

**MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS
OF NUNAVUT BROADBAND DEVELOPMENT CORPORATION**

Held at the Frobisher Inn – Baffin Room, Iqaluit, Nunavut on the 18th day of November, 2003 at 11:00 a.m. (EST), and with members and/or their proxies also present by teleconference communications as permitted by the by-laws of the Corporation.

1. CALL TO ORDER.

Dave Smith, the interim President of the Corporation took the Chair of the meeting and after introducing himself and Lorraine Thomas, the interim Secretary-Treasurer of the Corporation, obtained the general consent of the meeting to act as the Chairman of the meeting and for Lorraine Thomas to act as the recording secretary. [translation]

The Chair asked if any participants required central interpretation. Consensus was that no central interpretation from Iqaluit was required.

The Chair asked if anyone was present or participating by teleconference requiring an interpreter, to allow for adequate pauses for interpretation. The Chairman requested that the meeting minutes reflect that the proceedings would be conducted in English, and there would be no need to pause for local interpreters.

The Chair then disclosed the number of members present at the meeting in Iqaluit, and then requested that teleconference chair, Geoff Ryan of Pangnirtung, report on the number of telephone lines activated for the meeting. The Chair then proceeded to take a roll call of all communities participating in Nunavut. The names of members and others participating at the meeting were identified and requested by the Chair to be noted in the minutes.

The Chair also noted that Mike Osland, the legal counsel for the Corporation, was present via teleconference. There were no objections to his participating in the meeting as a non-member. The Chairman proposed that such individuals would be noted in the minutes as participating with the consensus of the meeting unless there were any objections. No objections were voiced by members and the meeting was opened as the AGM of NBDC.

The Chair thanked the Frobisher for donating the meeting room in Iqaluit, and thanked Geoff Ryan of Sustainable Development in Pangnirtung for donating the telephone conference call for the meeting.

The Chair noted that voting for the 7 elected director positions closes at noon EST today, and asked that people present in Iqaluit put their ballot in the box provided by noon. Those participating via teleconference were asked to fax their ballots to the auditor by noon.

PRESENT:a) **Members Present**

Beth Beattie
 Bob Long
 Cheri Kemp-Kinnear
 Adamee Itorcheak
 David Veniot
 Robert Tookoome
 Eric Idlout
 Billy Palluq
 Chris Mitchell
 Joey MacIntosh
 Nancy Campbell
 Clare Basler
 Ken Spencer
 Kirt Ejesiak (arrived 11:15)
 Lorraine Thomas

Being members of the Corporation and/or their proxies present in person at the meeting.

b) **Members Participating by Teleconference Communication**

Darrell Ohokannoak, Cambridge Bay
 Art Stewart, Cape Dorset
 Leonie McKitrick, Coral Harbour
 Joanna Quassa, Igloolik
 Nancy Wilson, Igloolik
 Kyra Fisher, Kimmirut
 Geoff Ryan, Pangnirtung
 Greg Morash, Pangnirtung
 Andrew Keim, Pangnirtung
 Andrew Qappik, Pangnirtung (arrived 15 minutes late)
 Rita Mike, Pangnirtung
 Billy Etoangat, Pangnirtung
 Harry Dialla, Pangnirtung
 Brian Webb, Pangnirtung
 Hezekiah Oshutapik, Pangnirtung
 Darlene Thompson, Pond Inlet
 Rhoda Katsak, Pond Inlet
 Duncan Cunningham, Pond Inlett
 Bob Janes, Pond Inlet
 Steve Abel, Rankin Inlet (arrived 11:15)

Robert McLean, Sanikiluaq

Being members of the Corporation and/or their proxies present by teleconference communication as permitted by the by-laws of the Corporation.

Quorum established, with 33 members present at the start of the meeting.

c) **Other Participants or Attendees**

Dave Smith, Interim President, present

Mike Osland, legal counsel (via teleconference communication)

Nathaniel Ningiuk, Pond Inlet (via teleconference communication)

Melanie Abbott, present

Being all other persons either entitled to participate at the meeting or participating with the consensus of the meeting.

Once all participants were confirmed, the meeting was opened as the AGM of the Nunavut Broadband Development Corporation.

2. CONFIRMATION OF NOTICE OF MEETING

The Chair confirmed that the Notice of Annual Meeting, the proposed Agenda, and the form of Proxy for any member wishing to have a proxy participate for them had been delivered in accordance with the by-laws of the Corporation on November 12, 2003 to all members listed and admitted to membership as of an effective record date of November 11, 2003 (which also included member applications received up to the time of notice delivery on November 12, 2003, and retroactively approved by the interim directors). The Chair confirmed that the notice calculation was done in accordance with the by-laws of the Corporation, and that any new membership applications received since then would be provided to the new board of directors at their first meeting later today.

The Chair then asked for a motion to approve the meeting agenda to read as follows:

2003 AGM Resolution #1:

BE IT RESOLVED that the Agenda for the Annual General Meeting of Nunavut Broadband Development Corporation delivered with the Notice of Meeting on November 12, 2003 is hereby approved without modification.

Before seeking a formal motion and seconder to the motion, the Chair explained that any issues which were not expressly stated in the Agenda could be added under the item #8 "Other Business" and that members would be given an opportunity at that time to raise any other matters before the meeting. The Chair asked members to hold off on requesting the addition of any other matters until that time.

The Motion was then moved by Chris Mitchell, and seconded by Clare Basler and Robert McLean.

The motion was approved by the meeting and the Chair requested that the minutes so note the resolution approved as the Corporation's "**2003 AGM Resolution #1.**"

3. Verifying Quorum (10% of Members as of November 12, 2003)

The Chair then informed the meeting that the revised by-laws of the Corporation required ten (10%) percent of the members of all classes to be participating themselves (or by a formal proxy) either in person or by teleconference communication. It was noted that the Directors' elections also permitted a detailed voting ballot to be accepted for members who could not be participating through any means, but such members could not be counted towards the establishment of a quorum for the meeting.

The Chair informed the meeting that as of November 12, 2003 there were 150 members whose membership applications had been received and accepted by the interim directors of the Corporation, and that the poll taken earlier in the meeting clearly established 33 persons which is well in excess of 15 members present in person or by teleconference communication.

The Chair requested that the minutes reflect that there were no objections to the constitution of the meeting, confirmed the existence of a quorum for a meeting of members, and confirmed that the meeting had been called to order and duly convened as the 2003 annual general meeting of Nunavut Broadband Development Corporation.

4. Receiving and Considering the Report of the Interim Directors

The Chair introduced himself, and provided a brief review of his work in Nunavut prior to the creation of NBDC. He then briefly outlined the history of the creation of NBDC from the Nunavut Broadband Task Force membership. Industry Canada announced the creation of the BRAND program to give remote and rural communities funds for broadband. NBDC was created on a rush basis in order to meet the Industry Canada deadline. He advised the meeting of the Corporation's initial organization at the time of its incorporation under the *Canada Corporations Act* in 2002. The Corporation was incorporated as a non-profit corporation without share capital on November 1, 2002. The Application for Incorporation legally required three (3) applicants to submit. Therefore, the Corporation was organized with three (3) initial directors and members, including the Corporation's legal counsel. In addition, Dave Smith was appointed as interim President and Lorraine Thomas as interim Secretary-Treasurer. All of the organization of the Corporation since incorporation until the Annual General Meeting was on an interim basis until the members and first permanent directors could decide upon future elections and appointments.

The Chair told the meeting a comprehensive business plan was produced and submitted at the BRAND program June 6th, 2003. It proposed that NBDC install broadband in all 25 communities, and make it available to all individuals, businesses, non-governmental users –not to provide services to government – but for everybody else. He advised the meeting the BRAND program awarded NBDC 3.885 million – half of the money requested.

The Chair introduced Lorraine Thomas, interim Secretary, who provided additional background on the business plan. She reviewed the results of the needs analysis and outlined the expected usage of broadband in Nunavut as outlined in the business plan. She emphasized the role of NBDC to first ensure an affordable infrastructure is put in place, then outlined the additional roles of the organization. Additional roles listed included: applications development, helping develop local capacity in broadband services, facilitate training opportunities in the broadband sector, and ensuring Nunavut services keep pace with southern services.

The Chair outlined the upcoming activities of NBDC. First the creation of the permanent board would be completed with the AGM. He advised the meeting the interim directors would no longer be directors as of noon on November 18th, 2003, when the voting closed.

The Chair reviewed the financial requirements for implementing the business plan, indicating that additional investment to match the Industry Canada grant would be required. The investment would be either in the form of grants, loans, or a combination of both. He informed the meeting that NBDC's mandate is to provide service to all 25 communities, so the funds must be found to do all the communities.

The Chair reviewed the need for local vendor participation in each community, and the need for training. He advised the meeting of the NBDC web site, containing the business plan summary, and related documents.

Discussion

David Veniot of Iqaluit asked if the money that was awarded by Industry Canada was contingent on getting the remaining funds?

The Chair responded that it was contingent, and that NBDC requires the rest of the funds to serve all 25.

Andrew Keim of Pangnirtung asked if the by-laws prevented NBDC from going into debt, and asked what assurances there were that the network would not go belly-up.

The Chair responded that the by-laws will allow NBDC to go into debt. He stated that NBDC would ideally obtain grants. However, if loan financing was required, NBDC will be purchasing 8 million dollars worth of equipment, and there will be

a revenue stream. With the revenue stream, financing can be arranged, with no risk to members, as a not-for-profit corporation.

Mike Osland explained that the by-laws are generic in terms of borrowing powers. In the event of problems– the risk would accrue to the corporation, with no risk to members. The members can walk away without personal liability. That is a risk that bankers will analyze.

Duncan Cunningham of Pond Inlet stated that all communities should be the goal. He noted that there may not be vendor agreements in all communities, and that any delays in some communities should not hold up other communities that are ready to be deployed.

The Chair noted that the schedule for deployment is very aggressive. NBDC would not hold back those communities that are ready if one community is not ready. However, he noted that the money from Industry Canada must be spent in the 2004-2005 fiscal year, ending March 31st 2005. NBDC will aim to meet the coming summer sealift schedule.

Cheri Kemp Kinnear of Iqaluit asked if every community will have equipment installed in the summer/fall of 2004, but may not be up and running?

The Chair reiterated that the money must be spent by March 31st, 2005. The vendor selected can operate the whole thing remotely without a local ISP...but it is preferable to have a local company deliver.

Cheri Kemp Kinnear asked for clarification – that if there was no local provider, the service could be operated remotely, and later an ISP could come in, and provide local support. The Chair confirmed that this would be possible.

No more questions.

5. Receiving and Considering the Financial Statements of the Corporation for the financial year ending March 31, 2003, and the report of the Auditors

The Auditors report dated May 30, 2003 and the Financial Statements of the Corporation for the financial year ending March 31, 2003 were then presented to the meeting. The Chair confirmed that a copy of the documents had been forwarded to all members either by email or by fax and that a copy was available at the NBDC web site and at the Iqaluit meeting site.

The Chair provided a general review of the report and statements, and a general discussion followed the presentation.

The Chair then requested a motion for a resolution to read as follows:

2003 AGM Resolution #2

BE IT RESOLVED THAT the Auditor's Report of Mackay Landau dated May 30, 2003, and the Audited Financial Statements of the Corporation related thereto for the financial year ending March 31, 2003, are hereby accepted and approved as presented to the members, and that any two (2) directors of the Corporation are authorized to sign the financial statements on behalf of the Corporation.

The Motion was then moved by Adamee Itorcheak, and seconded by Kyra Fisher.

The motion was approved by the meeting and the Chair requested that the minutes so note the resolution approved as the Corporation's "**2003 AGM Resolution #2.**"

6. Receiving Resignations of Interim Directors, and electing and/or appointing the permanent Board of Directors (including count of Detailed Voting Ballots)

The Chair began this agenda item by discussing the procedures related to the resignation and selection of new directors. As per the report of the interim directors, the Chair confirmed that there had been three (3) applicants to the incorporation of NBDC: Dave Smith, Mike Osland and Sylvie Molgat (a lawyer in Mike's office). The Chair explained that under the *Canada Corporations Act* these three applicants became the first directors of the Corporation, and as the first members had organized the Corporation.

However, after organizing the Corporation and passing initial resolutions to admit members and call the Annual General Meeting, the first directors and members had resigned from office. The Chair confirmed to the meeting, and requested that the minutes reflect the fact, that the written resignations of the three (3) interim directors and members had been signed and were on file with the minute book records of the Corporation maintained by the Corporation's legal counsel. The written resignations were worded so as to be effective as of the end of the AGM once their successors to the Board of Directors had been elected and/or appointed.

The Chair also advised the meeting, as an information item only since the members do not appoint officers, that the directors elected and/or appointed today would, as the new Board of Directors, meet later in the day after the AGM, to appoint permanent officers of the Corporation, including a Chairperson of the Board, a President, and a Secretary-Treasurer, and any other officer that the directors decided upon.

The Chair then confirmed that a slate of nominees for the board had been sent out with detailed information and a form of Voting Ballot to permit all members participating at the meeting in person or by teleconference call, as well as members who could not be present, to vote on the candidates for the Board of Directors. The Chair confirmed that the Corporation's by-laws permitted voting ballots by absent members to be received and counted in support of resolutions presented at members' meetings so long as the text of the resolution was identical to the text submitted for approval at the meeting, and further

that absent members had sufficient information provided to them with the voting ballot to explain the resolution they were being asked to support.

The Chair confirmed that members have received a number of emails and/or faxes related to the election of up to 7 permanent directors. In accordance with By-law # 2 of the corporation, voting for these positions was permitted to be received until noon EST November 18, 2003 by means of ballots delivered to the auditor by hand or by fax or collected in a sealed box in Iqaluit at the meeting. The Chair informed the meeting that once voting was completed at noon and the meeting adjourned, the interim officers of the corporation, would assemble all the ballots under the scrutiny of the Auditor to count the ballots. The Bylaw provides for up to 7 directors to be elected with at least one from each Nunavut region and no more than 2 from any one community.

The Chair noted that while NBDC has been operating with an interim board, NBDC interim officers took direction from an advisory group that grew out of the Nunavut Broadband Task Force. This advisory group set up a committee to establish the rules for the election.

The Chair emphasized that it was essential that everyone understand the selection rules. The candidate with the largest number of votes in each region will be selected first. This gives 3 candidates selected with 4 to be selected from the remaining candidates.

To pick the next 4, the remaining candidates with the most votes will be selected one by one, but skipping candidates that would cause more than 2 candidates from the same community. The result will be 7 directors who meet the rules in the by-law and within those rules, the candidates who received the most votes. Given that there may be more than 100 ballots to count and there are 34 names on the ballot it may take a couple of hours to complete and certify the count. This will occur after the adjournment of this meeting, provided that the members will be asked to pass the resolution electing seven (7) candidates as directors based on the results of the count as certified by the Auditors.

The Chair also confirmed that a meeting of the new elected board was scheduled for 3:00pm EST November 18, 2003. Therefore, candidates were requested to determine if they had been elected to the Board of Directors in any of three ways:

1. Web site: The results of the election would be posted on the NBDC web site at www.nunavut-broadband.ca, although the results may not be posted until the day after the election.
2. Phoning and emailing of candidates: NBDC would phone the 7 elected board members immediately. The remaining 34 candidates would receive an email advising them of the election results.
3. Voice mail: Members could call 867-979-5941 and listen to a voice mail announcing the results.

All candidates were urged to check one of these sources around 2:00 pm EST following the conclusion of the AGM. If a candidate was elected to a board seat, they were

reminded that of a board meeting at 3:00 pm EST. and were requested to please be available if at all possible. The above sources would give details of the phone number if an elected director wished to attend the board meeting by phone. The Chair reminded the meeting that only the 7 winning candidates are invited to this board meeting.

The Chair also advised the meeting that as soon as possible a press release to all members and the public announcing the names of the new Board of Directors would be released.

The Chair then requested a motion to approve the text of the resolution to read identical to the detailed voting ballot provided previously to the members as follows:

2003 AGM Resolution #3

BE IT RESOLVED that the candidates with the most votes as indicated on the form of attached ballot submitted by members are hereby elected to fill a minimum of three and a maximum of seven positions on the Board of Directors, provided that in accordance with the NBDC by-laws candidates shall be elected (in the order of the votes cast) so that a minimum of one director is ordinarily resident in each region of Nunavut and a maximum of no more than two directors are ordinarily resident in the same community in Nunavut [the form of ballot to be attached to the resolution].

Discussion

Clare Basler in Iqaluit asked what the process would be for the appointment of the two organizational board members.

The Chair explained there were three classes of members in the Corporation:

- 1) individual class: elects up to 7 members
- 2) government members: can appoint 1 member
- 3) NGO: can appoint 1 member

As of November 18th, 2003, there were 150 individual members, one government member – the Government of Nunavut Department of Sustainable Development, and one NGO member, Nunavut Tunngavik Inc. Each of these organizations will be asked to appoint one member each.

Mike Osland explained that the by-laws provide that there are a minimum of three, and a maximum of 9. There is a right, but not an obligation for the GN and NTI to appoint a member. If others joined that class, they would have to decide amongst themselves who would be appointed. They would have to decide themselves how they would appoint those last two members.

Robert Tookoome of Iqaluit asked what the implications are for the independence of a not-for-profit group if it had a government representative and an NGO representative.

The Chair responded that this board structure was what the committee of the advisory group recommended. He pointed out the individual class board members will always outweigh the institutional members. It was felt that it would be important for formal two way communication – between NBDC and the GN, and NBDC and NTI.

Mike Osland responded that there is complete independence on the board as it is structured. The only right the government and NGO class members have is that they could appoint one person to the board each. These organizations are actually only 2 out of 150 members in Nunavut.

David Veniot asked if there been an indication if these groups would be appointing members.

The Chair said that no formal invitation or response had been issued, as this would be done after the new board is in place. NBDC does not know the process each group will use to appoint the members.

Eric Ildlout asked if there were location restrictions, and the Chair said no.

Lorraine Thomas explained that the by-laws were written to prevent any one community from having any more than 2 elected from the general membership. If the GN and NTI appointed members from a community that had 2 people elected from the general membership, that community could still not have more than 4 people – never a majority of board members.

Robert Tookoome of Iqaluit asked if there was potential conflict if a board member is with the GN, and the organization is seeking funding from the GN.

Michael Osland responded that there is a long standing legal argument that the priority duty is to the corporation—not to the member. If there is a conflict that arises, the conflict does not lie at the level of the corporation. The job of the member is to help go into the government to get that money. The conflict is likely within the government itself. The member may have to absent themselves from the decision relating that decision. They may just have to absent themselves on that issue. It would be reviewed on a case by case basis.

Andrew Keim asked if there are conflict of interest provisions in the by-laws.

Michael Osland responded that there are generic conflict of interest by-laws. A member does not have to worry about conflict of interest. He does not have to exercise his vote. There are clear guidelines as to what the director has to do to declare a conflict of interest.

The Motion was then moved by Eric Ildaut, and seconded by Leonie McKitrick.

The motion was approved by the meeting and the Chair requested that the minutes so note the resolution approved as the Corporation's "**2003 AGM Resolution #3.**"

The Chair then further directed the interim officers and the Auditors to give effect to the resolution of the members by compiling and counting all votes submitted by members to determine the names of the seven (7) elected directors as soon as possible.

7. Appointing Auditors and Authorizing Directors to fix their remuneration

The Chair informed the meeting that it was the prerogative of the members to appoint the Corporation's Auditors as well as approve the report and financial statements of the Corporation that would be prepared for the ensuing financial year.

The Chair then requested a motion for a resolution to read as follows:

2003 AGM Resolution #4

BE IT RESOLVED THAT Mackay Landau be, and they are hereby appointed, the Auditors of the Corporation until the next annual general meeting of the members or until their successors are appointed, at a remuneration to be fixed by the Board of Directors, the directors being hereby authorized to fix such remuneration.

The Motion was then moved by Harry Dialla, and seconded by Darrell Ohokannoak.

The motion was approved by the meeting and the Chair requested that the minutes so note the resolution approved as the Corporation's "**2003 AGM Resolution #4.**"

8. Transacting Such Further and Other Business as may be properly brought before the Meeting or any Adjournment of the Meeting

The Chair now asked the members if there were any other Agenda items that any of the members wished to have added to the meeting. The Chair indicated that any other items of business should be brought up now if desired.

It was explained that information items would not require formal motion, and any member could speak to any matter they wished at this time.

However, the Chair emphasized that any specific member's request of the Corporation to take a particular corporate action on a specific matter (excepting minor routine matters within the authority of the Corporation's officers) would, in order to be authorized for the Corporation to take such action, require a motion, and a seconder, and the general approval of the motion as a resolution of the members of the Corporation.

Discussion

Nancy Campbell and Adamee Itorcheak of Iqaluit recognized the contributions of the interim board members who have served the members well.

Lorraine Thomas thanked all members of the advisory group that helped over the past nine months.

9. Termination of the Meeting

Following the conclusion of any other business, the Chair confirmed that the meeting would shortly be declared adjourned. The Chair thanked many people for their support of the Corporation's objectives and indicated that the success of the NBDC's activities would require the continued assistance of all members.

Specifically, the Chair noted that NBDC needs additional investment to carry out the Business Plan and to match the proposed \$3,885,000 by Industry Canada. He urged members to help with ideas, and to contact the Chair or Lorraine Thomas anytime.

A number of people and organizations that contributed to NBDC's efforts to date were recognized by the Chair. Specifically, the Chair identified

- the strong support of the Government of Nunavut and specifically the Minister, Sustainable Development and his staff, including Alex Campbell, Ed McKenna, Geoff Ryan.
- initial grants from Industry Canada and the Department of Indian and Northern Development, and the Corporation's hope for additional financial support.
- the GN Department of Education and specifically Neil Burgess formerly of that department who since the summer has been a volunteer from his new location in Nova Scotia. Neil has been invaluable in providing many dozens of hours on the Business Plan, on technology issues and in maintaining the web site.
- The Chair thanked NTI for their support on several occasions in the form of meeting rooms and conference call facilities.
- For the meeting today, the Chair thanked Sustainable Development for funding the conference call costs and the Frobisher for donating the facilities.

Following expressions of gratitude, and as there was no further business for the meeting, the Chair asked for a motion to adjourn the meeting to read as follows:

2003 AGM Resolution #5

BE IT RESOLVED THAT the 2003 Annual General Meeting of Nunavut Broadband Development Corporation is hereby adjourned.

The Motion was then moved by Clare Basler, and seconded by Bob Janes.

The motion was approved by the meeting and the Chair requested that the minutes so note the resolution approved as the Corporation's "**2003 AGM Resolution #5.**"

Dave Smith, Chairman of the Meeting

Lorraine Thomas, Secretary of the Meeting