

Policy on Local or Regional Allocations from the MNO's Economic Development Structures

Applicability	This policy applies to the MNO and is contemplated in the <i>MNO Prosperity and Self-Sufficiency Law</i> (the “ Law ”).
Definitions	All definitions in this policy have the same meaning as within the MNO Bylaws and the <i>Law</i> , as applicable.
Background on and Context for Policy	The <i>Law</i> acknowledges and implements a fundamental objective of the Métis Nation of Ontario (“ MNO ”) Statement of Prime Purpose: to develop prosperity and economic self-sufficiency for Métis citizens, Métis communities and the Métis Nation—as a whole—within Ontario.

Increasingly, through government policies or duty to consult related engagements, there are unique business opportunities only available to Métis communities and the MNO. These opportunities cannot be accessed by businesses that are simply owned by MNO citizens. They are community-based business opportunities that require an Aboriginal community to access them for the benefit of the collective—not just the interests of a business owned by a MNO citizen.

It is important to remember that the *Law* only deals with the way prosperity and economic self-sufficiency will be pursued by Métis communities and the MNO as a whole. It focuses on the way the MNO will assess and access community-based economic opportunities that exist across the province. The *Law* does not address, deal with or limit the activities of MNO citizens pursuing business opportunities as Métis in any way. Individual MNO citizens can continue to pursue business opportunities as they always have.

The MNO continues to support and encourage Métis-owned businesses in directly accessing opportunities available to all businesses or Aboriginal-owned business. Pursuing these types of opportunities does not require partnership with the MNO Economic Development Structures (the “**Structures**”). For the most part, the Structures will focus their efforts on opportunities that are only accessible to community-based opportunities or where larger partnerships are needed in order to secure the opportunities. With respect to some community-based economic opportunities, there may be opportunities for the Structures to partner or sub-contract with businesses owned by MNO citizens and these types of arrangements are encouraged and preferred. With that said, the fundamental goal of the Structures is to ultimately achieve success and to generate profits. Accordingly, the Structures have the sole discretion on whether to partner or sub-contract with any business based on management’s judgment and expertise. The MNO’s governance structures and administration have no role in relation to these business decisions.

MNO Policy on Local and Regional Allocations from Business Opportunities

Related to this, it is important to note that a MNO citizen owning a part of a business does not make that business a Métis community-based business. Based on the *Law*, all “Métis community-based businesses” must be owned by the Structures (i.e., Infinity Investments or its affiliates) in order to be held out as a business owned by the MNO or the Métis communities it represents.

The *Law* also addresses the direction of successive Annual General Assemblies to establish community-based business structures and processes in order to protect MNO’s not-for-profit status, limit the legal liability to the MNO and its Community Councils, and implement recognized best practices for Aboriginal economic development by separating politics from business. The *Law* is designed to maximize effectiveness, efficiency and success in pursuing Métis community-based economic development at the local, regional and provincial levels.

While the MNO Economic Development Structures will pursue all community-based business opportunities on behalf of the MNO (see Section 19 of the *Law*), the *Law* also recognizes that some of these opportunities will arise because of the geographic proximity of a Métis community to that business opportunity. As such, a local or regional allocation from the profit derived from such an opportunity is appropriate. Specifically, Section 21 of the *Law* provides:

21. Where future economic development or business activities are available to a MNO Region, a Community Council or a combination thereof because of their geographic proximity to the opportunity, a mutually agreeable allocation model for any financial profits and/or allocations that ultimately flow to the MNO from the Infinity Trust as a result of said economic development or business activity shall be negotiated between the MNO and the participating MNO Region, Community Council or a combination thereof prior to pursuing said economic development or business activity.

The policy sets out criteria and mechanics for these local or regional allocations contemplated in Section 21 of the *Law*.

The Policy

Distributions from the Infinity Trust to the MNO

1. As set out in Sections 20-21 of the *Law*, the Structures will periodically distribute income to the Infinity Trust, the sole beneficiary of which is the MNO. It is expected that the Infinity Trust will distribute most or all of its income each year to the MNO. The MNO will allocate all funds received from Infinity Trust according to the formula set out in Appendix B of the *Law*, subject to any allocations for Local or Regional Opportunities (defined below).

MNO Policy on Local and Regional Allocations from Business Opportunities

Local and Regional Opportunities

Local or Regional Opportunities

2. Certain business opportunities accessed by the Structures will arise because of a MNO Region's or Community Council's geographic proximity to the opportunity (the "**Local or Regional Opportunities**"). In these cases, there is a direct correlation between the Structures accessing the business opportunity and the geographic proximity of the MNO Region or Community Council. For example:
 - a. Contracts with companies with which the MNO has signed an Impact Benefit Agreement or other similar agreement would be considered Local or Regional Opportunities.
 - b. Business opportunities that are brought to the Structures because a MNO Region or Community Council has developed the relationship and introduced that relationship to the Structures would be considered Local or Regional Opportunities.
 - c. Business opportunities that are available to the Structures as a result of the MNO Region or Community Council providing support for the opportunity and that support being necessary or considered in the assessment of whether to give the opportunity to the Structures would be considered Local or Regional Opportunities.

3. In all cases where it is agreed that a Local or Regional Opportunity, as defined by this policy, has been met, the Region and/or Council(s), MNO and the Structures shall enter into a standard allocation agreement (an "**Allocation Agreement**"). This agreement will:
 - a. Identify the Local or Regional Opportunity to be pursued;
 - b. Acknowledge that the Structures will determine, at their sole discretion, whether and how to pursue the Opportunity (recognizing that it is the Structures that assume all of the development costs, operational costs and risks);
 - c. Agree that if, and, only if, a profit is ultimately earned from the Local or Regional Opportunity, the MNO will ensure that 15% of that profit is allocated to the MNO Region or Community Council(s) when those monies are received by MNO from the Infinity Trust; and
 - d. Be signed by each of the MNO Region or Community Council(s), the MNO and the Structures.

Local and Regional Opportunities - Allocations

MNO Policy on Local and Regional Allocations from Business Opportunities

Exclusion to the Rule

4. For greater certainty, Aboriginal community-based business opportunities that are available to the MNO and which do not require or flow from local or regional support are not Local or Regional Opportunities and will not require an Allocation Agreement.¹ As such, all profits derived from these types of opportunities are allocated through the formula set out in Appendix B of the *Law*, which benefits all Community Councils, MNO Regions and the MNO as a whole.

MNO Internal Distribution of Funds

Allocations by MNO

5. When MNO receives distributions from the Infinity Trust, the MNO will allocate those distributions as follows:
 - a. First, allocations required by any Allocation Agreements; and
 - b. Second, allocate all remaining distributions according to the allocation model in Appendix B of the *Law*.

Reporting

Reporting

6. The reporting required in connection with this policy will be prepared and provided as part of the financial reporting requirements in ss. 31-34 of the *Law*.

Adopted by PCMNO on November 14, 2015.

¹ For example, the solar business opportunities pursued by MNO Solar Inc. were accessed by the MNO without any need for a Métis community to be geographically proximate to those projects or for local or regional Métis community support to be evidenced.