

**CARBONLESS PAPER SHEETS CLASS ACTIONS  
SETTLEMENT AGREEMENT**

Between

**McLAY & COMPANY INC., in its capacity as Trustee in Bankruptcy for  
799376 ONTARIO INC., and JOACHIM LAFERRIÈRE ÉLECTRICIEN INC.**

and

**CASCADES FINE PAPERS GROUP INC./CASCADES  
GROUPE PAPIERS FINS INC., COAST PAPER LIMITED/PAPIER COAST LIMITÉE,  
DOMTAR INC. AND UNISOURCE CANADA, INC.**

Made as of February 29, 2008

**CARBONLESS PAPER SHEETS CLASS ACTIONS  
SETTLEMENT AGREEMENT**

**RECITALS**

A. WHEREAS the Proceedings have been commenced by the Plaintiffs in Ontario and Quebec, under each province's respective class proceedings legislation, which allege that the Defendants participated in an unlawful conspiracy to unduly prevent or lessen competition in respect of the sale of Carbonless Paper Sheets in Ontario and Quebec, contrary to Part VI of the *Competition Act* and otherwise at law;

B. WHEREAS the Defendants deny the allegations made in the Proceedings and deny that any damages were suffered or are payable for any breach of the *Competition Act* or otherwise at law, have not conceded or admitted any civil liability, and have defences to all of the claims in the Proceedings;

C. WHEREAS the Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on the analyses of the facts and law applicable to the Plaintiffs' claims, and having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiffs and the classes they seek to represent;

D. WHEREAS despite their belief that they are not liable in respect of the allegations made in the Proceedings and have good defences thereto, the Defendants are entering into this Settlement Agreement in order to achieve a final resolution of all claims asserted or which could have been asserted against them by the Plaintiffs, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation, and it is acknowledged that the Defendants would not have entered into this Settlement Agreement were it not for the foregoing;

E. WHEREAS the Parties therefore wish to, and hereby do, finally resolve, without admission of liability, all Released Claims, including all of the Proceedings and Other Actions, as against the Defendants;

F. WHEREAS for the purposes of settlement only and contingent on approvals by the Courts as provided for in this Settlement Agreement, the Parties have consented to certification

or authorization of the Proceedings as class proceedings and have consented to a Settlement Class and a Common Issue in each of the Proceedings;

G. WHEREAS the Defendants expressly reserve their rights to contest certification of other related or unrelated proceedings and assert that the Proceedings herein would not be appropriately certified in the absence of the Settlement Agreement;

H. WHEREAS the Plaintiffs assert that they are adequate class representatives for the Settlement Classes and will seek to be appointed representative plaintiffs in their respective Proceedings; and

I. WHEREAS the Defendants represent on a best efforts basis that the total Purchase Price (as defined in section 1(28) below) is \$22.6 million.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Proceedings be settled and dismissed on the merits with prejudice, without costs as to the Plaintiffs, the classes they seek to represent or the Defendants, subject to the approval of the Courts, on the following terms and conditions:

## **SECTION 1 – DEFINITIONS**

For the purpose of this Settlement Agreement only, including the Recitals and Schedules hereto:

- (1) **Account** means a segregated interest bearing trust account at a Canadian Schedule 1 bank in Ontario under the control of Ontario Counsel to be maintained solely for the receipt and distribution of funds pursuant to this Settlement Agreement.
- (2) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiffs, Class Counsel or otherwise for the approval, implementation and operation of this Settlement Agreement, including the costs of notices but excluding Class Counsel Fees.
- (3) **Carbonless Paper Sheets** means carbonless paper sheets of all sizes and configurations in multi-ply or multiple format that, by virtue of chemical coatings on their front and back, are used to transfer images.

- (4) ***Carbonless Paper Sheets Products*** means Carbonless Paper Sheets and any products that contain or include Carbonless Paper Sheets, including forms and receipts manufactured by commercial printers.
- (5) ***Claims Administrator*** means Neal Pallet and Townsend.
- (6) ***Claims Deadline*** means ninety (90) days from the date of the first publication of the notice of settlement approval pursuant to section 10.2.
- (7) ***Class Counsel*** means Ontario Counsel and Quebec Counsel.
- (8) ***Class Counsel Fees*** means the fees, disbursements, costs, GST and other applicable taxes or charges of Class Counsel, including any obligations for contributions that any Plaintiff, Settlement Class or Quebec Counsel may have to the Fonds.
- (9) ***Class Period*** means, in respect of each Proceeding, the time period set out in Schedule "A" for that Proceeding.
- (10) ***Common Issue*** in each Proceeding means: During the Class Period, did the Defendants agree to unduly prevent or lessen competition in respect of the sale of Carbonless Paper Sheets in Ontario and Quebec?
- (11) ***Courts*** means the Ontario Court and the Quebec Court.
- (12) ***Defendants*** means the entities named as defendants in the Proceedings as set out in Schedule A.
- (13) ***Deposit Date*** means August 1, 2007.
- (14) ***Effective Date*** means the date when Final Orders have been received from all Courts approving this Settlement Agreement and any time periods within which the Defendants may terminate this Settlement Agreement have expired with no termination having occurred.
- (15) ***Excluded Person*** means each Defendant, the directors, officers, employees, subsidiaries, affiliates and parents of each Defendant, the entities in which each Defendant or any of their respective subsidiaries or affiliates have a controlling interest, and the legal representatives, heirs, successors and assigns of each of the foregoing.
- (16) ***Final Order*** means a final judgment or final approval order entered by a Court in respect of the certification or authorization of a Proceeding as a class proceeding and the approval of this Settlement Agreement and, if an appeal lies, the expiration of the time to appeal or to seek permission to appeal such final judgment or final approval order without any appeal being taken, or if an appeal from the final judgment or final approval order is taken, the affirmation of such

final judgment or final approval order in its entirety, without modification, by the court of last resort to which an appeal of such final judgment or final approval order may be taken.

- (17) **Fonds** means the Fonds d'aide aux recours collectifs in Quebec.
- (18) **Ontario Counsel** means Siskinds LLP and Harrison Pensa LLP.
- (19) **Ontario Court** means the Ontario Superior Court of Justice.
- (20) **Opt-Out Deadline** means a date and time to be fixed by the Courts which shall be at least fifteen (15) days prior to the Claims Deadline.
- (21) **Opt-Out Threshold** means an amount agreed upon by the Parties in a separate document delivered to the Courts under seal and kept confidential by the Parties and the Court.
- (22) **Other Actions** means actions or proceedings, other than the Proceedings, relating to Released Claims commenced by a Settlement Class Member, and includes Other Class Actions.
- (23) **Other Class Actions** means any class action, other than the Proceedings, that is commenced in Canada prior to the date on which the Ontario Court hears the motion required by section 3.2(1)(b) of this Settlement Agreement, including Quebec Superior Court (District of Montréal) Action No. 500-06-000330-064.
- (24) **Parties** means the Plaintiffs and the Defendants.
- (25) **Plaintiffs** means the individuals and entities named as plaintiffs in the Proceedings as set out in Schedule A.
- (26) **Plan of Distribution** means a protocol for the distribution by the Claims Administrator of funds paid out of the Account to or for the benefit of Settlement Class Members.
- (27) **Proceedings** means, individually or collectively, Ontario Superior Court File No. 49426CP (London) and Quebec Superior Court (District of Quebec) Action No. 200-06-000061-062.
- (28) **Purchase Price** means the net amount, including rebates or any other form of discounts, paid by a Purchaser for Carbonless Paper Sheets purchased during the Class Period, excluding all other charges including, but not limited to, delivery or shipping charges and taxes.
- (29) **Purchaser** means a person who purchased Carbonless Paper Sheets in Ontario or Quebec during the Class Period directly from a Defendant.
- (30) **Quebec Counsel** means Siskinds, Desmeules s.e.n.c.r.l.
- (31) **Quebec Court** means the Quebec Superior Court.
- (32) **Released Claims** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages

whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses (including Administration Expenses), penalties and lawyers' fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasers, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, relating in any way to any conduct from the beginning of time to the date hereof in respect of an alleged conspiracy or other unlawful agreement or combination concerning the purchase, sale, pricing, discounting, marketing or distribution of Carbonless Paper Sheets Products in Ontario or Quebec during the Class Period, or relating to any conduct alleged (or which could have been alleged) in the Proceedings, including, without limitation, any such claims which have been asserted, would have been asserted or could have been asserted, whether in Canada or elsewhere, regarding Carbonless Paper Sheets Products in Ontario or Quebec during the Class Period.

(33) **Releasees** means, jointly and severally, the Defendants and all of their respective present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners and insurers, and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and their respective past, present and future officers, directors, members of any supervisory board or board of management, employees, agents, shareholders, attorneys, trustees, servants and representatives of each of the foregoing; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing during the Class Period.

(34) **Releasers** means, jointly and severally, the Plaintiffs and the Settlement Class Members and their respective parent companies, predecessors, successors, heirs, executors, administrators and assigns.

(35) **Settlement Agreement** means this agreement, including the recitals and schedules.

(36) **Settlement Amount** means CDN \$2,950,000.00.

(37) **Settlement Class** means, in respect of each Proceeding, the settlement class defined in Schedule A for that Proceeding.

(38) **Settlement Class Member** means a member of a Settlement Class who does not timely and validly opt out of the Settlement Class in accordance with Orders of the Courts.

## **SECTION 2 – CONDITION PRECEDENT: COURT APPROVAL**

Subject to sections 12.2 and 12.3, if Final Orders approving this Settlement Agreement are not obtained in Ontario and Quebec, this Settlement Agreement shall be deemed to be terminated and therefore null and void and of no force and effect.

## **SECTION 3 – SETTLEMENT APPROVAL**

### **3.1 Cooperation**

The Parties shall use their best efforts to implement this Settlement Agreement and to secure the prompt, complete and final dismissal with prejudice of the Proceedings and Other Class Actions as against the Defendants.

### **3.2 Motions for Approval**

(1) As soon as practicable after execution of this Settlement Agreement and by no later than May 31, 2008 or such other date as agreed to by all Parties, the Plaintiffs shall bring motions before the Courts:

- (a) for orders substantially in the form set out in Schedules B and C scheduling an approval hearing in each of the Proceedings; and
- (b) for orders substantially in the form set out in Schedules D and E certifying or authorizing each of the Proceedings commenced in their respective jurisdictions as a class proceeding and approving this Settlement Agreement provided, however, that the clauses set out below need be in the form set out at the relevant schedule:
  - (i) Schedule D – paragraphs 1-5 and 7-18; and
  - (ii) Schedule E – paragraphs 5-7 and 9-19;

(2) This Settlement Agreement shall only become final on the Effective Date.

(3) Class Counsel agree not to take any steps to prosecute one or both of the Proceedings on or after the Deposit Date and until the Effective Date, other than those steps provided for or required by this Settlement Agreement and those steps that are necessary to secure the Courts' approval of this Settlement Agreement.

(4) Until the motions required by section 3.2(1) are filed, this Settlement Agreement and all of its terms shall be kept confidential and shall not be disclosed by the Parties or their counsel without the prior written consent of counsel for the Defendants and Class Counsel, except as may

be required for the purposes of financial and regulatory reporting or filings, or the preparation of financial records (including tax returns and financial statements), or as otherwise required by law.

### **3.3 Sequence of Motions**

The Plaintiff in Quebec shall not proceed with a motion to approve this Settlement Agreement in the Proceeding commenced in Quebec unless and until the Ontario Court approves this Settlement Agreement. The approval motion may be filed in Quebec, but Quebec Counsel agree to seek an adjournment of their approval hearing until after the Ontario Court renders its decision on the motion for approval brought before it.

## **SECTION 4 – SETTLEMENT AMOUNT**

### **4.1 Payment of Settlement Amount**

(1) The Defendants agree to pay the Settlement Amount in accordance with this Settlement Agreement, in full satisfaction of all of the Released Claims against the Releasees. The Defendants shall have no obligation to pay any amount in addition to the Settlement Amount, for any reason, pursuant to or in furtherance of this Settlement Agreement and, in particular, without limitation, the Defendants shall have no obligation to pay any additional amounts for Class Counsel Fees or Administration Expenses.

(2) The Defendants deposited the Settlement Amount into the Account on the Deposit Date.

(3) Ontario Counsel shall maintain the Account as provided for in this Settlement Agreement and shall not pay out any of the monies in the Account, except in accordance with the provisions of this Settlement Agreement, without an order of the Ontario Court made on notice to or on consent of the Parties.

### **4.2 Taxes and Interest**

(1) All interest earned on the Settlement Amount since the Deposit Date shall be added to the Settlement Amount and shall be treated as part of the Settlement Amount.

(2) Ontario Counsel shall bear all risks related to the investment of the Settlement Amount in the Account.

(3) All funds held by Ontario Counsel shall be deemed and considered to be in *custodia legis* of the Courts, and shall remain subject to the jurisdiction of the Courts until such time as such funds shall be distributed pursuant to the Plan of Distribution and/or further order of the Courts.



(4) Ontario Counsel hereby indemnifies, defends and holds harmless the Defendants from and against any harm or injury suffered by reason of the use, misuse, erroneous disbursement, or other action taken or failure to act by Ontario Counsel with the Settlement Amount or funds in the Account not strictly in accordance with the provisions of this Settlement Agreement or any implementing order of the Courts.

(5) Subject to section 4.2(6), all taxes payable on any interest which accrues on the Settlement Amount in the Account or otherwise in relation to the Settlement Amount shall be the responsibility of the Settlement Classes. Ontario Counsel shall be solely responsible to fulfill all tax reporting and payment requirements arising from the Settlement Amount in the Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amount shall be paid from the Account.

(6) The Defendants shall have no responsibility to make any tax filings relating to the Account and will have no responsibility to pay tax on any income earned by the Settlement Amount or pay any taxes on the monies in the Account, unless this Settlement Agreement is terminated. If the Agreement is terminated, a 25% share of the interest in the Account shall be returned to each Defendant who, in such case, shall be responsible for the payment of all taxes on such interest.

## **SECTION 5 — DISTRIBUTION OF THE SETTLEMENT AMOUNT AND ACCRUED INTEREST**

(1) The monies in the Account shall be held by Ontario Counsel for the benefit of the Settlement Class Members and, after the Effective Date, shall be transferred by Ontario Counsel to the Claims Administrator for payment in accordance with the Plan of Distribution.

(2) Class Counsel shall, by motion, on notice to the Defendants, submit the Plan of Distribution for approval by the Courts at the same time approval of this Settlement Agreement is sought.

(3) In no event shall any of the Defendants have any responsibility, financial obligations or liability whatsoever with respect to the investment, distribution, use or administration of monies in the Account including, but not limited to, the costs and expenses of such investment, distribution, use and administration, Administration Expenses and Class Counsel Fees.

## **SECTION 6 – RELEASES AND DISMISSALS**

### **6.1 Release of Releasees**

Upon the Effective Date, the Releasors forever and absolutely release the Releasees from the Released Claims.

### **6.2 Release by Releasees**

Upon the Effective Date, each Releasee forever and absolutely releases each of the other Releasees from any and all claims for contribution or indemnity with respect to the Released Claims.

### **6.3 No Further Claims**

The Releasors shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasees or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

### **6.4 Dismissal of Proceedings**

The Proceedings shall be dismissed, without costs and with prejudice.

### **6.5 Dismissal of Other Actions**

- (1) Each Settlement Class Member shall be deemed to consent to the dismissal, without costs and with prejudice, of his, her or its Other Actions against the Releasees.
- (2) All Other Actions commenced by any Settlement Class Member relating to the Released Claims shall be dismissed against the Releasees, without costs and with prejudice.
- (3) The Plaintiffs shall ensure the dismissal of all Other Class Actions, without costs and with prejudice.

## **SECTION 7 – BAR ORDER AND OTHER CLAIMS**

### **7.1 Bar Order**

The Parties consent to a bar order which shall be granted by each of the Courts providing that all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought by any person or party, against a Releasee, are barred, prohibited and enjoined (unless such claim is made in respect of a claim by a person who has validly opted out of a Settlement Class).

## **7.2 Claims Against Other Entities Reserved**

Except as provided herein, this Settlement Agreement does not settle, compromise, release or limit in any way whatsoever any claim by Settlement Class Members against any person other than the Releasees.

## **SECTION 8 – EFFECT OF SETTLEMENT**

### **8.1 No Admission of Liability**

The Parties expressly reserve all of their rights if this Settlement Agreement does not become effective or is terminated. Further, the Parties agree that, whether or not this Settlement Agreement is finally approved or is terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by any Defendant, or of the truth of any of the claims or allegations contained in the Proceedings or any other pleading filed by the Plaintiffs.

### **8.2 Agreement Not Evidence**

The Parties agree that, whether or not it is finally approved or is terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding, except in a proceeding to approve or enforce this Settlement Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

### **8.3 No Further Litigation**

(1) Except as provided in this section, no Class Counsel, nor anyone currently or hereafter employed by, associated with, or a partner with Class Counsel, may directly or indirectly participate or be involved in or in any way assist with respect to any claim made or action commenced by any person which relates to or arises from conduct alleged with respect to the Canadian fine papers industry up to the date of this Settlement Agreement, including the Released Claims. Moreover, these persons may not divulge to anyone for any purpose any

information obtained in the course of the Proceedings or the negotiation and preparation of this Settlement Agreement, except to the extent such information is otherwise publicly available or as otherwise ordered by a court.

## **SECTION 9 – CERTIFICATION OR AUTHORIZATION FOR SETTLEMENT ONLY**

### **9.1 Settlement Class and Common Issue**

(1) The Parties agree that the Proceedings shall be certified or authorized as class proceedings solely for purposes of settlement of the Proceedings and the approval of this Settlement Agreement by the Courts.

(2) The Plaintiffs agree that in the motions for certification or authorization of the Proceedings as class proceedings and for the approval of this Settlement Agreement, the only common issue that they will seek to define is the Common Issue and the only classes that they will assert are the Settlement Classes. The Plaintiffs acknowledge that the Defendants agree to the definition of the Common Issue for the purpose of settlement only.

### **9.2 Certification or Authorization Without Prejudice**

In the event this Settlement Agreement is not approved by the Courts or is terminated in accordance with its terms, the Parties agree that any prior certification or authorization of a Proceeding as a class proceeding, including the definition of a Settlement Class and the statement of the Common Issue, shall be without prejudice to any position that any of the Parties may later take on any issue in the Proceedings or any other litigation.

## **SECTION 10 – NOTICE TO SETTLEMENT CLASSES**

### **10.1 First Notice**

The proposed Settlement Classes shall be notified of hearings at which the Courts will be asked to approve the Settlement Agreement and Plan of Distribution by a notice in the form attached as Schedule F. Class Counsel shall cause the notice to be published and distributed in the following manner and by a date to be set by the Courts:

- (a) published once in the National Edition of The Globe and Mail Newspaper;
- (b) sent to the Purchasers for whom the Defendants have provided name and address information in accordance with section 13.2 of this Settlement Agreement;
- (c) posted on Ontario Counsel's website at [www.classaction.ca](http://www.classaction.ca); and
- (d) published once in both of Le Journal de Quebec and Le Journal de Montreal.

## **10.2 Second Notice**

The Settlement Classes shall be notified of the certification or authorization of each of the Proceedings as a class proceeding and the approval of this Settlement Agreement and Plan of Distribution by a notice in the form attached as Schedule G. Class Counsel shall cause the notice to be published and distributed in the manner set out in section 10.1 of this Settlement Agreement and, in the event this Settlement Agreement is approved by the Courts, this notice shall be published and distributed no later than 21 days after the Effective Date.

## **SECTION 11 – OPTING OUT**

### **11.1 Opt-Out Mechanism**

(1) A person may only opt out of the Proceedings by sending a written election to opt out, signed by the person or that person's designee, by pre-paid mail, courier or fax to the Claims Administrator at an address to be identified in the Final Orders and the notice contemplated by section 10.2 of this Settlement Agreement.

(2) An election to opt out will only be effective if it is actually received by the Claims Administrator on or before the Opt-Out Deadline.

(3) In addition to a written election to opt out, a Purchaser who wishes to opt-out must provide to the Claims Administrator, on or before the Opt-Out Deadline:

- (a) its full name, current address and telephone number;
- (b) to the extent applicable, the previous name(s) under which it purchased Carbonless Paper Sheets from the Defendants;
- (c) the name(s) of each entity from whom it purchased Carbonless Paper Sheets; and
- (d) the information in its possession concerning the Purchase Price.

### **11.2 Notification of Opt Outs**

Within 20 days of the Opt-Out Deadline, the Claims Administrator shall report to the Defendants and Class Counsel, advising as to the names of those persons, if any, who have opted out of the Proceedings, the reasons for their opting out, if known, the best estimate of the total Purchase Price of Carbonless Paper Sheets purchased by each person who opted out and a copy of all the information delivered by them pursuant to section 11.1(3).

## **SECTION 12 – TERMINATION OF SETTLEMENT AGREEMENT**

### **12.1 Exercise of Termination Rights**

(1) The Defendants may terminate this Settlement Agreement in the event that (a) the Plaintiffs are unsuccessful in obtaining a final dismissal of any and all Other Class Actions or (b) the total Purchase Price paid by Purchasers who opt-out of the Proceedings exceeds the Opt-Out Threshold.

(2) To terminate the Settlement Agreement, the Defendants shall give a joint written notice of termination to Class Counsel no later than 21 days after (a) the Court's judgment failing to stay or dismiss the Other Class Actions (if such is the reason for termination) and the disposal of all appeals (if any) therefrom or the expiration of the time for taking such appeals or, (b) if the reason for termination is the exceeding of the Opt-Out Threshold, no later than 20 days after receipt of the report required by section 11.2.

(3) If there is any dispute about whether the Defendants have given a valid notice of termination in accordance with the provisions of this Settlement Agreement, then the Ontario Court shall determine that dispute on motion brought by a Party.

(4) No Releasee or Releasor shall make or advance any claim of any kind against any Defendant in connection with or arising out of any decision that Defendant makes regarding termination of this Settlement Agreement.

### **12.2 Effect of Termination or Deemed Termination**

(1) If the Settlement Agreement is terminated in accordance with section 12.1 or deemed to be terminated in accordance with section 2, it shall have no further force and effect, shall not be binding, and shall not be used as evidence or otherwise in any litigation, except as provided in sections 12.2(3) – (4) and 12.3.

(2) If the Settlement Agreement is terminated in accordance with section 12.1 or deemed to be terminated in accordance with section 2, any order certifying or authorizing a Proceeding as a class action on the basis of the Settlement Agreement and approving this Settlement Agreement shall be set aside and declared null and void and of no force or effect as against the Defendants, and everyone shall be estopped from asserting otherwise.

(3) If the Settlement Agreement is terminated in accordance with section 12.1 or deemed terminated in accordance with section 2, Class Counsel shall bring a motion before each of the Courts which shall issue orders in accordance with section 12.2(1) and (2):

- (a) declaring the Settlement Agreement to be null and void and of no force or effect (except for the provisions set out in section 12.3);
  - (b) setting aside any order certifying a Proceeding as a class action on the basis of the Settlement Agreement; and
  - (c) directing that the Settlement Amount, including interest but after deduction of the non-refundable notice expense provided in section 14(3), be returned to the Defendants in such portions as are set out in a Direction signed by all Defendants.
- (4) If the Settlement Agreement is terminated or deemed terminated, Ontario Counsel shall return to each Defendant its contribution to the Settlement Amount (as set out in a Direction signed by all Defendants), including interest, after deduction of 25% of the non-refundable notice expense provided in section 14(3).

### **12.3 Survival of Provisions and Reservation of Rights**

- (1) The provisions of sections 4.1(3), 4.2(5), 4.2(6), 8.1, 8.2, 9.2, 12, 13.2(5), 13.2(6) and 13.2(7) and the definitions and Schedules applicable thereto shall survive the termination of the Settlement Agreement and continue in full force and effect with respect to all Defendants if the Settlement Agreement is terminated pursuant to section 12.1 or deemed terminated pursuant to section 2. All other provisions and obligations shall cease immediately in respect of all Defendants if the Settlement Agreement is terminated or deemed terminated.
- (2) The Parties expressly reserve all of their respective rights to the extent this Settlement Agreement does not become effective or is terminated in accordance with its terms.

## **SECTION 13 – ADMINISTRATION AND IMPLEMENTATION**

### **13.1 Mechanics of Administration**

Except to the extent provided for in this Settlement Agreement, the mechanics of the implementation and administration of this Settlement Agreement shall be determined by the Courts on motions brought by Class Counsel.

### **13.2 Information and Assistance**

- (1) Each Defendant will make reasonable best efforts to compile a list of the names and addresses of Purchasers who purchased Carbonless Paper Sheets in Ontario and Quebec from them during the Class Period.
- (2) The information required by section 13.2(1) shall be delivered to Ontario Counsel within thirty (30) business days of the execution of this Settlement Agreement by all Parties, or at least

five (5) business days in advance of publication of the notice of the approval hearings before the Courts, whichever date comes first.

(3) Ontario Counsel shall use the information provided under section 13.2(2) to advise Purchasers of this Settlement Agreement and the date of the approval hearings before the Courts.

(4) Each Defendant will make reasonable best efforts to provide the Purchase Price paid by Purchasers for Carbonless Paper Sheets during the Class Period. This information shall be provided to the Claims Administrator within five (5) business days in advance of publication of the notice of approval of the Settlement Agreement, and shall be used to facilitate the claims administration process established in the Plan of Distribution.

(5) Any information obtained or created in the administration of this Settlement Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of administering the Settlement Agreement.

(6) If this Settlement Agreement is terminated pursuant to section 12 or deemed to be terminated pursuant to section 2, all information provided by the Defendants pursuant to this Settlement Agreement shall be returned to them forthwith and no record of the information so provided shall be retained by Class Counsel or the Claims Administrator in any form whatsoever.

(7) Class Counsel, and anyone currently or hereafter employed by, associated with or a partner with Class Counsel, may not divulge to anyone for any purpose any information obtained in the course of the negotiation and preparation of this Settlement Agreement, except to the extent such information is otherwise publicly available or as otherwise ordered by a court.

#### **SECTION 14 – CLASS COUNSEL FEES AND ADMINISTRATION EXPENSES**

(1) Class Counsel may seek the Courts' approval to pay Class Counsel Fees and Administration Expenses from the monies in the Account. Motions for approval and payment of Class Counsel Fees and Administration Expenses out of the Account shall be made on notice to the Defendants and returnable after the time period in which this Settlement may be terminated by the Defendants. Class Counsel reserve their right to argue that the Defendants have no standing on these motions.

(2) Subject to section 14(3), Class Counsel Fees and Administration Expenses may be paid out of the Account after the Effective Date.



(3) Class Counsel may pay the costs of the first notice referred to in section 10.1 of this Settlement Agreement and, if applicable, the cost of the second notice referred to in section 10.2, out of the Account, but only up to a maximum of \$30,000.00 per notice (for a maximum potential payment of \$60,000.00 if both notices are required) and only after the notice(s) has been approved by the Courts, and such payment(s) shall constitute a non-refundable expense.

## **SECTION 15 – MISCELLANEOUS**

### **15.1 Motions for Directions**

(1) Any Class Counsel or Defendant may apply to the Courts for directions in respect of the implementation and administration of this Settlement Agreement.

(2) All motions contemplated by or in relation to this Settlement Agreement shall be on notice to the Parties.

### **15.2 Releasees Have No Liability for Administration**

The Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.

### **15.3 Headings, etc.**

In this Settlement Agreement:

- (a) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and
- (b) the terms “this Settlement Agreement”, “hereof”, “hereunder” and similar expressions refer to this Settlement Agreement and not to any particular section or other portion of this Settlement Agreement.

### **15.4 Ongoing Jurisdiction**

Each of the Courts shall retain exclusive jurisdiction over each Proceeding commenced in its jurisdiction, the parties thereto and the Class Counsel Fees in that Proceeding.

### **15.5 Governing Law**

This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.

### **15.6 Entire Agreement**

This Settlement Agreement constitutes the entire agreement among the Parties, and supersedes any and all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Settlement Agreement, unless expressly incorporated herein. This Settlement Agreement may not be modified or amended except in writing and on consent of all Parties hereto and any such modification or amendment must be approved by the Courts with jurisdiction over the matter to which the amendment relates.

### **15.7 Binding Effect**

This Settlement Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Releasors, the Defendants, the Releasees and all of their successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

### **15.8 Survival**

The representations and warranties contained in this Settlement Agreement shall survive its execution and implementation.

### **15.9 Counterparts**

This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

### **15.10 Negotiated Agreement**

This Settlement Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Settlement Agreement.

**15.11 Recitals**

The recitals to this Settlement Agreement are true and form part of the Settlement Agreement.

**15.12 Schedules**

The Schedules annexed hereto form part of this Settlement Agreement.

**15.13 Acknowledgements**

Each of the Parties hereby affirms and acknowledges that:

- (a) a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood the Settlement Agreement;
- (b) the terms of this Settlement Agreement and the effects thereof have been fully explained to the Party's representative by its counsel;
- (c) the Party's representative fully understands each term of the Settlement Agreement and its effect; and
- (d) no Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement.

**15.14 Authorized Signatures**

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement.

**15.15 Notice**

Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representatives for the Party to whom notice is being provided, as identified below:

**For Plaintiffs and for Class Counsel:**

Charles M. Wright  
Siskinds LLP  
Barristers and Solicitors  
680 Waterloo Street  
London, ON N6A 3V8

Telephone: 519-672-2121  
Facsimile: 519-672-6065  
Email: [charles.wright@siskinds.com](mailto:charles.wright@siskinds.com)

Simon Hébert  
Siskinds, Desmeules s.e.n.c.r.l.  
Les promenades du Vieux-Quebec  
43 rue De Buade, bureau 320  
Quebec City, QC G1R 4A2

Telephone: 418-694-2009  
Facsimile: 418-694-0281  
Email: [simon.hebert@siskindsdesmeules.com](mailto:simon.hebert@siskindsdesmeules.com)

Jonathan Foreman  
**Harrison Pensa LLP**  
450 Talbot Street  
London, ON N6A 4K3

Telephone: 519-661-6775  
Facsimile: 519-667-3362

Email: [jforeman@harrisonpensa.com](mailto:jforeman@harrisonpensa.com)

**For Defendants:**

Sandra A. Forbes  
**Davies Ward Phillips & Vineberg LLP**  
Barristers and Solicitors  
Box 63, Suite 4400  
1 First Canadian Place  
Toronto ON M5X 1B1

Telephone: 416-863-5574  
Facsimile: 416-863-0871  
Email: [sforbes@dwpv.com](mailto:sforbes@dwpv.com)

Counsel for Unisource Canada, Inc.

D. Michael Brown  
**Ogilvy Renault LLP**  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, Ontario M5J 2Z4

Telephone: 416.216.3962  
Facsimile: 416.216.3930  
Email: [mbrown@ogilvyrenault.com](mailto:mbrown@ogilvyrenault.com)

Counsel for Domtar Inc.

Madeleine Renaud  
**McCarthy Tétrault LLP**  
Suite 2500  
1000 De La Gauchetière Street West  
Montréal, QC H3B 0A2

Telephone: 514.397.4252  
Facsimile: 514 875 6246  
Email: [mrenaud@mccarthy.ca](mailto:mrenaud@mccarthy.ca)

Counsel for Cascades Fine Papers Group Inc.

Katherine L. Kay  
**Stikeman Elliott LLP**  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

Telephone: 416.869.5507  
Facsimile: 416.947-0866  
Email: [kkay@stikeman.com](mailto:kkay@stikeman.com)

Counsel for Coast Paper Limited

**15.16 Language**

The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English, except for Schedules "C" and "E" which are prepared in French. Les Parties reconnaissent avoir exigé que la présente convention

et tous les documents connexes soient rédigés en anglais sauf en ce qui a trait aux annexes "C" et "E" qui ont été rédigées en français.


**15.17 Article 2631 of the *Quebec Civil Code***

The Parties acknowledge that this Settlement Agreement constitutes a transaction within the meaning of article 2631 of the Civil Code of Quebec and the Parties hereby waive any right to rely on, any errors of fact, of law, and/or of calculation.

The Parties have executed this Settlement Agreement as of the date on the cover page.

**McLAY & COMPANY INC., in its capacity as  
Trustee in Bankruptcy for  
799376 ONTARIO INC. and JOACHIM  
LAFERRIÈRE ÉLECTRICIEN INC**

By:

  
Name: Siskinds LLP  
Title: Co-Ontario Counsel

By:

Name: Harrison Pensa LLP  
Title: Co-Ontario Counsel

By:

Name: Siskinds, Desmeules s.e.n.c.r.l.  
Title: Quebec Counsel

**Unisource Canada, Inc.**

By:

Name: Davies Ward Phillips & Vineberg  
LLP (Sandra A. Forbes)  
Title: Counsel

**Cascades Fine Papers Group Inc.**

By:

Name: McCarthy Tétrauff. LLP (Madeleine  
Renaud)  
Title: Counsel

**Domtar Inc.**

By:

Name: Ogilvy Renault LLP (D. Michael  
Brown)  
Title: Counsel

The Parties have executed this Settlement Agreement as of the date on the cover page.

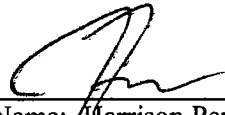
**McLAY & COMPANY INC., in its capacity as  
Trustee in Bankruptcy for  
799376 ONTARIO INC. and JOACHIM  
LAFERRIÈRE ÉLECTRICIEN INC**

By:

---

Name: Siskinds LLP  
Title: Co-Ontario Counsel

By:



---

Name: Harrison Pensa LLP  
Title: Co-Ontario Counsel

By:

---

Name: Siskinds, Desmeules s.e.n.c.r.l.  
Title: Quebec Counsel

**Unisource Canada, Inc.**

By:

---

Name: Davies Ward Phillips & Vineberg  
LLP (Sandra A. Forbes)  
Title: Counsel

**Cascades Fine Papers Group Inc.**

By:

---

Name: McCarthy Tétrault LLP (Madeleine  
Renaud)  
Title: Counsel

**Domtar Inc.**

By:

---

Name: Ogilvy Renault LLP (D. Michael  
Brown)  
Title: Counsel

The Parties have executed this Settlement Agreement as of the date on the cover page.

**McLAY & COMPANY INC., in its capacity as  
Trustee in Bankruptcy for  
799376 ONTARIO INC. and JOACHIM  
LAFERRIÈRE ÉLECTRICIEN INC**

By:

---

Name: Siskinds LLP  
Title: Co-Ontario Counsel

By:

---

Name: Harrison Pensa LLP  
Title: Co-Ontario Counsel

By:

*Siskinds Desmeules*  
Name: Siskinds, Desmeules s.e.n.c.r.l.  
Title: Quebec Counsel

**Unisource Canada, Inc.**

By:

---

Name: Davies Ward Phillips & Vineberg  
LLP (Sandra A. Forbes)  
Title: Counsel

**Cascades Fine Papers Group Inc.**

By:

---

Name: McCarthy Tétrault LLP (Madeleine  
Renaud)  
Title: Counsel

**Domtar Inc.**

By:

---

Name: Ogilvy Renault LLP (D. Michael  
Brown)  
Title: Counsel



The Parties have executed this Settlement Agreement as of the date on the cover page.

**McLAY & COMPANY INC., in its capacity as  
Trustee in Bankruptcy for  
799376 ONTARIO INC. and JOACHIM  
LAFERRIÈRE ÉLECTRICIEN INC**  
By:

\_\_\_\_\_  
Name: Siskinds LLP  
Title: Co-Ontario Counsel

By:

\_\_\_\_\_  
Name: Harrison Pensa LLP  
Title: Co-Ontario Counsel

By:

\_\_\_\_\_  
Name: Siskinds, Desmeules s.e.n.c.r.l.  
Title: Quebec Counsel

**Unisource Canada, Inc.**

By:

Davies Ward Phillips & Vineberg LLP  
Name: Davies Ward Phillips & Vineberg  
LLP (Sandra A. Forbes)  
Title: Counsel

**Cascades Fine Papers Group Inc.**

By:

McCarthy Tétrault LLP  
Name: McCarthy Tétrault LLP (Madeleine  
Renaud)  
Title: Counsel

**Domtar Inc.**

By:

Ogilvy Renault LLP  
Name: Ogilvy Renault LLP (D. Michael  
Brown)  
Title: Counsel

**Coast Paper Limited**

By:

Stikeman Elliott LLP 

Name: Stikeman Elliott LLP (Katherine L. Kay)

Title: Counsel

**SCHEDULE "A" – PROCEEDINGS**

<b>Proceeding</b>	<b>Plaintiffs</b>	<b>Defendants</b>	<b>Settlement Class</b>	<b>Claim Period</b>
Ontario Superior Court of Justice Court File No. 49426CP ("Ontario Action")	McLay & Company Inc., in its capacity as Trustee in Bankruptcy for 799376 Ontario Inc.	Cascades Fine Papers Group Inc./Cascades Groupe Papier Fins Inc., Coast Paper Limited/Papier Coast Limitée, Domtar Inc. and Unisource Canada, Inc.	All persons who purchased Carbonless Paper Sheets Products in Ontario or Quebec during the Claim Period, except the Excluded Persons and persons who are included in the Quebec Class.	October 1, 1999 to September 30, 2000
Superior Court of Quebec (District of Quebec), File No. 200-06-000061-062 (the "Quebec Action")	Joachim Laferrière Électricien Inc.	Cascades Groupe Papiers Fins Inc., Domtar Inc. and Unisource Canada, Inc.	All individuals, as well as any legal persons established for a private interest, partnership or association which, at all times between January 1, 2000 and December 31, 2000, had under its direction or control no more than 50 persons bound to it by a contract of employment, who purchased Carbonless Paper Sheets Products in Quebec during the Claim Period, except the Excluded Persons.	January 1, 2000 to December 31, 2000

**SCHEDULE "B"**

Court File No. 49426CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

The Honourable ) , the <sup>th</sup> day  
)  
Justice ) of , 2008

**B E T W E E N :**

McLAY & COMPANY INC., in its capacity as Trustee in Bankruptcy  
for 799376 Ontario Inc. operating as Lonsdale Printing Services

**Plaintiff**

- and -

CASCADES FINE PAPERS GROUP INC. / CASCADES GROUPE PAPIERS  
FINS INC. and COAST PAPER LIMITED / PAPIER COAST LIMITEE and  
DOMTAR INC. and UNISOURCE CANADA, INC.

**Defendants**

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the Plaintiff for an Order approving the form of the Notice of Certification and Settlement Approval Hearing to class members, approving the method of dissemination of said Notice and scheduling a hearing to approve the Settlement Agreement entered into with the Defendants (the "Settlement Agreement") pursuant to section 29 of the *Class Proceedings Act, 1992*, was heard this day at the Court House, 80 Dundas Street, London, Ontario.

**ON READING** the materials filed and on hearing the submissions of Counsel for the Plaintiff and Counsel for the Defendants:

1. **THIS COURT ORDERS** that the Notice of Certification and Settlement Approval Hearing is hereby approved in substantially the form attached hereto as Exhibit A.
  
2. **THIS COURT FURTHER ORDERS** that the method of disseminating the Notice of Certification and Settlement Approval Hearing, as set out in the Method of Dissemination attached hereto as Exhibit B, is hereby approved.
  
3. **THIS COURT FURTHER ORDERS** that a hearing to approve the Settlement Agreement pursuant to section 29 of the *Class Proceedings Act, 1992* be scheduled for [date].

Date:

---

The Honourable Justice

**ONTARIO  
SUPERIOR COURT OF  
JUSTICE**

Proceeding commenced at London

**ORDER**  
(Notice Approval)

**Siskinds LLP**  
Barristers & Solicitors  
680 Waterloo Street  
P.O. Box 2520  
London, ON N6A 3V8

Charles M. Wright LSUC # 36599Q  
Andrea DeKay LSUC # 43818M  
Tel: (519) 672-2121  
Fax: (519) 672-6065

**Harrison Pensa LLP**  
450 Talbot Street  
London, ON N6A 4K3

Jonathan Foreman  
Telephone: (519) 661-6775  
Facsimile: (519) 667-3362

Solicitors for the Plaintiff

**SCHEDULE "C"**

**COUR SUPÉRIEURE**

**CANADA  
PROVINCE DE QUÉBEC  
DISTRICT DE QUÉBEC**

**NO : 200-06-000061-062**

**DATE : \_\_\_\_\_, LE \_\_\_\_\_ 2008**

---

**EN PRÉSENCE DE : L'HONORABLE \_\_\_\_\_, J.C.S.**

---

**JOACHIM LAFERRIÈRE ÉLECTRICIEN INC.**

*Requérant ;*

**c.**

**CASCADES GROUPE PAPIERS FINS INC. & ALS**

Intimées;

---

**JUGEMENT  
SUR REQUÊTE POUR AUTORISER LA PUBLICATION DE L'AVIS AUX MEMBRES  
CONCERNANT LA PRÉSENTATION D'UNE REQUÊTE POUR OBTENIR  
L'AUTORISATION D'EXERCER UN RECOURS COLLECTIF POUR FINS DE  
RÈGLEMENT ET POUR L'APPROBATION D'UNE TRANSACTION**

---

- [1] **ATTENDU** que les parties sont impliquées dans un litige de la nature d'un recours collectif ;
- [2] **ATTENDU** que le requérant a conclu une transaction afin de régler l'ensemble des réclamations des membres du groupe du Québec avec les intimées Cascades Groupe Papiers Fins Inc., Papiers Coast Ltée, Domtar inc. et Unisource Canada, Inc.;

200-06-000061-062

- [3] **ATTENDU** que le requérant demande que soient fixés la date, l'heure et l'endroit de présentation de la requête pour obtenir l'autorisation d'exercer un recours collectif pour fins de règlement seulement et pour l'approbation de la transaction;
- [4] **ATTENDU** que le requérant demande également au Tribunal d'approuver l'avis aux membres et d'en ordonner la publication ;
- [5] **VU** la requête sous étude ;
- [6] **VU** que les Intimées consentent à la requête ;
- [7] **VU** les pièces versées au dossier;
- [8] **VU** les déclarations des procureurs des parties et les représentations faites de part et d'autre;
- [9] **VU** les articles 1025, 1045 et 1046 du *Code de procédure civile*;
- [10] **APRÈS EXAMEN**, il y a lieu de faire droit à la requête;
- [11] **PAR CES MOTIFS, LE TRIBUNAL :**
- [12] **ACCUEILLE** la requête;
- [13] **APPROUVE** les avis aux membres du groupe;
- [14] **ORDONNE** qu'un avis conforme à l'Annexe 1, joint au présent jugement, soit publié selon le protocole de distribution joint comme Annexe 2 au présent jugement;
- [15] **FIXE** au \_\_\_\_\_ la date de présentation de la requête pour obtenir l'autorisation d'exercer un recours collectif pour fins de règlement et pour approbation de la transaction et ce, à compter de \_\_\_\_\_ en la salle \_\_\_\_\_ du Palais de Justice de \_\_\_\_\_;
- [16] **LE TOUT** sans frais.

\_\_\_\_\_  
\_\_\_\_\_, J.C.S.

**Me Simon Hébert**  
**SISKINDS, DESMEULES, AVOCATS**  
54, rue de Buade, bureau 320  
Québec (Québec) G1R 4A2



200-06-000061-062

Procureurs du requérant

**Me Madeleine Renaud**  
**McCARTHY, TÉTRAULT**  
1000, rue De La Gauchetière Ouest  
Bureau 2500  
Montréal (Québec) H3B 0A2  
Procureurs de Cascades Groupe Papiers Fins inc.

**Me Nick Rodrigo**  
**DAVIES WARD PHILLIPS & VINEBERG**  
1501, Avenue McGill College, 26<sup>ème</sup> étage  
Montréal (Québec) H3A 3N9  
Procureurs de Unisource Canada inc.

**Me Lucie Pariseau**  
**OGILVY RENAULT**  
500, Grande Allée Est, 2<sup>e</sup> étage  
Québec (Québec) G1R 2J7  
Procureurs de Domtar inc.

**SCHEDULE "D"**

Court File No. 49426CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

The Honourable ) , the <sup>th</sup> day  
Justice ) of , 2008

**B E T W E E N :**

McLAY & COMPANY INC., in its capacity as Trustee in Bankruptcy  
for 799376 Ontario Inc. operating as Lonsdale Printing Services

**Plaintiff**

- and -

CASCADES FINE PAPERS GROUP INC. / CASCADES GROUPE PAPIERS  
FINS INC. and COAST PAPER LIMITED / PAPIER COAST LIMITEE and  
DOMTAR INC. and UNISOURCE CANADA, INC.

**Defendants**

*Proceeding under the Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the Plaintiff for an Order certifying this action as a class proceeding for settlement purposes only as against the Defendants, and approving the settlement entered into with the Defendants was heard this day at the Court House, 80 Dundas Street, London, Ontario.

**ON READING** the materials filed, including the settlement agreement attached to this Order as Exhibit "A" (the "Settlement Agreement"), and on hearing the submissions of counsel for the Plaintiff and counsel for the Defendants:

1. **THIS COURT ORDERS AND DECLARES** that for the purposes of the Order the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT ORDERS** that this action is certified as a class proceeding against the Defendants for settlement purposes only.
3. **THIS COURT ORDERS** that the Settlement Class is defined as:

All persons who purchased Carbonless Paper Sheet Products in Ontario or Quebec during the Class Period, except the Excluded Persons and persons who are included in the Quebec Class.
4. **THIS COURT ORDERS** that McLay & Company Inc., in its capacity as Trustee in Bankruptcy for 799376 Ontario Inc. operating as Lonsdale Printing Services is appointed as the representative plaintiff for the Settlement Class.
5. **THIS COURT ORDERS** that this action is certified as a class proceeding for settlement purposes only, on the basis of the following common issue:

During the Class Period, did the Defendants agree to unduly prevent or lessen competition in respect of the sale of Carbonless Paper Sheets in Ontario and Quebec?
6. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class.
7. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to s. 29 of the *Class Proceedings Act, 1992* and shall be implemented in accordance with its terms.
8. **THIS COURT DECLARES** that the Settlement Agreement is incorporated by reference into and forms part of the Order.

9. **THIS COURT ORDERS** that putative Settlement Class Members may opt out of the Proceedings in accordance with the terms of the Settlement Agreement, up to and including the date which is sixty (60) days from the date of the first publication of the Notice of Certification and Settlement Approval.
10. **THIS COURT ORDERS** that any potential Settlement Class Member who has opted out of this action by submitting a properly completed opt-out form to the Claims Administrator within sixty (60) days following the first publication of the Notice of Certification and Settlement Approval, is not bound by the Settlement Agreement and may no longer participate in any continuation or settlement of this action.
11. **THIS COURT ORDERS AND DECLARES** that each Settlement Class Member shall be deemed to have consented to the dismissal of any Other Actions he, she or it has commenced against the Releasees, without costs and with prejudice.
12. **THIS COURT ORDERS AND DECLARES** that each Other Action commenced in Ontario by any Settlement Class Member is dismissed against the Releasees, without costs and with prejudice.
13. **THIS COURT ORDERS AND DECLARES** that the Order, including the Settlement Agreement, is binding upon the representative plaintiff and each Settlement Class Member, including those persons who are minors or mentally incapable, and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with in respect of this action.

14. **THIS COURT ORDERS AND DECLARES** that each Releasor has released and shall be conclusively deemed to have forever and absolutely released the Releasees from the Released Claims.
15. **THIS COURT ORDERS** that each Releasor shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasees or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.
16. **THIS COURT ORDERS AND DECLARES** that each Releasee forever and absolutely releases each of the other Releasees from any and all claims for contribution or indemnity with respect to the Released Claims.
17. **THIS COURT ORDERS** that all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought by any person or party, against a Releasee, are barred, prohibited and enjoined (unless such claim is made in respect of a claim by a person who has validly opted out of the Settlement Class).
18. **THIS COURT ORDERS** that this action be dismissed against the Defendants without costs and with prejudice.

19. **THIS COURT ORDERS** that the Distribution Protocol, attached hereto as Exhibit "B" is hereby approved pursuant to s. 26 of the *Class Proceeding Act, 1992* and shall be implemented in accordance with its terms.
20. **THIS COURT ORDERS** that the Notice of Certification and Settlement Approval to class members is hereby approved in substantially the form attached hereto as Exhibit "C".
21. **THIS COURT ORDERS** that the method of disseminating the Notice of Certification and Settlement Approval, as set out in the Method of Dissemination attached hereto as Exhibit "D", is hereby approved.
22. **THIS COURT ORDERS** that the firm of Neal Pallet and Townsend be appointed as Claims Administrator to administer the settlement funds in accordance with the terms of the Settlement Agreement and the Distribution Protocol.

Date:

---

The Honourable Justice

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

**ORDER**  
(Certification and Settlement Approval)

**Siskinds LLP**  
Barristers & Solicitors  
680 Waterloo Street  
P.O. Box 2520  
London, ON N6A 3V8

Charles M. Wright LSUC # 36599Q  
Andrea DeKay LSUC # 43818M  
Tel: (519) 672-2121  
Fax: (519) 672-6065

**Harrison Pensa LLP**  
450 Talbot Street  
London, ON N6A 4K3

Jonathan Foreman  
Telephone: (519) 661-6775  
Facsimile: (519) 667-3362

Solicitors for the Plaintiff

**SCHEDULE "E"**

**SUPERIOR COURT**

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC**

**NO : 200-06-000061-062**

**DATE :** \_\_\_\_\_

---

**THE HONOURABLE \_\_\_\_\_, J.S.C.**

---

**JOACHIM LAFERRIÈRE ÉLECTRICIEN INC.**  
*Petitioner*

-and-

**CASCADES GROUPE PAPIERS FINS INC. & ALS**  
*Respondents*

---

**JUDGMENT**

---

- [1] This motion made by Petitioner seeks *inter alia* the approval of a settlement agreement with Cascades Groupe Papiers Fins Inc., Papiers Coast Ltée, Domtar inc. and Unisource Canada, Inc. (the «Respondents»);
- [2] On reading the materials filed, including the settlement entered into with the Respondents (the "Settlement Agreement") attached to this Judgment as Exhibit «P-1», and on hearing the submissions of counsel for the Plaintiff and counsel for the Respondents:
- [3] **FOR THESE REASONS, THE COURT:**
- [4] **GRANTS** the present Motion;
- [5] **ORDERS AND DECLARES** that for the purposes of this Judgment the definitions set out in the Settlement Agreement apply to and are incorporated into this Judgment;



200-06-000061-062

[6] **AUTHORIZES** the bringing of a class action with respect to Cascades Groupe Papiers Fins Inc., Papiers Coast Ltée, Domtar inc. et Unisource Canada, Inc. for settlement purposes only;

[7] **GRANTS** the status of representative to Joachim Laferrière, for the purpose of bringing the said class action for settlement purposes only for the benefit of the following Settlement Class:

All individuals, as well as any legal persons established for a private interest, partnership or association which, at all times between January 1, 2000 and December 31, 2000, had under its direction or control no more than 50 persons bound to it by a contract of employment, who purchased Carbonless Paper Sheets Products in Quebec during the Claim Period, except the Excluded Persons.

[8] **DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class;

[9] **ORDERS** that the Settlement Agreement is hereby approved pursuant to section 1025 of the *Code of Civil Procedure* and shall be implemented in accordance with its terms;

[10] **DECLARES** that the Settlement Agreement is incorporated by reference into and forms part of this Judgment;

[11] **ORDERS** that putative Settlement Class Members may opt out of the Proceeding in accordance with the terms of the Settlement Agreement, up to and including the date which is sixty (60) days from the date of the first publication of the Notice of Certification and Settlement Approval;

[12] **ORDERS** that any potential Settlement Class Member who has opted out of this action by submitting a properly completed opt-out form to the Claims Administrator within sixty (60) days following the Notice of Certification and Settlement Approval, is not bound by the Settlement Agreement and may no longer participate in any continuation or settlement of this action;

[13] **ORDERS AND DECLARES** that each Settlement Class Member shall be deemed to have consented to the dismissal of any Other Actions he, she or it has commenced against the Releasees, without costs and with prejudice;

[14] **ORDERS AND DECLARES** that each Other Action commenced in Québec by any Settlement Class Member is hereby dismissed against the Releasees, without costs and with prejudice.

[15] **ORDERS AND DECLARES** that this Judgment, including the Settlement Agreement, is binding upon each Settlement Class Member;

[16] **ORDERS AND DECLARES** that each Releasor has released and shall be conclusively deemed to have forever and absolutely released the Releasees from the Released Claims;

200-06-000061-062

- [17] **ORDERS** that each Releasor shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasees or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto;
- [18] **ORDERS AND DECLARES** that each Releasee forever and absolutely releases each of the other Releasees from any and all claims for contribution or indemnity with respect to the Released Claims;
- [19] **ORDERS** that all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought by any person or party, against a Releasee, are barred, prohibited and enjoined (unless such claim is made in respect of a claim by a person who has validly opted out of the Settlement Class);
- [20] **ORDERS** that the Distribution Protocol, attached hereto as Exhibit «P-2» is hereby approved and shall be implemented in accordance with its terms;
- [21] **ORDERS** that the Notice of Certification and Settlement Approval to class members is hereby approved in substantially the form attached hereto as Exhibit «P-3»;
- [22] **ORDERS** that the method of disseminating the Notice of Certification and Settlement Approval, as set out in the Method of Dissemination attached hereto as Exhibit «P-4», is hereby approved;
- [23] **ORDERS** that the firm of Neal Pallet and Townsend be appointed as Claims Administrator to administer the settlement funds in accordance with the terms of the Settlement Agreement and the Distribution Protocol.

\_\_\_\_\_, J.S.C.

**Me Simon Hébert**  
**SISKINDS, DESMEULES, AVOCATS**  
43, rue De Buade, bureau 320  
Québec (Québec) G1R 4A2  
Procureurs du requérant

**Me Madeleine Renaud**  
**McCARTHY, TÉTRAULT**  
1000, rue De La Gauchetière Ouest  
Bureau 2500  
Montréal (Québec) H3B 4S8  
Procureurs de Cascades Groupe Papiers Fins inc.

200-06-000061-062

**Me Nick Rodrigo**

**DAVIES WARD PHILLIPS & VINEBERG**

1501, Avenue McGill College, 26<sup>ème</sup> étage

Montréal (Québec) H3A 3N9

Procureurs de Unisource Canada, Inc.

**Me Lucie Pariseau**

**OGILVY RENAULT**

500, Grande Allée Est, 2<sup>e</sup> étage

Québec (Québec) G1R 2J7

Procureurs de Domtar inc.

## SCHEDULE "F"

### NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING IN THE MATTER OF CARBONLESS PAPER SHEETS CLASS ACTION LITIGATION

**PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.**

**TO: All persons who purchased Carbonless Paper Sheets Products in Ontario during the period of October 1, 1999 to September 30, 2000 and all persons who purchased Carbonless Paper Sheets Products in Quebec during the period of January 1, 2000 to December 31, 2000, except the Defendants, or directors, officers, employees, subsidiaries or affiliates of each Defendant, and the entities in which each Defendant or any of their subsidiaries or affiliates have a controlling interest.**

Carbonless Paper Sheets means carbonless paper sheets of all sizes and configurations in multiply or multiple format that, by virtue of chemical coatings on their front and back, are used to transfer images. Carbonless Paper Sheets Products means Carbonless Paper Sheets and any products that contain or include Carbonless Paper Sheets, including forms and receipts manufactured by commercial parties.

#### **I. THE PURPOSE OF THIS NOTICE**

Class proceedings lawsuits have been initiated in Ontario and Quebec against Cascades Fine Papers Group Inc./Cascades Groupe Papiers Fins Inc., Coast Paper Limited/Papier Coast Limitée, Domtar Inc. and Unisource Canada, Inc. (collectively the "Defendants"), in which it is alleged that the Defendants agreed to unduly prevent or lessen competition in respect of the sale of Carbonless Paper Sheets in Ontario and Quebec (collectively the "Proceedings").

A settlement has been reached with the Defendants. The Defendants have agreed, in exchange for a full release of claims against them relating to the Proceedings, to pay **Cdn \$2,950,000.00** into a settlement fund (the "Settlement Fund"). The Settlement Fund will be held in trust by Siskinds<sup>LLP</sup> until the Settlement Agreement and the Distribution Protocol have been approved by the Ontario and Quebec Courts, after which the Settlement Fund will be transferred to the Claims Administrator for payment in accordance with the Distribution Protocol. The Settling Defendants do not admit liability. The settlement is a compromise of disputed claims.

A motion to approve the settlement entered into between the Plaintiffs and the Defendants will be heard by the Ontario Court in the City of London on [date] at 10:00 a.m. and the Superior Court of Quebec in Quebec City on [date] at 10:00 a.m.

Settlement Class Members who do not oppose the proposed settlement need not appear at the hearings or take any other action at this time to indicate their desire to participate in the settlement.

Settlement Class Members are entitled to appear and make submissions at the hearings with respect to the settlement. If you wish to comment on or make an objection to the settlement, a written submission must be delivered to the appropriate Class Counsel at the addresses listed below by [date] or, regarding the Quebec proceedings, by [date]. Class Counsel will forward all such submissions to the appropriate Court. All filed written submissions will be considered by the appropriate Court. If you do not file a written submission by [date] or, regarding the Quebec proceeding by, [date], you will not be entitled to participate, through oral submissions or otherwise, in the settlement approval hearings. If the settlement receives Court approval, further notices will be published to advise of such Court approval.

## II. COMPENSATION PLAN

Under the terms of the Distribution Protocol, the total settlement fund, \$2,950,000.00, plus interest and less deductions for class counsel fees and disbursements, notice and administration costs, will be allocated to the settlement class.

55% of the settlement fund will be used to directly compensate Settlement Class Members who purchased Carbonless Paper Sheets in Ontario or Quebec from the Defendants. 10% of the settlement fund will be used to directly compensate Settlement Class Members who purchased Carbonless Paper Sheets in Ontario or Quebec from non-Defendants. 35% of the settlement fund will be paid to selected charitable organizations for the general benefit of Settlement Class Members who are not otherwise eligible for direct compensation under the terms of the Distribution Protocol.

A complete copy of the Distribution Protocol is available at [www.classaction.ca](http://www.classaction.ca).

## III. OPTING OUT OF THE PROCEEDINGS

At the settlement approval hearing, the Plaintiff intends to ask the Court to approve terms whereby you will be bound by the terms of the settlement, if approved, unless you "opt out". The deadline and procedure for opting out, and the effect of doing so, will be reviewed at the hearing, and those details will be available in a further notice to be published after the settlement is approved by the Court.

## IV. CLASS COUNSEL

The law firm of Siskinds<sup>LLP</sup> and Harrison Pensa<sup>LLP</sup> represents class members in Ontario as well as corporations of more than 50 employees in Quebec. Ontario Class Counsel can be reached toll free at 1-800-461-6166 ext. 7753 or by mail at 680 Waterloo Street, London, Ontario N6A 3V8 Attention: Charles Wright. Harrison Pensa<sup>LLP</sup> can be reached at 1-800-263-0489 ext. 775 or by mail to 450 Talbot Street, London, Ontario, N6A 4K3 Attention: Jonathan Foreman.

The law firm of Siskind Desmeules s.e.n.c.r.l. represents individuals and corporations of 50 or less employees who are class members in Quebec. Quebec Class Counsel can be reached at 418-694-2009 or by mail at Les promenades du Vieux-Quebec, 43 rue De Buade, bureau 320, Quebec City, QC G1R 4A2, Attention: Me Simon Hébert.

Class Counsel legal fees and disbursements must be approved by the Courts. Class Counsel will collectively be requesting legal fees of up to 25% of the Settlement Fund, plus disbursements and applicable taxes, all to be paid out of the Settlement Fund.

#### V. **QUESTIONS ABOUT THE SETTLEMENT**

If you would like a copy of the settlement agreement or have questions, please call the appropriate Class Counsel. This notice contains only a summary of the settlement and class members are encouraged to review the entire settlement agreement. A copy of the settlement agreement can be obtained free of charge at [www.classaction.ca](http://www.classaction.ca). A copy of the settlement agreements can also be mailed to you at a cost of \$10, which represents the cost of photocopying and mailing. **INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT.**

#### VI. **INTERPRETATION**

This notice contains a summary of some of the terms of the settlement. If there is a conflict between the provisions of this notice and the settlement agreement, including the appendices to the settlement agreement, the terms of the settlement agreement shall prevail.

---

**THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR  
COURT OF JUSTICE AND THE SUPERIOR COURT OF QUEBEC**

## SCHEDULE "G"

### NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL IN THE MATTER OF CARBONLESS PAPER SHEETS CLASS ACTION LITIGATION

**PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.**

**TO: All persons who purchased Carbonless Paper Sheets Products in Ontario during the period of October 1, 1999 to September 30, 2000 and all persons who purchased Carbonless Paper Sheets Products in Quebec during the period of January 1, 2000 to December 31, 2000, except the Defendants, or directors, officers, employees, subsidiaries or affiliates of each Defendant, and the entities in which each Defendant or any of their subsidiaries or affiliates have a controlling interest.**

Carbonless Paper Sheets means carbonless paper sheets of all sizes and configurations in multi- or multiple format that, by virtue of chemical coatings on their front and back, are used to transfer images. Carbonless Paper Sheets Products means Carbonless Paper Sheets and any products that contain or include Carbonless Paper Sheets, including forms and receipts manufactured by commercial parties.

#### **I. THE PURPOSE OF THIS NOTICE**

Class proceedings lawsuits have been initiated in Ontario and Quebec against Cascades Fine Papers Group Inc./Cascades Groupe Papiers Fins Inc., Coast Paper Limited/Papier Coast Limitée, Domtar Inc. and Unisource Canada, Inc. (collectively the "Defendants"), in which it is alleged that the Defendants agreed to unduly prevent or lessen competition in respect of the sale of Carbonless Paper Sheets in Ontario and Quebec (collectively the "Proceedings").

A single Settlement Agreement (the "Agreement") has been reached with the Defendants. This notice is to advise you of the Agreement and to inform you of your rights as a class member under the Agreement. You will be bound by the terms of the Agreement unless you exclude yourself by opting out of the Agreement. Opting out is explained below.

The action was certified and the Agreement approved by the Courts in Ontario and Quebec on [date] and [date] respectively. The fees, disbursements and taxes of class counsel, as approved by the Court, are [amount].

#### **II. THE SETTLEMENT AGREEMENT**

The Defendants have agreed, in exchange for a full release of claims against them relating to the Proceedings, to pay Cdn \$2,950,000.00. The Defendants do not admit any wrongdoing or liability on their part. The Agreement represents a compromise of disputed claims. The Proceedings were certified as a class proceeding on consent against the Defendants for the purpose of settlement only.

### III. COMPENSATION PLAN

Under the terms of the Distribution Protocol, the total settlement fund, \$2,950,000.00, plus interest and less deductions for class counsel fees and disbursements, notice and administration costs, will be allocated to the settlement class as follows:

1. 55% of the settlement fund will be used to compensate Settlement Class Members who purchased Carbonless Paper Sheets in Ontario from the Defendants between Oct. 1, 1999 and Sept. 30, 2000 or in Quebec from the Defendants between Jan. 1, 2000 and Dec. 31, 2000. Settlement Class Members may be entitled to up to \$0.15 per dollar spent on Carbonless Paper Sheets although this amount may be reduced depending on the number of eligible claims submitted.
2. 10% of the settlement fund will be used to compensate Settlement Class Members who purchased Carbonless Paper Sheets in Ontario from non-Defendants between Oct. 1, 1999 and Sept. 30, 2000 or in Quebec from non-Defendants between Jan. 1, 2000 and Dec. 31, 2000. Settlement Class Members may be entitled to up to \$0.03 per dollar spent on Carbonless Paper Sheets although this amount may be reduced depending on the number of eligible claims submitted.
3. 35% of the settlement fund will be paid to selected charitable organizations for the general benefit of Settlement Class Members who are not otherwise eligible for direct compensation under the terms of the Distribution Protocol.

To be eligible for direct compensation, Settlement Class Members must submit a completed Claim Form together with the required supporting documentation, as outlined in the Claim Form. The Claim Form must be mailed by [date] to:

CARBONLESS PAPER SHEETS LITIGATION CLAIMS ADMINISTRATOR  
c/o [name company]  
[address]

### VI. OPTING OUT OF THE PROCEEDINGS

If you would like to exclude yourself from the Proceedings, you can opt out by submitting a written request to be excluded to the Claims Administrator. Your request should include the following information:

- (a) your full name, current address, and telephone number;
- (b) to the extent applicable, the previous name(s) under which you purchased Carbonless Paper Sheets from the Defendants;
- (c) the name(s) of each entity from whom you purchased Carbonless Paper Sheets; and
- (d) information in your possession concerning the purchase price paid by you for Carbonless Paper Sheets.



The request for exclusion must be mailed by [date] to:  
CARBONLESS PAPER SHEETS LITIGATION CLAIMS ADMINISTRATOR  
c/o [name company]  
[address]

If a Class Member does not timely and properly opt out of the Agreement or does not timely and properly file a claim form with the Claims Administrator, he or she will be forever barred from receiving any benefits under the Agreement, and from instituting or continuing any action against the Defendants and/or Released Parties related to the price-fixing of Carbonless Paper Sheets.

## VII. FURTHER INFORMATION

Complete copies of the Settlement Agreement and the Distribution Protocol as well as instructions on how to obtain a Claim Form or Opt Out Form are available on Class Counsel's website at [www.classaction.ca](http://www.classaction.ca). To obtain a paper copy of the Claim Form necessary to file a claim for settlement benefits or an Opt Out Form necessary to opt out of the Agreement, please call the Claims Administrator at 1-866-432-5534.

The laws firm of Siskinds<sup>LLP</sup> and Harrison Pensa<sup>LLP</sup> represent class members in Ontario as well as corporations of more than 50 employees in Quebec. Ontario Class Counsel can be reached toll free at 1-800-461-6166 ext. 7753 or by mail at 680 Waterloo Street, London, Ontario N6A 3V8 Attention: Charles Wright. Harrison Pensa<sup>LLP</sup> can be reached at 1-800-263-0489 ext. 775 or by mail to 450 Talbot Street, London, Ontario, N6A 4K3 Attention: Jonathan Foreman.

The law firm of Siskinds Desmeules s.e.n.c.r.l. represents individuals and corporations of 50 or less employees who are class members in Quebec. Quebec Class Counsel can be reached at 418-694-2009 or by mail at Les promenades du Vieux-Quebec, 43 rue De Buade, bureau 320, Quebec City, QC G1R 4A2, Attention: Me Simon Hébert.

If there is a conflict between the provisions of this Notice and the Agreement and any of its appendices, the terms of the Agreement shall prevail.

---

**THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR  
COURT OF JUSTICE AND THE SUPERIOR COURT OF QUEBEC**