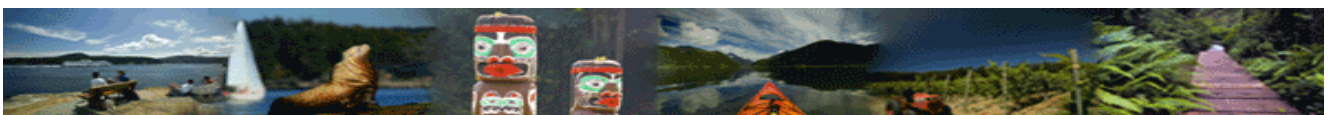


“... a healthy, prosperous, strong, respectful and dynamic Aboriginal Cultural Tourism industry sharing authentic high quality products that exceed visitor expectations”.

Overview of the Stakeholder Model Aboriginal Cultural Tourism in British Columbia

October 25th, 2009

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Introduction

Aboriginal Tourism Association of British Columbia (AtBC) supports Aboriginal Cultural Tourism development in British Columbia and delivers training and awareness, product development, and marketing programs. The association is membership-based and counts approximately 200 members.

AtBC's vision statement is "a healthy, prosperous, strong, respectful and dynamic Aboriginal tourism industry sharing authentic high quality products that exceed visitor expectations" and its mission is "to contribute to the preservation of Aboriginal culture and advancement of economic development through support, facilitation and promotion of the growth and sustainability of a quality and culturally rich Aboriginal tourism industry in British Columbia."

As changes in the Aboriginal Cultural Tourism industry and the economy occur, AtBC must strive not only to remain relevant, but also to evolve into the organization of choice for the Aboriginal community, tourists and tourism operators alike. Trends in the Aboriginal Cultural Tourism industry point to the Stakeholder Model as the approach best suited to place AtBC at the top while positioning the organization to tackle the many challenges it faces.

The New Model

AtBC is actively seeking to embrace Aboriginal Cultural Tourism participants in the Province by considering them stakeholders, without the burden of a mandatory annual membership fee.

The Stakeholder Model calls for the elimination of mandatory membership fees, thereby encouraging Aboriginal Cultural Tourism industry participants to join the organization. AtBC will continue to deliver high-quality services to all these participants, in the form of promoting both their individual businesses to tourists and their interests through representation and advertising at professional tradeshows.

AtBC is equally encouraging the Aboriginal Cultural Tourism industry participants to become involved in the decision-making process pertinent to all AtBC programming. Any Aboriginal Cultural Tourism operator who seeks to participate in AtBC's decisions can earn a voting right in exchange for investing in an AtBC marketing program.

By removing the membership fee structure, AtBC will accomplish two significant goals:

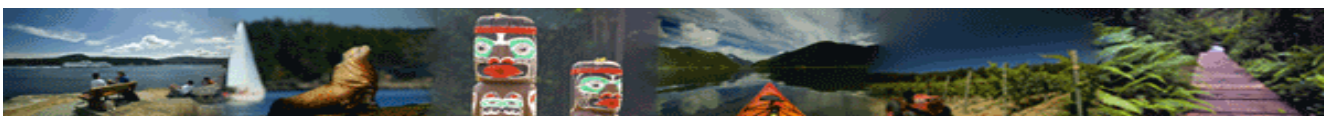
- AtBC will become a more attractive organization for tourism operators in BC, who will be interested to seize the opportunity to benefit from all services that AtBC offers, and thus become stakeholders; in return, AtBC will be able to represent the extended breadth of Aboriginal Cultural Tourism products and services available to tourists in BC; and,
- Participation in the Tourism Partner programs with the Ministry of Tourism, Culture, and the Arts will be available to all eligible tourism businesses within the Province.

Additional Benefits of the Stakeholder Model

- Increasing awareness of the AtBC value proposition The elimination of the mandatory membership fees will result in a substantial increase in stakeholders joining AtBC. In turn, AtBC will be in a position to promote considerably more Aboriginal Cultural Tourism operators products and services, thereby increasing its value proposition to BC tourists.
- Increasing Investments Case studies from other jurisdictions indicate the adoption and implementation of the Stakeholder Model resulted in an increase in the number of investors, as well as stakeholder investments, in marketing and promotional initiatives.
- Increased Offerings As more tourism operators become stakeholders, AtBC can seize the opportunity to build more diverse and dynamic Marketing Initiatives resulting in higher reach and market penetration, thereby benefiting not only tourists but also the stakeholders.

Governance

To maintain an Aboriginal Cultural Tourism industry-owned and Aboriginal-led organization, AtBC must implement a governance structure. In the Stakeholder Model, Aboriginal Cultural Tourism Businesses who financially participate in AtBC initiatives will be considered voting stakeholders of AtBC for the 12 months following the purchase of any AtBC program and those voting stakeholders will govern AtBC.



Timelines for Implementation.

Key dates are as follows:

October 25th, 2009 Approved by Membership at AGM. Effective immediately.

December 1st, 2009 Complete information to all former AtBC members (association, full, etc.)

Financial Implications

It is anticipated that with a larger stakeholder base AtBC will be able to build considerably more cooperative programs resulting in increased administrative revenues and increased market presence. AtBC's present retained membership earnings do not support the core activities of the association and as such AtBC must consider the long-term sustainability through non-traditional revenues.

Summary

The Stakeholder Model is a Win-Win-Win opportunity for tourists, tourism operators and AtBC alike.

- Tourists will benefit from a larger selection of choices as AtBC would represent and promote the entire spectrum of tourism products and services in BC.
- The tourism operators and, by extrapolation, the tourism industry will benefit from a greater number of Marketing Initiatives promoting their individual services.
- AtBC will benefit from a stronger, more relevant representation of all tourism operators in BC, positioning it as an impactful organization and the destination of choice for all BC tourists.

Q & A

The following questions and answers are designed to help Aboriginal Cultural Tourism Business operators and Aboriginal communities better understand the new AtBC Stakeholder system.

Q1: Why has AtBC moved to this new way of doing business?

A: Prior to the change, AtBC represented about 200 tourism businesses throughout BC.

It is anticipated that the elimination of the mandatory membership fee will result in a considerable increase in the Aboriginal cultural tourism business operators' participation in AtBC Marketing Initiatives.

Other industry associations throughout BC may be in a much stronger position to build marketing programs with their respective members that are partnered by AtBC.

Another advantage of the new model is that AtBC is now able to represent the broader base of the Aboriginal cultural tourism industry of BC, while providing the consumer with a vastly greater range of product than was previously represented by AtBC.

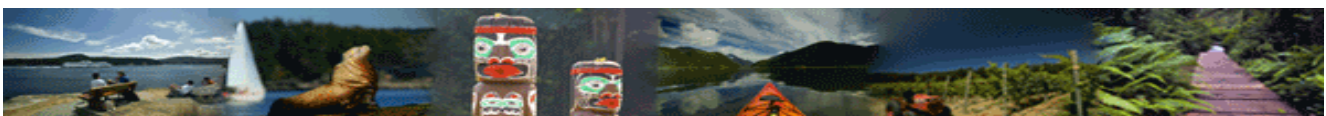
Representing a larger Aboriginal cultural tourism business/group base also gives AtBC a much stronger voice with all levels of government.

Q2: How can AtBC continue to operate without charging membership fees?

A: AtBC has not relied on membership fees to maintain its core operations since its establishment in 1996. AtBC continues to receive funding support to develop the Aboriginal cultural tourism sector. In 2009 there were many well-established Market-Ready Aboriginal cultural tourism products and services and AtBC believes that developing such Aboriginal cultural tourism products and services that support the Stakeholders will ensure long-term sustainability.

AtBC believes that demonstrating and producing effective programs to better position the British Columbia as a premier Aboriginal cultural tourism destination in our key markets will be critical to future success for Aboriginal cultural tourism.

Of course the leverage created by an increased number of participating Aboriginal cultural tourism businesses gives AtBC much greater buying power with the media.



Q3: What is a tourism “stakeholder” under the new model?

A: To be considered a stakeholder, you must either operate any Aboriginal Business, Municipality, City, Town, Village, District, Regional District, Chamber of Commerce and Convention and Visitor Bureau functioning within the geographical boundaries of the Province of British Columbia, or be an Aboriginal Cultural Tourist-oriented business, organization, association (incorporated or otherwise) or person, who subscribes to AtBC’s objectives. Chances are you qualify! An AtBC representative can quickly help you make that determination.

There are three categories of stakeholders: Non-Voting, Voting and Honorary

- **Non-Voting Stakeholder:** A non-voting stakeholder is any individual or business or tourism operator or Aboriginal Cultural Tourism interested business who joins AtBC. As a non-voting stakeholder, you will receive regular email communications from the association such as AtBC Monthly Updates, AtBC newsletters, COTA alerts and program opportunities.

Non-voting stakeholders may attend AtBC meetings but will not be entitled to cast a vote on any issues raised and debated at such meetings.

- **Voting Stakeholder:** A voting stakeholder is any Aboriginal cultural tourism entrepreneur or Aboriginal cultural tourism business that has gained Non-Voting Stakeholder status, is Market-Ready, complies with AtBC authentication program requirements, and has financially subscribed to at least one AtBC Marketing Initiative for 12 months following the subscription (Aboriginal cultural tourism entrepreneur or Aboriginal cultural tourism business refers to any business, organization or association that is at least 51% Aboriginal owned).

In addition voting stakeholders will be entitled to vote on issues raised at AtBC General Meetings.

- **Honorary Stakeholder:** An individual or an organization that has contributed significantly to AtBC’s pursuits and objectives. Only the Board of Directors may nominate candidates for the Honorary Stakeholder status and the nomination must be passed by resolution at a meeting of the Voting Stakeholders for the award of the status to take place. Honorary Stakeholders enjoy the same privileges as the Non-Voting Stakeholders.

Q4: As a qualified stakeholder, how do I participate in AtBC marketing campaigns and promotions?

A: AtBC will post its annual marketing strategy on its website, www.aboriginalbc.com. You will also receive regular updates of program opportunities and of course the knowledgeable staff is always available to address your program inquiries.

Q5: Why would a stakeholder want to earn a voting right?

A: The decisions that AtBC is making will have an impact on all stakeholders, whether voting or non-voting. By contributing to a marketing program, stakeholders not only get involved in specific AtBC initiatives to promote the Aboriginal cultural tourism industry in BC, but also earn the right to participate in AtBC’s decision-making process and make their views known. This active participation allows stakeholders to influence the decisions of AtBC and benefit fully from the organization’s objectives.

Q6: Why has AtBC also revised the geographic Regions from the previous 9 to 6 regions?

A: The overall tourism industry in BC is divided into 6 regions and for AtBC Member products to be easily identified and located within the mainstream tourism industry – it makes sense for this transition. AtBC will be in a better position to partner with Tourism BC and the Regional Destination Marketing Organization for marketing and media initiatives.

AtBC has maintained the total number of AtBC Board of Directors at 12. Therefore 6 AtBC Board of Director positions will be defined as at large. The increase to the at large positions can provide a solution and compensate for reduction in the number of geographic regions. In the future regions with more AtBC voting stakeholders can seek additional seats by using the at large options to seek election on the AtBC Board of Directors.

