



CHAPTER 26

An Act to establish the Naskapi Development Corporation

[Assented to 22 June 1979]

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

DIVISION I

INTERPRETATION

Interpre-
tation:

1. In this act, unless the context indicates otherwise,

“Naskapi
communi-
ty”;

(1) “Naskapi community” means, during the transitional period referred to in paragraph 2.5.2 of the Agreement, the Naskapi collectivity residing in the Matimekosh Reserve and, thereafter, the community referred to in section 20 of the said Agreement;

“board of
directors”;

(2) “board of directors” or “board” means the board of directors created by section 15;

“Agree-
ment”;

(3) “Agreement” means the Agreement contemplated in section 1 of the Act approving the Northeastern Québec Agreement (1978, chapter 98);

“Naska-
pis”;

(4) “Naskapis” means the Naskapi beneficiaries under the Act respecting Cree and Inuit Native persons (1978, chapter 97);

“Category
IA-N and
IB-N
lands”.

(5) “Category IA-N and IB-N lands” means the lands so designated and delimited pursuant to the Act respecting the land regime in the James Bay and New Québec territories (1978, chapter 93).

DIVISION II

INCORPORATION AND OBJECTS OF THE CORPORATION

Incorporation. **2.** A corporation, hereinafter called “the Corporation”, is incorporated under the name of “Société de développement des Naskapis”.

Designation. The corporation may also be designated in Naskapi as the “NASKAPI GAMOWTAPECHSUNAIYOW” and in English as “Naskapi Development Corporation”.

Members. **3.** Only the Naskapi beneficiaries under the Act respecting Cree and Inuit Native persons are or may be members of the Corporation.

Non-profit association. **4.** The Corporation is a non-profit association without share capital and without pecuniary gain for its members; it is governed, subject to the provisions of this act, by Part III of the Companies Act (Revised Statutes, 1964, chapter 271) as it existed on 28 June 1978, save that the enumeration in section 220 of the said act of sections which do not apply to the Corporation reads as follows: sections 1 to 17 and 23 to 27, paragraph *q* of section 29, sections 34 to 40, 42 to 73, 76 to 79, 81, the first three paragraphs of section 83, sections 84 and 85, subsection 3 of section 86, paragraphs *a* and *b* of subsection 2 of section 88, sections 89 to 91, paragraphs *j* and *k* of subsection 3 of section 95, section 99, subsection 2 of section 100, paragraphs *d* and *e* of subsection 1 and subsection 2 of section 101, and sections 117 and 119.

Objects. **5.** The objects of the Corporation are

- (1) to receive, administer, use and invest the compensation provided for in subsections 16.1 and 16.2 of the Agreement and the revenues therefrom, as well as all its other funds, in accordance with this act;
- (2) to relieve poverty and to see to the welfare and the advancement of education of the Naskapis;
- (3) to ensure better living conditions for the Naskapis and to promote the development of the Naskapi community;
- (4) to exercise the other functions vested in it by other acts or the Agreement;
- (5) to foster, promote, protect and assist in preserving the Naskapi way of life, values and traditions.

Head office. **6.** The Corporation shall have its head office in Category IA-N or Category IB-N lands, at such place as it determines by by-law.

Coming
into force
of the
by-law.

Such by-law shall come into force upon publication of a notice in the *Gazette officielle du Québec*.

DIVISION III

POWERS AND DUTIES OF THE CORPORATION

Duties.

7. The Corporation must,

(1) until 4 July 1999, invest directly or through one or more of its wholly owned corporations, incorporated either by special act of Québec or under Québec laws of general application, at least fifty per cent of the compensation provided for in subsection 16.1 of the Agreement, as it is received, in the investments described in the schedule;

(2) until 4 July 1989, invest directly or through one or more of its wholly owned corporations, incorporated either by special act of Québec or under Québec laws of general application, at least twenty-five per cent, in addition to the minimum of fifty per cent contemplated in paragraph 1, of the compensation referred to in subsection 16.1 of the Agreement, as it is received, in the investments described in the schedule.

Powers.

8. The Corporation may

(1) use or transfer to one or more of its wholly owned holding or venture capital corporations, incorporated either by special act of Québec or under Québec laws of general application, not more than twenty-five per cent of the compensation referred to in subsection 16.1 of the Agreement, at it is received, for the following purposes:

(a) to assist in the creation, financing or development of industries and businesses belonging to the Naskapis, to the exploitation of their resources and the development of their property;

(b) to initiate and promote the participation of the Naskapis in the economic development of the Naskapi community through the application of their skills and capital; and

(c) to invest in the securities of any corporation owning property or carrying on business directly relating to the economic or other interests of the Naskapis;

(2) use or transfer to one or more of its wholly owned or wholly controlled corporations, incorporated either by special act of Québec or under Québec laws of general application, or, with the approval of the Government, to some form of wholly owned or wholly controlled non-corporate entity, any amount which, when added to the amount used or transferred pursuant to paragraph 1, does not amount to more than twenty-five per cent of the compensation referred to in subsection 16.1 of the Agreement,

from time to time as it is received, that must be used exclusively for educational, community and other charitable activities of the Naskapis;

(3) subject to sections 10 and 11, administer, conserve, invest, reinvest, distribute and use as it deems appropriate,

(a) any portion of the compensation above-mentioned that has not been used or transferred under paragraph 1 or 2;

(b) the compensation contemplated in subsection 16.2 of the Agreement;

(c) all revenues derived from the investment of the compensation provided for by subsection 16.1 of the Agreement;

(d) all its other funds;

(e) after the expiry of the periods referred to in paragraphs 1 and 2 of section 7, any portion of the compensation concerned.

Investments.

9. When, in accordance with section 7 or 8, the Corporation invests part of the compensation through corporations or transfers part of it to partnerships, corporations or other entities, these must invest these amounts or use them in accordance with those sections.

Use of the assets.

10. The Corporation and the legal entities referred to in sections 7 and 8 must use their assets exclusively for community purposes and other activities of general benefit to the Naskapis, and not for the individual benefit of any member of the Corporation.

Prohibition.

11. The Corporation and the legal entities contemplated in sections 7 and 8 shall not distribute their assets, in any manner whatsoever, to any individual as an entity distinct from the community, nor pay any dividend, make gifts or give any other benefit to such individual out of their assets.

Compensation, revenues and investments exempt from seizure.

12. The compensation mentioned in paragraph 1 of section 5, and the revenues and investments made therewith are liable only for debts and obligations relating directly to their investment and management. They do not form part of the common pledge in favour of the creditors at large of the Corporation and are exempt from seizure, save in respect of debts and obligations relating directly to the management and investment of the compensation.

List of members of the Corporation.

13. The Corporation shall prepare each year a list of members and of major members arranged in alphabetical order and indicating the place of their domicile.

Con-
sulta-
tion.

Each member is entitled to consult this list as provided in the by-laws of the Corporation.

Financial
statements
filed.

14. Within the six months following the end of each of its first twenty fiscal years, the Corporation shall file copies of its financial statements with the minister responsible for the application of this act and with the Minister of Indian Affairs and Northern Development.

DIVISION IV

THE BOARD OF DIRECTORS OF THE CORPORATION

Board of
directors.

15. The affairs of the Corporation shall be managed by a board of directors consisting of eight persons.

Composi-
tion.

16. In addition to the eight members contemplated in section 15, until 4 July 1989, the board of directors shall include three other members representing the governmental authorities, namely, two members appointed by the Gouvernement du Québec and one by the Minister of Indian Affairs and Northern Development, after consultation with the other members of the board. These representatives receive no remuneration or reimbursement of expenses from the Corporation.

Election.

17. The election of the members of the board takes place at the annual general meeting of the members of the Corporation.

Members.

18. All members of the board must be major and, save for the governmental representatives appointed in accordance with section 16, must be members of the Corporation.

Eligibility.

The eligibility of a member, other than a representative of the Government, to the board of directors of the Corporation is, furthermore, subject to the provisions in that respect of subsection 20.28 of the Agreement.

Term of
office.

19. The term of each member of the board of directors commences at the termination of the annual general meeting immediately following his appointment or at which he is elected, as the case may be.

Duration.

The term of each member of the board is two years. However, the term of one-half of the members elected upon the establishment of the first board is one year; the members whose term is one year shall be determined by a drawing of lots at the first meeting of the board.

Vacancy.

20. Should less than eight members be elected, or should the governmental representatives mentioned in section 16 not be

appointed, a vacancy on the board of directors exists until an election or appointment is made in the manner provided for in section 16 or 17.

Vacancies filled.

21. Vacancies created by members elected to the board shall be filled in the manner determined by by-law of the Corporation.

Vacancies filled.

Vacancies created by representatives appointed in accordance with section 16 shall be filled by those who made the appointment.

Quorum.

22. The quorum for meetings of the board of directors is a majority of the members.

Notice of convocation.

23. Seven days' prior notice must be given to each member of the board of directors in respect of any meeting of the board requiring notice. Such notice may be given in writing, by telephone, by telex or by any other means of telecommunication.

DIVISION V

GENERAL MEETINGS OF MEMBERS

Annual general meeting.

24. The annual general meeting of members of the Corporation shall be held within six months after the fiscal year-end of the Corporation.

Vote.

25. Only a major member may vote at general meetings of the Corporation and each member has only one vote; such vote may be made in person or by proxy; only a major member may act as proxy.

Quorum.

26. A quorum at general meetings of members of the Corporation is twenty-five major members present in person.

DIVISION VI

TRANSITIONAL PERIOD PROVISIONS

Head office.

27. During the transitional period provided for in paragraph 2.5.2 of the Agreement, the Corporation may have its corporate seat in Québec, at a place it shall determine by by-law. That by-law comes into force upon its publication in the *Gazette officielle du Québec*.

First annual general meeting.

28. Within the three months following the coming into force of this act, the Naskapi band council shall summon the first annual general meeting of the members of the Corporation, failing which the Minister shall summon it.

Provisional
board of
directors.

During that period, the Naskapi band council and the three governmental representatives appointed in accordance with section 16 shall form the provisional board of directors.

Provisions
applicable.

29. Subject to this division, the other divisions of this act apply, *mutatis mutandis*, to the provisional board of directors.

DIVISION VII

FINAL PROVISIONS

Winding-
up or
dissolution
of the Cor-
poration.

30. No voluntary winding-up or dissolution of the Corporation may take place without prior approval by the Government of the plan for distribution, after it has discharged its debts, of its assets to the Naskapis for community purposes, to other undertakings of general benefit to the Naskapis or to one or more prescribed charitable organizations contemplated in the Taxation Act (1972, chapter 23).

Payment
of the
interest.

31. The Corporation is not entitled to the interest accrued, until the coming into force of this act, on the compensation referred to in subsection 16.1 of the Agreement and paid to the Naskapi Native party as defined in subsection 1.11 of the Agreement for the general benefit of the Naskapis of Québec. The Naskapi Native party must, however, give an account to the Corporation of its use of such interest and remit to the latter the portion of such interest remaining at the time of the coming into force of this act.

Legal
entity.

32. The Corporation is the legal entity and Corporation contemplated in subsection 17.1 of the Agreement. Every mention of that Corporation in the Agreement or in any other act or document to which the Government is a party designates the Naskapi Development Corporation.

Provision
not to
apply.

33. Section 21 of the Intergovernmental Affairs Department Act (1974, chapter 15) does not apply to the Corporation, nor to the legal entities contemplated in sections 7 and 8.

Minister
respon-
sible.

34. The Government shall designate the minister responsible for the application of this act.

Coming
into force
(15 August
1979, G.O.,
p. 6235).

35. This act will come into force on a date to be fixed by proclamation of the Government.

SCHEDULE

AUTHORIZED INVESTMENTS

(1) Bonds or other evidences of indebtedness issued or guaranteed by the government of Québec, of Canada or a province of Canada, of the United States of America or of any state thereof, by the International Bank for Reconstruction and Development, by a municipal or school corporation in Canada, or by a *fabrique* in Québec;

(2) bonds or other evidences of indebtedness issued by a public authority having as its object the operation of a public service in Canada or any province thereof and entitled to impose a tariff for such service;

(3) bonds or other evidences of indebtedness secured by the transfer to a trustee of an undertaking by Canada or any province of Canada to pay sufficient subsidies to meet the interest and principal at their respective maturities;

(4) bonds, debentures or other evidences of indebtedness of a corporation that are fully secured by a mortgage, charge or hypothec to a trustee or to the Corporation upon any, or any combination, of the following assets:

1. real estate or leaseholds;
2. the plant or equipment of a corporation that is used in the transaction of its business, or
3. bonds, debentures or other evidences of indebtedness, shares of a class authorized hereunder as investments, or cash balances, if such bonds, debentures, other evidences of indebtedness, shares or cash balances are held by a trustee;

and the inclusion, as additional security under the mortgage, charge or hypothec, of any other assets not of a class authorized hereunder as investments shall not render such bonds, debentures or other evidences of indebtedness ineligible as an investment;

(5) bonds or certificates issued by a trustee to finance the purchase of transportation equipment, for a corporation incorporated in Canada or the United States, to be used on airlines, railways or public highways if the bonds or certificates are fully secured by

1. an assignment of the transportation equipment to, or the ownership thereof by, the trustee, and

2. a lease or conditional sale thereof by the trustee to the corporation;

(6) bonds, debentures or other evidences of indebtedness

1. of a corporation if, at the date of investment, the preferred shares or the common shares of the corporation are authorized as investments by paragraph 8 or 9; or

2. of, or guaranteed by, a corporation whose total earnings for a period of five years ended less than one year before the date of investment were at least ten times and in each of any four of the five years, were at least one and one-half times the annual interest requirements at the date of investment on all indebtedness of or guaranteed by that corporation other than indebtedness classified as a current liability, under generally accepted accounting principles, in the balance sheet of the corporation; and if the corporation at the date of investment owns directly or indirectly more than fifty per cent of the common shares of another corporation, the earnings of the corporations during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporations shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation; and, for the purposes of this subparagraph, "earnings" means earnings available to meet interest charges on indebtedness other than indebtedness classified as a current liability under generally accepted accounting principles;

(7) guaranteed investment certificates issued by a trust company incorporated in Canada if, at the date of investment, the common shares or the preferred shares of the trust company are authorized as investments by paragraph 8 or 9, certificates of deposit and bearer discount notes of any Canadian chartered bank or any savings and credit union;

(8) the preferred shares of a corporation if

1. the corporation has paid a dividend, in each of the five years immediately preceding the date of investment, at least equal to the specified annual rate on all its preferred shares, or

2. the common shares of the corporation are, at the date of investment, authorized as investments by the following paragraph 9;

(9) the fully paid common shares of a corporation that, during a period of five years that ended less than one year before the date of investment has either

1. paid a dividend in each such year upon its common shares,
or

2. had earnings in each such year available for the payment of a dividend upon its common shares, of at least four per cent

of the average value at which the shares were carried in the capital account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends, as the case may be;

(10) real estate or leaseholds for the production of income in Canada, if

1. a lease of the real estate or leasehold is made to, or guaranteed by,

(a) the government of Canada or of any of the provinces, or an agency of the said governments, or

(b) a corporation, the preferred shares or common shares of which are, at the date of investment, authorized as investments by paragraph 8 or 9,

2. the lease provides for a net revenue sufficient to yield a reasonable interest return during the period of the lease and to repay at least eighty-five per cent of the amount invested in the real estate or leasehold within the period of the lease but not exceeding thirty years from the date of investment, and

3. the total investment of the Corporation under this schedule in any one parcel of real estate or in any one leasehold does not exceed two per cent of the book value of the total assets of the Corporation pertaining to the compensation

and the Corporation may hold, maintain, improve, lease, sell or otherwise alienate or dispose of the real estate or leasehold;

(11) real estate or leaseholds for the production of income in Canada, if

1. the real estate or leasehold has produced, in each of the three years immediately preceding the date of investment, net revenue in an amount that, if continued in future years, would be sufficient to yield a reasonable interest return on the amount invested in the real estate or leasehold and to repay at least eighty-five per cent of that amount within the remaining economic lifetime of the improvements to the real estate or leasehold but not exceeding forty years from the date of investment, and

2. the total investment of the Corporation hereunder in any one parcel of real estate or in any one leasehold does not exceed two per cent of the book value of the assets of the Corporation relating to the compensation;

and the Corporation may hold, maintain, improve, lease, sell or otherwise alienate or dispose of the real estate or leasehold;

(12) debts secured by mortgages, charges and hypothecs, upon improved real estate or leaseholds in Canada, notwithstanding that the amount paid for such debts so secured by mortgage, charge or hypothec exceeds three-quarters of the value of the real

estate or leasehold, if the loan for which the hypothec, mortgage or charge is security, is an approved loan or an insured loan under the National Housing Act (Revised Statutes of Canada, 1970, chapter N-10) or any equivalent provincial legislation;

(13) debts secured by hypothec or mortgage on real estate in Canada,

1. if payment of principal and interest is guaranteed or assured by the Government of Canada or of any province of Canada, or by any public authority therein; or

2. if the hypothec or mortgage ranks first and the amount of the debt is not more than seventy-five per cent of the value of the real estate securing payment thereof;

(14) where the Corporation owns securities of a corporation and as a result of investments made hereunder and as a result of a bona fide arrangement for the reorganization or winding-up of the corporation or for the amalgamation of the corporation with another corporation, such securities are to be exchanged for bonds, debentures or other evidences of indebtedness or shares not authorized as investments by the foregoing provisions of this schedule, the Corporation may accept such bonds, debentures or other evidences of indebtedness or shares;

(15) the total book value of the investments of the Corporation in common shares shall not exceed fifty per cent of the book value of the total assets of the Corporation relating to the compensation;

(16) the total book value of the investments of the Corporation authorized by this schedule in real estate or leaseholds for the production of income shall not exceed ten per cent of the book value of the portion of the assets of the Corporation relating to the compensation;

(17) the Corporation shall not invest any of its funds in bonds, debentures or other evidences of indebtedness on which payment of principal or interest is in default;

(18) in order to secure total or partial payment of any amount owed to it, the Corporation may acquire and alienate the real estate which secures such payment, and such real estate is not subject to the restrictions prescribed in paragraph 10, 11 or 16;

(19) the Corporation may invest the funds described in section 7 of this act otherwise than as authorized in this schedule, provided that the total amount of such investment does not exceed seven per cent of the book value of the portion of the assets of the Corporation relating to the compensation and that, in the case of investment in real estate, the total real estate investment in a single undertaking does not exceed one per cent of the book value

of the portion of the total assets of the Corporation relating to the compensation.