

SCHEDULE “4” to the Dehcho First Nations Trust Agreement

Elders Heritage Investment Policy

1. Elders Heritage Investment Policy:

1.1. The Trust Agreement allows the Investment Management Board, on the advice of a council of Elders to authorize use of some of the Trust Income for Elders Heritage Investments. The purpose of the Policy is to establish a policy binding on the Investment Management Board for the receiving of proposals, the consultation process with a council of Elders, and the approval of Elders Heritage Investments.

1.2. The Policy will follow certain key principles:

1.2.1. Transparency

The Policy will set out, in clear language, the process which the Investment Management Board will follow in making Elders Heritage Investment decisions.

1.2.2 Accountability

The Policy will set out a process for reporting to Members to ensure Members will have confidence in the integrity of the decision making process and responsible use of Trust Income.

1.2.3 Cultural Sustainability

The Policy will promote the development and sustainability of the Dehcho culture and its people by preserving, maintaining and promoting their heritage.

1.2.4 The Policy will foster the development of the Dehcho First Nations culture through the promotion and support of the role of Elders in their traditional ways of teaching Members and youth.

1.2.5 The Policy will promote programs, facilities and projects for the benefit, support and advancement of the Elders.

Definitions

2. For the purpose of this Policy, the following definitions will apply:

2.1 “a council of Elders” means an ad hoc council of three or more Elders as chosen by Leadership from time to time;

2.2 “Policy” means this Elders Heritage Investment Policy;

- 2.3 “Elder” means a Member who is held in regard and respected by the Leadership and generally by the membership of the Dehcho First Nation of which the Elder is a Member.
- 2.4 “Investment Management Board Resolution” means a resolution of the Investment Management Board duly passed in accordance with the Trust Agreement;
- 2.5 “Elders Heritage Account” means the Account established pursuant to clause 4.32 of the Trust;
- 2.6 “Elders Heritage Project” means a project recommended to the Investment Management Board by an Elder or group of Elders;
- 2.7 “Elders Heritage Investment” means financial assistance to an Elders Heritage Project, that is not an Authorized Investment as contemplated by the Trust Agreement, and may include loans, loan guarantees, non-interest bearing loans and grants;
- 2.8 “Trust Agreement” means the Dehcho First Nations Master Trust Agreement; and
- 2.9 “Trust Income” means income and capital gains from investment of the Trust Fund specifically made available for Elders Heritage Investments in accordance with the Trust Agreement.
3. Terms defined in the Trust Agreement have the same meaning in the Policy.
- 4. Elders Heritage Investments**
- 4.1 The Trust Agreement provides that some of the Trust Income can be used for Elders Heritage Investments as directed by the Investment Management Board pursuant to this Policy.
- 4.2 Amounts taken out for Elders Heritage Investments (other than grants) upon being repaid shall be returned to the Elders Heritage Account to allow for further Elders Heritage Investments to be made.
- 5. Submitting Proposals for Elders Heritage Investments**
- 5.1 Any Elder or group of Elders may make a proposal for an Elders Heritage Investment.
- 5.2 All Elders Heritage Investment proposals must be submitted in writing;
- 5.3 The proposal must contain the following:
- 5.4.1. a brief summary of the nature of the Elders Heritage Project;
- 5.4.2. a description of all of the key people, including each person’s experience and how it relates to the Elders Heritage Project;

- 5.4.3. a description of how the proposed Elders Heritage Project will promote the preservation and development of the Dehcho culture and heritage.
 - 5.4.4. the location of where the Elders Heritage Project will be carried out;
 - 5.4.5. the manner by which the Elders Heritage Project will be monitored and how outcomes will be reported back to the Investment Management Board.
 - 5.4.6. a budget detailing the anticipated costs for the Elders Heritage Project and anticipated sources of funds;
 - 5.4.7. verification that the ad hoc council of Elders has reviewed and support the Elders Heritage Project being proposed.
 - 5.4.8. other information as may be required by the Investment Management Board.
- 5.5. In the case of a proposal for an Elders Heritage Investment in the nature of a loan, the applicant must, in addition to submitting a business plan, complete the prescribed loan application form.

6. Evaluating Proposals for Elders Heritage Investments

- 6.1. The Investment Management Board, having due regard for its fiduciary obligations and the need to ensure responsible use of Trust Funds, shall consider any proposed Elders Heritage Investment having regard for the following factors:
- 6.1.1. the total amount of the proposed Elders Heritage Investment having regard for the limits on Elders Heritage Investments set out in the Trust Agreement and how much of the available Elders Heritage Account is already held in Elders Heritage Investments;
 - 6.1.2. the overall merit and promise of the proposed use of funds;
 - 6.1.3. whether the key people involved in the proposed project have a proven ability to effectively manage an Elders Heritage Project or have the required knowledge and skills to manage an Elders Heritage Project;
 - 6.1.4. the overall viability of the proposal including a realistic assessment of the potential to produce results for the benefit of Elders and to preserve and develop the Dehcho culture.
 - 6.1.5. the extent to which the Elders Heritage Project involves more than one Dehcho First Nation;
 - 6.1.6. the extent to which opportunities to learn about Dehcho culture will accrue to Members;

- 6.1.7. the nature and extent of any subsequent spin off cultural and social benefits of the proposed Elders Heritage Investment; and
- 6.1.8. the advice and recommendations of the ad hoc council of Elders.
- 6.2 The Investment Management Board shall abide by its conflicts of interest guidelines as set out in section 10 herein, when evaluating proposals for Elders Heritage Investments.
- 6.3 The Investment Management Board has no obligation to give consideration to any proposal for an Elders Heritage Investment and any proposal which does not include the information required by this Policy may be rejected by the Investment Management Board.
- 6.4 In the event a proposed Elders Heritage Investment is rejected the Investment Management Board shall return the application and all materials submitted by the proponent along with a brief written explanation of the reasons the proposal was rejected.

7. Approval of Elders Heritage Investments and Obtaining Proceeds Out of the Elders Heritage Account

- 7.1. The Investment Management Board shall document approval of any Elders Heritage Investment, including any terms and conditions, in writing and the approval document shall include brief commentary on the Investment Management Board's assessment of the factors set out in paragraph 6 above (Evaluating Proposals for Elders Heritage Investments).
- 7.2. The Investment Management Board shall forward an Investment Management Board Resolution to the Trustee indicating approval of an Elders Heritage Investment, directing the disposition of the funds or the setting aside a reserve of funds required for the Elders Heritage Investment, and appending copies of:
 - 7.2.1. the approval document described in this Policy;
 - 7.2.2. the project proposal;
 - 7.2.3. the application documents;
 - 7.2.4. the specific terms and conditions governing the Elders Heritage Investment; and
 - 7.2.5. the recommendation of the ad hoc council of Elders.
- 7.3. The Trustee shall determine if sufficient funds are available for the Elders Heritage Investment and, if so, shall deliver or set aside funds for the Elders Heritage Investment as directed in the Investment Management Board Resolution.
- 7.4. Prior to release of funds to the applicant, the Trustee shall enter into an agreement with the applicant which shall document the obligation for the

recipients, including financial reporting and other terms and conditions as may be required by the Trustee and the Investment Management Board.

- 7.5. The Investment Management Board shall undertake all reasonable due diligence to ensure that loans are repaid in accordance with any loan agreements and, if commercially reasonable, may require that loans are secured by mortgages, personal property security agreements, personal guarantees, or such other security as may be required by the Investment Management Board in its absolute discretion.

8. Disclosure to Trustee

- 8.1. The Investment Management Board shall, ensure the following information is provided to the Trustee for purposes of inclusion in the Trustee's annual report:
- 8.1.1. the recipient of any Elders Heritage Investment;
 - 8.1.2. the total amount invested in Elders Heritage Investment and the breakdown of how much is invested in loans, loan guarantees or non-interest bearing loans and grants; and
 - 8.1.3. the total amount remaining in the Elders Heritage Account available for investment in Elders Heritage Investment.
- 8.2. The Investment Management Board shall ensure that information sufficient to prepare year end reporting on the performance of any Elders Heritage Investment is forwarded to the Trustee within a reasonable time such that the Trustee may include that information in the Trustee's annual report and financial statements.
- 8.3. The Trustee shall not be required to certify any financial information respecting a Elders Heritage Investment.
- 8.4. The Investment Management Board shall ensure that copies of all documents and records of approved Elders Heritage Investments shall be maintained at the office of the Trustee until the loan or loan guarantee has been retired, the investment has been sold, or the project has been completed.
- 8.5. The Investment Management Board shall ensure that the Trustee's annual report is presented to the Members each year.

9. Amending Procedure

- 9.1. In addition to the amending procedures contained in the Trust, the Investment Management Board, from time to time, may amend this Policy in whole or in part as follows:
- 9.1.1. The Investment Management Board approves, in principle, proposed amendments to the Policy;

- 9.1.2. The Investment Management Board gives notice to Members, by such means as the Investment Management Board may consider appropriate in all of the circumstances, of an intent to amend the Policy;
 - 9.1.3. Proposed amendments are presented at an Assembly meeting at which Members are afforded an opportunity to express any concerns and ask questions; and
 - 9.1.4. The Assembly may enact the amendments by Dehcho First Nation Unanimous Resolution.
- 9.2. Amendments that have not followed the required procedures are of no force or effect.
 - 9.3. Nothing in the amending procedure or in this Policy may have the effect of amending or altering any requirement of the Trust Agreement.

10. Conflict of Interest Guidelines

- 10.1. Duty to Disclose: An Investment Management Board Member who or whose Family Member:
 - a) is an Elder or part of the group of Elders proposing an Elders Heritage Investment or is a party to a material contract, or proposed material contract involving the Elders Heritage Investment;

will disclose in writing to the other Investment Management Board Members or will request to have entered in the minutes of meetings of the Investment Management Board, the nature and extent of such Member's or his or her Family Member's relationship and extent of his or her interest.
- 10.2. Timing of Disclosure: The disclosure required of an Investment Management Board Member by paragraph 10.1 of the Policy will be made:
 - a) at the meeting at which a proposed Elders Heritage Investment is first considered by the Investment Management Board;
 - b) if the Investment Management Board Member was not then interested in a proposed Elders Heritage Investment, at the first meeting after he or she becomes so interested;
 - c) if the Investment Management Board Member becomes interested after an Elders Heritage Investment is made, at the first meeting after he or she becomes so interested; or
 - d) if a person who is interested in an Elders Heritage Investment becomes an Investment Management Board Member subsequent to approval thereof, at the first meeting after he or she becomes an Investment Management Board Member.

- 10.3. Exclusion of Discussion: An Investment Management Board Member who has an interest as described in paragraph 10.1 of the Policy will not take part in discussions or deliberations concerning any such proposed Elders Heritage Investment nor will they participate or vote on a resolution dealing with such Elder Heritage Investment.
- 10.4. Method of Disclosure: For purposes of section 10 a general notice to the Investment Management Board by an Investment Management Board Member declaring that he or she has an interest as described in paragraph 10.1 herein, and is to be regarded as interested in any proposed Elders Heritage Investment made with the proponent, is a sufficient declaration of interest in relation to any Elders Heritage Investment so made.
- 10.5. In the event the application of s.10.3 above results in a majority of Investment Management Board being disqualified from voting on a resolution with respect to proposed Elder Heritage Investment, the remaining Board Member(s) shall refer the decision to a panel made up of the non-conflicted Board Member(s) and as many additional persons as are needed to equal a majority of the Investment Management Board to be selected from a list of persons with past Investment Management Board or business experience which list shall be established by the Investment Management Board from time to time.