

November 20, 2005

**CANADA, as represented by The Honourable
Frank Iacobucci**

- and -

**PLAINTIFFS, as represented by the National Consortium,
Merchant Law Group, and other legal counsel as undersigned**

- and -

THE ASSEMBLY OF FIRST NATIONS

- and -

**THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA,
THE PRESBYTERIAN CHURCH IN CANADA,
THE UNITED CHURCH OF CANADA AND
ROMAN CATHOLIC ENTITIES**

AGREEMENT IN PRINCIPLE

WHEREAS Canada and certain religious entities operated Indian Residential Schools for the education of aboriginal children and certain harms and abuses were committed against those children;

AND WHEREAS the parties desire a fair, comprehensive and lasting resolution of the legacy of Indian Residential Schools;

AND WHEREAS the parties further desire the promotion of healing and reconciliation;

AND WHEREAS the parties agree that this Agreement in Principle should form the basis of a comprehensive settlement package that the Honourable Frank Iacobucci will recommend to Canada;

AND WHEREAS the parties agree that the comprehensive settlement will not be effective anywhere until approved by every court as set out herein;

AND WHEREAS the Federal Representative has recommended that an advance payment on the Common Experience Payment will be made to certain elderly former students;

THEREFORE, in consideration of the mutual covenants set out herein, the parties have entered into this Agreement in Principle.

I. DEFINITIONS

“Church” or “Church organization” means any one or more of the entities listed in Schedule “A” hereof (the “Roman Catholic entities”), the General Synod of the Anglican Church of Canada¹, the United Church of Canada, the Presbyterian Church in Canada;

“Common Experience Payment” means the lump sum payment described herein ;

“Designated Amount” means \$1,900,000,000.00;

“DR Model” means the dispute resolution model offered by Canada since November 2003;

“Eligible CEP Recipient” means all former students who resided at Indian Residential Schools.

“Eligible IAP Claimant” means all Eligible CEP Recipients and claimants who, while under the age of 21, were permitted by an adult employee to be on the premises of an Indian Residential School to take part in authorized school activities;

“Federal Representative” means the Honourable Frank Iacobucci;

“Independent Assessment Process” (“IAP”) means the process for the determination of individual abuse claims attached hereto as Schedule “B”;

¹ It is understood that General Synod of the Anglican Church of Canada agrees to be bound by these provisions and to recommend them to all Dioceses and the Missionary Society.

“Indian Residential Schools” means the following:

1. Institutions listed on List “A” to IRSRC’s Dispute Resolution Process attached as Schedule “C” (Whitehorse Baptist Mission to be re-added);
2. Institutions listed in Schedule “D” (“Additional Residential Schools”) which may be amended from time to time; and,
3. any institution which is determined to meet the following criteria:
 - (a) The child was placed in a residence away from the family home by or under the authority of the federal government for the purposes of education; and,
 - (b) The federal government was jointly or solely responsible for the operation of the residence and care of the children resident there.
 - (c) Indicators that the residence was federal in nature include, but are not limited to, whether:
 - (i) The institution was federally owned;
 - (ii) The federal government stood as the parent to the child;
 - (iii) The federal government was at least partially responsible for the administration of the institution;
 - (iv) The federal government inspected or had a right to inspect the institution; or,
 - (v) The federal government did or did not stipulate that the institution was an IRS.

“NAC” means the national administration committee as described herein.

II. COMPENSATION TO ELIGIBLE CEP RECIPIENTS

1. Canada will make a Common Experience Payment to every Eligible CEP Recipient who was alive on May 30, 2005.
2. The amount of the Common Experience Payment will be:
 - (a) \$10,000 to every Eligible CEP Recipient who attended an Indian Residential School for one school year or part thereof.
 - (b) \$3,000 for each school year (or part thereof) thereafter that an Eligible CEP Recipient attended a residential school.
 - (c) An Eligible CEP Recipient who accepts the Common Experience Payment will be deemed pursuant to the court orders contemplated by this Agreement in Principle

to have released Canada and the Church Organizations for all claims arising out of his or her residential School experience or attendance but will retain the right to pursue a claim in accordance with the terms and conditions of the Individual Assessment Process set forth below.

3. To effectuate the distribution of the Common Experience Payments, Canada will transfer the Designated Amount to Service Canada and will develop application procedures for Eligible CEP Recipients that will reflect the need for simplicity of form, expedition of payments, and an appropriate form of audit verification in consultation with all parties.
4. The Federal Representative will recommend to the Deputy Prime Minister that the Minister of Finance designate that the Designated Amount be entitled to earn interest pursuant to Canada's policy applicable thereto; any interest would be added to the Designated Amount.
5. In the event that the Designated Amount is insufficient to pay all Eligible CEP Recipients the Common Experience Payments to which they are entitled, Canada agrees to add a sufficient amount to remedy any deficiency in this respect.
6. In the event the Designated Amount proves to be in excess by more than \$40,000,000 of the total amount required to pay all Eligible CEP Recipients their Common Experience Payments, Canada agrees to cause Service Canada to credit each Eligible Recipient with an amount up to \$3,000 for each Eligible CEP Recipient for Personal Healing (the "Personalized Healing Amount") services from a list of healing entities or groups jointly approved by Canada and the AFN pursuant to terms and conditions to be developed by Canada and the AFN with input from all the parties that will reflect ease of access to any genuine programmes for healing among other factors. A similar set of terms and conditions will be developed by Canada and Inuit organizations for Eligible CEP Recipients who are Inuit. If the excess after payment of the Common Experience Payments is less than \$40,000,000, such lesser amount will be paid to the Aboriginal Healing Foundation.
7. In the further event that the Designated Amount proves to be in excess of the amount required to pay the Personalized Healing Amounts, Canada agrees that Service Canada will transfer any such excess to the Aboriginal Healing Foundation.
8. It is agreed that Canada will assume the costs of verifying claims for the Common Experience Payments and administrative expenses relating to their distribution.

III. SETTLEMENT AGREEMENT PROVISIONS FOR THE INDEPENDENT ASSESSMENT PROCESS

1. The parties agree that the only IRS claims which may be pursued by former students of Indian Residential Schools and the compensation to be paid for such claims when proven, are as set out at pages 2-6 of the IAP attached as Schedule "B".
2. The parties further agree that the Instructions set out at pages 29-35 of the IAP are approved, subject to minor wording changes consistent with the intended meaning.

3. The parties further agree that the remaining standards for the IAP shall be substantially as set out in Schedule "B".
4. No limitations defence will be advanced in any continuing claim diverted by the Chief Adjudicator to the courts. Canada will rely on Crown immunity in such claims where applicable.
5. It is agreed that Canada will provide sufficient resources to permit, after a 6 month lead-in period, the resolution of no fewer than 2500 continuing claims per year, and to maintain the current standard of offering an IAP hearing, or to resolve an IAP claim, within nine months of an application having been screened in, provided the delay is not the responsibility of the claimant. Where these goals are not achieved the NAC may request that the government provide additional resources for claims processing, or may apply to the court for an order making changes to the IAP process sufficient to permit the realization of these goals.

IV. TRUTH AND RECONCILIATION

A Truth and Reconciliation process will be established substantially in the form attached hereto as Schedule "E".

V. COMMEMORATION

1. Canada will provide funding for commemoration initiatives, events, projects and memorials with respect to Indian Residential Schools at both the national and community level.
2. Such funding will be approximately \$20 million covering both national commemorative and community-based activities and projects including funding already authorized.

VI. HEALING

1. Canada will provide one hundred and twenty-five million dollars (\$125,000,000) as an endowment to the Aboriginal Healing Foundation to fund healing programmes over a five year period to address the legacy of harms including the physical and sexual abuse suffered in Indian Residential Schools.
2. In the fourth year after the court orders approving the settlement package, Canada agrees to have an evaluation of the healing initiatives and programmes undertaken by the Aboriginal Healing Foundation to determine the efficacy of such initiatives and programmes and to recommend whether and to what extent funding should continue.

VII. INUIT AND INUVIALUIT

For greater certainty, all Inuit and Inuvialuit students who attended institutions listed on Schedule "C" while such schools operated as residential schools or Schedule "D" are eligible for the CEP and will have access to the IAP in accordance with its terms.

