

*SOCIETY ACT*

**CONSTITUTION**

1. The name of the Society is **CLAYOQUOT BIOSPHERE TRUST SOCIETY**.
2. The Society's purposes are as follows:
  - (a) to conduct and support research, education and programs which advance conservation and the understanding of natural processes in the marine and terrestrial ecosystems in the Clayoquot Sound Biosphere Reserve Region; and
  - (b) to conduct and support research, education and programs in the local communities and First Nations within the Clayoquot Sound Biosphere Reserve Region that promote the health of individuals and communities.
3. No part of the Society's funds or assets shall inure to the benefit of any private individual, and no part of the activities of the Society shall consist of participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office. No part of the Society's income shall be made payable to, or otherwise made available for the personal benefit of, any member of the Society. "This provision is unalterable.
4. Upon the winding-up or dissolution of the Society no part of the funds or assets of the Society shall be distributed to the members and all its funds and assets which remain after the payment of:
  - (a) all costs, charges and expenses properly incurred in such winding-up of dissolution; and
  - (b) all debts of the Society (which shall include all contributions of the Government of Canada including income earned thereon less payments made from the Canada Fund). shall, subject to clause 9 of this Constitution, be distributed to one or more non-profit organizations, as defined in paragraph 149(1)(1) of the *Income Tax Act*, as amended from time to time, for use in the Clayoquot Biosphere Region for purposes as close as possible to those of this Society. The recipients shall be chosen by resolution of the directors of the Society. This provision is unalterable.

- 5 The Society shall be operated exclusively as a non-profit organization without financial gain to its members and any profits or other accretions to the Society shall be used as and when determined by the directors of the Society in promoting and furthering the purposes of the Society. This clause is alterable.
- 6 The Society shall hold an annual public meeting at which the directors report to the Clayoquot Biosphere Region's residents and the public on the operation of the Society and the Canada Fund (as defined in clause 9 of this Constitutions) and other funds and seek input from the public on the Society operations and answer questions concerning the operation of the Society and the Canada Fund and other funds and the Society's accountability to the residents of the Biosphere Region. This provision is unalterable.
- 7 The Society:
- (a) shall hold all funds donated, granted or contributed at any time to the Society by the Government of Canada as a capital of a perpetual fund (the "Canada Fund") and invest the capital of the Canada Fund so as to earn income to be used, firstly, as an addition to the capital of the funds to the extent necessary to maintain the value of the original capital of the Canada Funds so that it will maintain over time a value at least equal to the original sum of all funds donated, granted or contributed to the Society by the Government of Canada before that time plus the amount of inflation if it is reasonable in all the circumstances including long-term financial projections of the Financial Manager, and secondly, to fund the activities of the Society in accordance with the disbursement requirements of the *Income Tax Act*, as amended from time to time, and in a manner that covers reasonable administrative and annual programs expenses of the Society;
  - (b) provided that the terms of the donor's gift permit it, may make advances from the capital of funds other than the Canada Fund to finance activities of the Society; and further provided that no advancement of capital from any such fund will be made unless it is approved by resolution of 75% of the directors of the Society (a "Capital Advancement Resolution") and

the Canada Fund shall be administered through arrangements with one of more trust companies or major financial institutions or discretionary investment managers of major foundations that are incorporated under the laws of Canada or of a province and investments by the trustees of the capital of the Canada Fund shall be limited to those investments within guidelines agreed to by the Department of Finance and the Society from time to time. This provision is deemed unalterable.

8. When the directors of the Society exercise their powers pursuant to paragraph 4 hereof regarding the recipients of any remaining assets of the Society upon dissolution, the directors will ensure that such recipients are “qualified” donees as defined by the *Income Tax Act* (Canada), as amended from time to time.”