

SCHEDULE E
DISBURSEMENT POLICY
AND DISBURSEMENT FORMULA

It is acknowledged that the sole purpose of the Fund is to assist Band Class Members in repairing the harms done to them by the Residential Schools as set out in the Statement of Claim (as amended) in accordance with the Four Pillars which guide the Agreement.

The Board, once constituted, will create a Disbursement Policy. This Disbursement Policy shall include the following:

1. **Band Entitlement** – each Band Class Member shall be entitled to the following disbursements:
 - a. **Planning Funds:** Upon receipt of the money provided for in this Agreement, the Trust will disburse an initial amount of \$200,000 to each Band for the purposes of developing a plan to carry out one or more of the objectives and purposes of the Four Pillars;
 - b. **Initial Kick-Start Funds:** Upon receipt and review of a plan from a Band, the Trust shall disburse the Initial Kick-Start Funds, which shall be equal to the Band's proportionate share of \$325,000,000, with 40% attributable for base rate, with the remaining 60% to be used to adjust for population. The base rate is an equal amount payable to each Band. The Board will determine an appropriate adjustment for remoteness for the Initial Kick-Start Funds, with any such funds required to account for remoteness being in addition to the \$325,000,000, and taken from capital.
 - c. **Annual Entitlement:** Each Band will receive a share of annual investment income that is available for distribution. Each Band's Annual Entitlement will be based on the Disbursement Formula. The Trust may, at its discretion, choose not to disburse all the income in any given year in order to ensure sufficient funding for years in which there is less income due to market conditions.
2. **Furtherance of the Four Pillars** – For both the Initial Kick-Start Funds and the Annual Entitlement, each Band must spend the funds in accordance with their plans, and on initiatives that further the Four Pillars.
3. **Disbursement Formula** – The Board will establish a Disbursement Formula which provides a base rate to each Band, a per capita adjustment based on the relative population of the Band and an amount for additional costs in case of remoteness. This Disbursement Formula will be used to calculate the amount of each Band's entitlement for the Annual Funds. The Disbursement Formula set by the Board must include a 40% attributable for base rate, with the remaining 60% to be used to adjust for population and for remoteness. Within the 60%,

the Board will consider and determine an appropriate population adjustment and remoteness adjustment.

4. **Reporting** - Each Band shall establish an initial efficient and simplified 10 year plan as well as yearly update reporting which will assist the Board in ensuring that the funding is being used for the Four Pillars. Following the initial 10 years each Band will be required to provide an additional 10 year plan and followed by yearly reporting. After 20 years, each Band will submit a further plan for use of the Band's share of the disbursement of the remaining funds pursuant to s. 6 of the Investment Policy, followed by periodic reporting for 10 years or until the funds are expended, whichever occurs first.
5. **Deferred distribution** – Each Band can elect to leave any of the funds to which it is entitled in the Fund to accrue income and to be drawn down later based upon their plan. In the event that a Band does not submit a plan to the Board, the distribution to that Band will be automatically deferred until they have provided a plan to carry out the objectives and purposes of the Four Pillars.
6. **Restrictions on use** – The Disbursement Policy will make clear of the following restrictions on use:
 - a. Funding will be for the objectives and purposes of one or more of the Four Pillars;
 - b. No funding will be given for initiatives which duplicate government programs or for which government funding is available. However, if the government funding only covers certain elements of an initiative (e.g., salaries), but does not cover a different element of the initiative (e.g., capital expenditures), funding may be given for the elements not covered by government funding;
 - c. No funding will be given to individuals for individual purposes;
 - d. No funding will be given for commercial ventures;
 - e. No funding can be used as collateral or to secure loans or used as any other form of guarantee; and
 - f. Funding is not subject to redirection, execution, or seizure by third parties, including third party managers; funding must only be used for the support of the Four Pillars by the Band recipient.