.

### **Number of Members**

The number of Board members will be no less than three (3) and no more than ten (10) people. The optimal size of the Board for the near-term is considered to be four (4) people.

### **General composition**

The Board shall use its best efforts to ensure that:

- The Board matches the Board profile;
- Members can act critically and independently of one another;
- Each member fully understands the values for Ntityix Group and WFN;
- Each member has the expertise to perform his/her role and contribute to composition and capacity;
- At least one board member is appointed from executive management;
- At least one Board member has financial expertise demonstrated by certification; and
- The initial Board will have an independent Chair.

## **Appendix C - Draft Terms of Reference for the Board of Directors**

### **Duties and Responsibilities**

The Board has the responsibility to:

- Set and execute Corporate Strategy;
- Appoint the Directors of group companies; and
- Appoint and manage Ambassadors to the Board, if they are determined necessary.

### **Mission and Plans**

The Board has the responsibility to:

- Create the corporation's mission, vision, and values;
- Create the corporations strategic five to ten year Strategic Plan;
- The Board must include environmental and situational analysis to ensure strategic plan is accurately inclusive of risks and opportunities;
- Approve the annual business plans of the companies and businesses governed by the corporation;
- Review and maintain regular reporting of financial and business reports of the companies and businesses;
- Direct and provide expert oversight advise to the president's and CEO's of companies to align direction and risks; and
- Maintain and report to community the progress of the corporation against the stated goals.

### **Financial and Risk Management**

The Board has the responsibility to:

- Take reasonable steps to ensure the integrity of internal controls across the corporation: financial, technology, human resources, operational management, reporting;
- Ensure that the financial and business risks are identified, assessed, and a risk register is maintained with treatment plans;
- Monitor financial and strategic results as per reporting schedule; and
- Appoint external auditors and approve auditor's fees.

### **Policies and Procedures**

The Board has the responsibility to:

- Approve and monitor, through management and compliance to all policies and procedures referenced in this charter and in alignment with WFN;
- Act as a champion and guardian to WFN and the corporations' values, including the new Corporate Code of Conduct and conflict of interest;
- Ensure that the companies and businesses governed by the corporation operate at all times within applicable laws and regulations and to the highest ethical and moral standards; and
- Review policies and ratify including new and amendments to existing policies.

### **Stakeholder and Community Communications**

The Board has the responsibility to:

- Ensure timely reporting and communication as per the policies and templates endorsed by the community.

## **Appendix C - Draft Terms of Reference for the Board of Directors**

### **Reporting on Opportunities**

The Board will complete the appropriate template to report on investments and other opportunities. At a minimum, the Board is accountable to share critical information including but not limited to:

- Alignment to the strategic plan and intended alignment to portfolio balance;
- Anticipated size of the opportunity;
- Alignment to member businesses and their ability to participate in the opportunity;
- Current level of due diligence undertaken to investigate the opportunity including costs;
- Level of investment to further validate opportunity, including travel, consultant costs and research; and
- Expectations for next steps.

### **Financial Reporting**

The Board will present and publish the quarterly financial statements and ensure that they are presented to the Community in a way that is easily understood.

Annual accounts will be presented in the required format, along with an Annual Report.

### **Strategic Reporting**

The annual report must include a review of the strategic objectives for the year, and the performance against those objectives.

### **Ad Hoc Reporting**

As and when needed, the Board will communicate and engage with the community using appropriate forms of communication. Principle and forms of communication are outlined in subsequent pages.



## **Appendix D**

### **Draft Responsibilities of the Board Nomination Committee**

## **Appendix D - Draft Responsibilities of the Board Nomination Committee**

### **Purpose**

The Board Nomination Committee has the primary responsibility to govern the selection of the initial Board of Directors for Ntityix Holding Corporation.

The Nomination Committee shall be composed with the express goal of ensuring that the appropriate skills are represented on the initial Board of Directors. Once selection of the initial Board is complete, the Nomination Committee will continue for a period of 1 year (12 months) to oversee the effective implementation of the initial Board.

The Nomination Committee may be reconvened should the Chair or Board feel that appropriate oversight of changes to the Board be required.

### **General responsibilities of the Board Nomination Committee**

- Select initial Board Chair;
- Select other independent director(s) of the initial Board;
- Performance manage the initial Chair and Directors for the first twelve (12) months;
- Assist in the replacement of Board members, if required;
- Determine remuneration of Board members; and
- Determine appropriateness of extension of Board member tenure, if required.

### **Board Profile**

The Board Nomination Committee will be composed of members with the foundational interests in the following three areas:

- Four (4) Members of the WFN Community;
- Four (4) members of WFN Chief & Council, and/or their selected designate(s); and
- (When appointed) the Chair of the Ntityix Holding Corporation board.

### **Number of Members**

The number of members for the Board Nomination Committee will be eight (8) individuals, prior to the selection of the Chair of the Board. Upon selection of the Chair, said Chair shall be co-opted in as a member of the Nomination Committee for the selection of the remaining directors on the Board.

## **Appendix E**

### **Principles for Communication & Engagement**

## Appendix E - Principles for Communication & Engagement

### Communication Principles

#### Community members have:

- The right to ask questions
- The right to be skeptical
- The right to be concerned
- The right to oppose plans
- The right to have questions answered

#### Corporation has:

- The right to engage in business opportunities that align with corporate values
- The right move forward after appropriate endorsement
- The right to debate benefits and risks of short-term / long-term decisions

### Communication and Engagement

Communications is one-way, with the primary intent to inform. Often times this is to raise a positive profile of a topic. When using forms of one-way communication it is important to address a structured approach which limits the possibility of miscommunication, bias, omitted, or incomplete information. Communication should be crafted and shared in a manner which enables individuals a fair opportunity to understand and make an informed opinion of the given topic.

Engagement is a two-way conversation, which includes understanding how the information has been shared and the impacts for the target community. The dialogue creates a new level of understanding of and for each party.

## Appendix E - Principles for Communication & Engagement

### Types of Communication and Engagement

#### Community Meetings

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ Enables large numbers of people to have their say</li> <li>▪ Provides an opportunity to explain processes, give information and gather feedback</li> <li>▪ Demonstrates openness and transparency</li> <li>▪ Enables participants to develop shared understanding and support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unlikely to be representative of the membership - not everyone has the time or inclination to attend</li> <li>▪ Attendance is often low unless people feel personally or deeply concerned</li> <li>▪ Some people are likely to be inhibited from speaking in a large group</li> <li>▪ Traditional formats can have limited audience contribution and lead to conflict</li> <li>▪ If confrontational it may lead to poor messaging</li> <li>▪ Often times feel more us and them</li> </ul>

#### En'owkinixw Process

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ Founded in the essentials of history and culture</li> <li>▪ Participants benefit from the process</li> <li>▪ Process is objective and collaborative</li> <li>▪ Thought to truly produce the right cross section of thinking from the four food chief prospective</li> </ul>	<ul style="list-style-type: none"> <li>▪ It is believed that no one from WFN has the skills to facilitate the four food chief round table to determine the groups</li> <li>▪ Organizing the event may prove to have some challenges to attract the right number of participants</li> </ul>

#### Workshops and Focus Groups

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ Encourages active discussion in a welcoming environment</li> <li>▪ Time and resource efficient way of identifying and clarifying key issues</li> <li>▪ Conflict can be more easily handled in a small group</li> <li>▪ Can be designed for specific outcomes/outputs</li> <li>▪ Can be scheduled in advance to encourage attendance and continue momentum</li> </ul>	<ul style="list-style-type: none"> <li>▪ With small groups, it is difficult to be sure all stakeholders or interests are represented</li> <li>▪ Workshops can be dominated by articulate and confident individuals if not carefully facilitated</li> <li>▪ Need to ensure conversation move forward or should be stopped</li> <li>▪ Requires objective facilitators to be endorsed as fair</li> <li>▪ Need clear understanding of roles and expectations out of the workshop otherwise feeling that time is wasted</li> </ul>

#### Roundtable / Consensus Building

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ People are brought together as equals</li> <li>▪ Encourages open discussion and help break down barriers</li> <li>▪ Confronts issues rather than people</li> <li>▪ May product innovative solutions with an aim to create win-win situations rather than winners and losers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Composition normally precludes wider participation such as advisors and academics</li> <li>▪ Requires considerable preparation</li> <li>▪ Requires highly skilled facilitators</li> <li>▪ Open to dominance by powerful elites or social groups.</li> </ul>

#### Community Surveys

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ Can gain the views of a large number of people</li> <li>▪ Useful for obtaining quantitative data</li> <li>▪ In principle data can be compared over time or with results from elsewhere</li> <li>▪ Useful for identifying and evidencing need</li> </ul>	<ul style="list-style-type: none"> <li>▪ Need to be well designed and coded to get usable answers</li> <li>▪ Large questionnaire surveys are time consuming and labour intensive</li> <li>▪ Information may be limited</li> <li>▪ Do not offer any real sense of community engagement or provide an opportunity for people to exchange views</li> <li>▪ Typical response rates are between 10-20%</li> </ul>

#### Web-based Engagement

Benefits	Considerations
<ul style="list-style-type: none"> <li>▪ People can choose a convenient time and place to participate</li> <li>▪ Particularly useful for those who may be homebound e.g. elders, parents with youth children</li> <li>▪ Can create debate and exchange of views</li> <li>▪ Cost effective</li> <li>▪ Can reach large numbers of people. Less time consuming than attending a workshop or community meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some techniques may require a moderator to manage comments, this can add expense</li> <li>▪ Excludes those without access to the internet</li> <li>▪ Needs to be publicized on other communication mediums to generate interest</li> <li>▪ Some people might feel intimidated</li> </ul>

## Appendix E - Principles for Communication & Engagement

### Target Group Needs Template

To understand what communication is most valuable to a target audience, there should be a process to understand the core issues and questions that the target group is interested in understanding. If the target groups' needs are understood, then the organization that is distributing the information can align those needs with the right form of either communication and/or engagement.

This template will assist with the discovery of target group needs.

Target group Needs	Core issue/s they are dealing with	Key need they need addressed	Legitimate expectation of the corporation	Current willingness to engage?
Youth				
Employed Members				
Unemployed Members				
Elders				
Membership general				
Member owned businesses				

## Appendix E - Principles for Communication & Engagement

### What is the Right Form of Communication or Engagement?

The following template can be filled out through working with a workshop focus group. When complete, this will form the guide for endorsed and aligned community engagement for the corporation.

METHOD	Frequency:	PROCESS							Annual	QTRLY	Annual	
		New investment Opportunity	New information on existing investment	Complex decision		Strategic Plan update	Strategic plan performance	Director performance against role				
Web-based information												
Facebook engagement												
Focus / workshops												
Community meetings												
One to one												
Paper report / PDF posted												
Posters / advertisements												
Door-to-door												
Surveys												
Roundtable												
blog/2-way web-based												
Other												
Other												
Other												

## **Appendix F**

### **Policies to be put in place (upon agreement of the Corporate Law)**

## Appendix F - Policies to be put in place upon agreement of the Corporate Law

### Policies

The following policies will need to be created for implementation as the

Corporate Law is enacted:

- Elected WFN Members;
- Anti-Financial Crime and Anti-Bribery Policy;
- Audit Committee;
- Audit Policy;
- Board Drug and Alcohol Policy;
- Board Nomination Policy;
- Communications and Reporting Policy;
- Community Investment Policy;
- Conflicts of Interest Policy;
- Corporate Transactions Policy;
- Performance Management and Dividend Policy;
- Enterprise Risk Management Policy;
- Environmental Policy;
- Equal Opportunity Policy;
- Expenses Policy;
- Health and Safety Policy;
- Human Resources and People Policy;
- Information Management and Data Management and Protection Policy;
- Legal and Intellectual Property Policy;
- Liquidity and Capital Management Policy;
- Operational Governance Policy;
- Performance and Outcome Management Committee;
- Procurement and Outsourcing Policy;
- Regulatory Compliance Policy
- Remuneration Policy;
- Risk Management Committee;
- Risk Management Policy;
- Social Interest Policy;
- Strategic Investment Policy;
- Tax and Risk Policy;
- WFN Community Communication Committee; and
- Whistle-Blower Policy.

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