

Chief Peguis Investment Corporation (“CPIC”)

Summary of Corporate Structure and Authority

October 13, 2020

- The Board of Directors of CPIC requires a summary of its corporate structure and authority for governance and operational purposes. This memo sets out the existing corporate structure and authority for CPIC.
- Pursuant to Articles of Amalgamation filed in the Manitoba Companies Office on April 1, 2017, CPIC is a share capital corporation with a board of directors (“Board”) consisting of a minimum of one director and a maximum of seven directors. There are presently two directors of CPIC, Don Wilson and Albert Sutherland (“Directors”). The Directors may appoint new directors to the Board in between annual meetings.
- There are a series of classes of shares that CPIC is authorized to issue, including common and preferred shares and voting and not voting shares. The sole shareholder of CPIC is The Chief Peguis Investment Trust (“CPIT”). There are 100 Class A common shares that were issued to CPIT at the time of incorporation of CPIC in 2012 as share certificate #1.
- The year end of CPIC is March 31 of each year. The accountants for CPIC are currently MNP LLP.
- The officers of CPIC consist of Don Wilson, Albert Sutherland and Alan Park (“Officers”).
- CPIT is a trust that was settled by Peguis First Nation (“PFN”) in 2012 by way of trust indenture dated June 1, 2012 (“Trust”). PFN is the sole beneficiary of the Trust. The settled property of the trust includes certain net revenues made by any on or off Reserve, joint venture, partnership, corporation or other business organization in which a majority of the shares or controlling interests are held directly or indirectly by CPIT.
- CPIT is managed by three trustees (“Trustees”). There were initially three appointed Trustees in 2012 for a five year term. According to the terms of the Trust, in 2017 there was to be an election for the Trustees of CPIT where 3 Trustees were to be elected from the Band membership of PFN for a 5 year term. Trustees must not hold the position of Chief or Councilor of PFN. Powers and duties of Trustees include establishing a Trust account, making deposits to the Trust account, providing Council of PFN with monthly Trust account statements, provide Council of PFN with regular monthly reporting and a copy of minutes of all meetings of the Trustees, among other things. Trustees are obligated to act with utmost good faith in their dealings with the Trust Property. One Councilor of PFN may attend at meetings of CPIT but is

not entitled to vote. The decisions made by the Trustees are made in the best interests of CPIT and Chief and Council of PFN are not Trustees and are not authorized to make decisions for CPIT. The Trustees are authorized to make decisions regarding investments and distributions for CPIT.

- CPIT is operated in accordance with a Constitution and By-laws (“By-laws”). According to the terms of the By-laws, the Business Entities owned by CPIT, including CPIC, report to their board of directors. Therefore, CPIC is clearly instructed and authorized to report to the Board. The Board reports to the Trustees of CPIT since CPIT is the sole shareholder of CPIC. The Trustees are to report to Chief and Council of PFN according to the terms of the Trust and the By-laws. The Chief and Council of PFN report to the members of PFN.
- Therefore, there is no obligation for CPIC to report directly to Chief and Council of PFN. CPIC and the Board are obligated to report to CPIT. Then it is up to CPIT to report to Chief and Council of PFN. For instance, quarterly financial reporting is to be provided by CPIC to CPIT. It is then CPIT’s responsibility to review CPIC’s reporting and present it to Chief and Council of PFN under the terms of the Trust.
- If Chief and Council of PFN have questions or suggestions about the operation of CPIC then those matters are to be raised by Chief and Council with CPIT and the Trustees. It is then up to the Trustees of CPIT to communicate with CPIC about any issues that the Trustees decide to raise with CPIC and with the Board. Operational issues are normally dealt with by the officers and directors of a corporation. Therefore, in between the annual general meeting or any special meeting called by CPIT as the sole shareholder of CPIC, it is the Board and the Officers that are obligated to make operational decisions for CPIC that they determine are in the best interests of CPIC and subject to any direction that may be provided by CPIT as shareholder from time to time.
- Copies of the following source documents are attached for your ease of reference:
 - CPIC Corporate Summary;
 - CPIC Articles of Amalgamation;
 - CPIT Trust;
 - CPIT By-laws;
 - CPIC By-laws.
- Feel free to contact our office to discuss any questions regarding the CPIC corporate structure and authority.