

SETTLEMENT AGREEMENT

Made as of the 23rd day of October, 2009

Between

PETER GRAY

- and -

GREAT-WEST LIFE CO INC. and
CANADA LIFE FINANCIAL CORPORATION

RECITALS

A. WHEREAS the Action has been commenced by the Plaintiff in Manitoba Court of Queen's Bench alleging that the Defendants did not satisfy their statutory, common law and fiduciary obligations to the Plaintiff and Class Members to notify Class Members of the Consideration to which they were entitled as a result of the Transaction or to provide that Consideration to Class Members;

B. WHEREAS the Defendants do not admit, through the execution of this Settlement Agreement or otherwise, any allegation of unlawful conduct contained in the Action;

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

D. WHEREAS the Plaintiff, Class Counsel and the Defendants agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the Defendants or evidence of the truth of any of the Plaintiff's allegations against the Defendants, which allegations the Defendants expressly deny;

E. WHEREAS 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 it in the Action, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

F. WHEREAS the Parties therefore wish to, and hereby do, subject to the approval of the Court, finally resolve the Action without admission of liability;

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

Action as a class proceeding and have consented to a Class and a Common Issue in the Action;
and

H. WHEREAS the Plaintiff asserts that he is an adequate class representative for the Class and will seek to be appointed representative plaintiff in the Action;

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 Action be settled and dismissed on the merits with prejudice as to the Defendants, without costs as to the Plaintiff, the class he seeks to represent or the Defendants, subject to the approval of the Court, on the following terms and conditions:

SECTION 1 - DEFINITIONS

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

- (1) *Action* means Manitoba Court of Queen's Bench File No. CI 08-01-57010 (Winnipeg Centre).
- (2) *Address of Record* means, in relation to a Class Member, the address entry maintained by Montreal Trust or Computershare for purposes of mailings relating to the Class Member's shareholdings in CLFC or Lifeco.
- (3) *Advanced Search Process* means secondary direct searches, conducted by individual researchers employed by the Search Firm, of the in-house and proprietary databases of the Search Firm for Missing Class Members that the Search Firm is not able to locate through the Initial Search Process.
- (4) *Approval Hearing* means the hearing of the Plaintiff's motion for the Approval Order.
- (5) *Approval Notice* means the short form (for newspaper publication) and long form of notice agreed upon by the Parties or approved by the Court for the purpose of providing Class Members with detailed information regarding: (i) the certification of the Action as a class

proceeding for settlement purposes; (ii) the Court's approval of this Settlement Agreement; and (iii) the manner in which and time within which Class Members may submit a claim or opt out.

(6) **Approval Order** means the order or judgment issued by the Court, substantially in the form set out in Schedule "A" hereto, for the purpose of: (i) certifying the Action as a class proceeding; (ii) approving this Settlement Agreement; (iii) authorizing the disclosure and use of the Identifying Information in accordance with this Settlement Agreement; and (iv) dismissing the Action with prejudice.

(7) **Authorized Personal Representative** includes an estate trustee or executor, trustee in bankruptcy and holder of a power of attorney for property.

(8) **Certificated Shareholder** means a shareholder of CLFC whose shares were represented by one or more physical share certificates registered in the name of the shareholder.

(9) **CLAC** means The Canada Life Assurance Company, a wholly owned subsidiary of CLFC.

(10) **Claimant** means a person who applies for compensation pursuant to this Settlement Agreement.

(11) **Claim Decision** means the Defendants' decision in relation to a claim for compensation pursuant to this Settlement Agreement.

(12) **Claim Form** means the form approved by the Court by which a Claimant applies for compensation pursuant to this Settlement Agreement.

(13) **Claim or Opt-Out Deadline** means the date four months after the Notice Implementation Date.

(14) **Class or Class Members** means all persons who were registered shareholders of CLFC as of March 26, 2003 to whom the Transaction Notice was not mailed, or to whom the Transaction Notice was mailed but the Letter of Election was not mailed, in either case because mail addressed to the person had previously been returned to Computershare by the relevant public postal authority as undeliverable or because there was no Address of Record in respect of the person, other than (i) those who made an election as contemplated by the Letter of Election and

(ii) CDS & Co. (CDS Clearing and Depository Services Inc.) or CEDE & Co. (The Depository Trust & Clearing Corporation).

(15) *Class Counsel* means Siskinds LLP and Tapper Cuddy LLP.

(16) *Class Counsel Fees* means the fees, disbursements, costs or charges of Class Counsel, including the fees of any experts, consultants or investigators, incurred in connection with prosecuting the Action, as approved by the Court, together with GST and other applicable taxes.

(17) *CLFC* means Canada Life Financial Corporation, a wholly owned subsidiary of Lifeco.

(18) *CLFC Dividends* means any dividends declared by CLFC to which a Class Member is entitled as a result of the Class Member's holdings of common shares of CLFC.

(19) *Common Issue* means: Did either or both Defendants breach any statutory, fiduciary or common law duty owed to the Plaintiff and/or Class Members by failing to take reasonable steps to notify Class Members of their entitlement to the Consideration or to provide the Consideration to Class Members, or by failing to pay any interest or other sums to Class Members with respect to the Consideration, and if so are the Plaintiff and/or Class members entitled to compensation?

(20) *Computershare* means Computershare Trust Company of Canada or Computershare Investor Services Inc.

(21) *Consideration* means any cash, Series E Shares (together with any accrued dividends) or Series F Shares (together with any accrued dividends) to which a shareholder of CLFC was entitled (in the case of a Certificated Shareholder, without regard to the requirement to provide a letter of transmittal and surrender the shareholder's CLFC share certificates) as a result of the Transaction.

(22) *Court* means the Manitoba Court of Queen's Bench.

(23) *Defendants* means Lifeco and CLFC.

(24) *Demutualization* means the conversion of CLAC from a mutual insurance company to a stock life insurance company that occurred on November 4, 1999.

(25) **Effective Date** means the earlier of: (i) the date upon which the period for appeal from the Approval Order, if an appeal lies therefrom, has expired without any appeal being taken, namely, 30 days after the issuance of the Approval Order; or (ii) if an appeal has been taken from the Approval Order, the date upon which such appeal is concluded by way of a Final order or judgment.

(26) **Electronic Database** means the electronic database referred to in section 3.1(2).

(27) **Final** when used in relation to:

(a) this Settlement Agreement, means that the Effective Date has passed; or

(b) a court order or judgment, means that all rights of appeal from such order or judgment, if any appeal lies, have expired, or have been exhausted and the ultimate court of appeal to which an appeal (if any) was taken has upheld the order or judgment.

(28) **Identifying Information** means the name, address, social insurance number (or equivalent) and date of birth of a Missing Class Member.

(29) **Initial Mailing** means the mailing of the Approval Notice to Class Members.

(30) **Initial Search Process** means reasonable electronic searches, conducted by the Search Firm of its in-house and proprietary databases, to update the Missing Class Members' address information for the purpose of locating Missing Class Members, to the extent that they have not been located through other means.

(31) **Letter of Election** means the document dated May 6, 2003 enclosing the document entitled "Letter of Election Form for Holders of Ownership Statements Representing Common Shares of Canada Life Financial Corporation" or, for Certificated Shareholders, the document entitled "Letter of Election and Transmittal Form to Accompany Certificates Representing Common Shares of Canada Life Financial Corporation."

(32) **Level 1 Settlement Benefits** means the Settlement Benefits payable to Class Members who are not entitled to Level 2 Settlement Benefits.

(33) **Level 2 Settlement Benefits** means the Settlement Benefits payable to a Class Member:

- (a) in relation to whom CLAC, at the time it provided addresses to Montreal Trust to establish Addresses of Record, had either a documented change of address request or an application form or similar document specifying a new address, and therefore had a more current address than that which it provided to Montreal Trust;
- (b) in relation to whom CLFC or Computershare, at the date of the mailing of the Transaction Notice, had either a documented change of address request or an application form or similar document specifying a new address, and therefore had a more current address than that reflected in the Address of Record, but failed to send the Transaction Notice to the more current address; or
- (c) who was entitled to shares of CLFC as a consequence of Demutualization and in relation to whom CLAC did not provide a current address to Montreal Trust at the time it provided addresses to Montreal Trust to establish Addresses of Record because mail addressed to the person had previously been returned to CLAC by the relevant public postal authority as undeliverable or because the records of CLAC disclosed no address for the person, and in relation to whom, at any time after Demutualization, CLAC or one of the Defendants had either a documented change of address request or an application form or similar document specifying a new address, and therefore had a more current address, but did not advise Montreal Trust or Computershare of the more current address,

with the result that the Transaction Notice was not mailed to the Class Member, or the Transaction Notice was mailed but the Letter of Election was not mailed to the Class Member.

(34) **Lifeco** means Great-West Lifeco Inc.

(35) **Mailing Firm** means the firm or firms retained by the Parties to conduct the Initial Mailing and subsequent mailings to Class Members in relation to this Settlement Agreement.

(36) **Missing Class Member** means any Class Member who has not received as of the date of this Settlement Agreement all of the Consideration to which the Class Member was entitled as at the date of the Transaction.

(37) **Montreal Trust** means Montreal Trust Company of Canada.

(38) **Notice Implementation Date** means a date agreed by the Parties or approved by the Court as the Notice Implementation Date for purposes of this Settlement Agreement, which date shall be determined so as to be as proximate as possible to the Initial Mailing while permitting the Approval Notice to specify the Claim and Opt Out Deadline.

(39) **Opt-Out Form** means the form approved by the Court which must be completed and timely submitted to Class Counsel by a Class Member in order for the Class Member to exclude himself, herself, or itself from the Class.

(40) **Parties** means the Plaintiff and the Defendants.

(41) **Plaintiff** means Peter Gray.

(42) **Plan of Notice** means the plan attached hereto as Schedule "B", or such other plan as may be approved by the Court, for the purpose of disseminating the Pre-Approval Notice and the Approval Notice.

(43) **Policyholder Guide** means the Policyholder Guide to Demutualization dated July 8, 1999.

(44) **Pre-Approval Motion** means the motion brought by the Plaintiff before the Court for the Pre-Approval Order.

(45) **Pre-Approval Notice** means the notice to the Class of the Approval Hearing substantially in the form set out in Schedule "C" hereto, as may be amended and approved by the Court.

(46) **Pre-Approval Order** means an order, substantially in the form set out in Schedule "D" hereto, setting the date for the Approval Hearing and authorizing publication of the Pre-Approval Notice.

(47) *Previously Located Class Member* means any Class Member who is not a Missing Class Member.

(48) *Quebec Action* means Quebec Superior Court File No. 200 06-000118-094 (District of Quebec) between Claude Émilien Tremblay (requérant) and Lifeco and CLFC (intimées).

(49) *Referee* means a suitable person nominated by the Parties and appointed by the Court to review Claim Decisions.

(50) *Released Claims or Released Claim* 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, and liabilities of any nature whatsoever, including interest, costs, expenses, penalties, Class Counsel Fees and lawyers' 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 as against the Releasees, relating in any way to the Consideration or the CLFC Dividends (including for greater certainty, in the case of a Missing Class Member who has not made a timely claim for Settlement Benefits, any claim to or rights in the Consideration or the CLFC Dividends), the failure of the Defendants to provide the Transaction Notice or to take reasonable steps to provide the Consideration or the CLFC Dividends to Class Members, or any conduct alleged (or which could have been alleged) in the Action, including, without limitation, any such claims which have been asserted or could have been asserted, whether in Canada, the United Kingdom, Ireland, the United States of America or elsewhere, as a result of the failure of the Defendants to provide the Transaction Notice or to take reasonable steps to provide the Consideration or the CLFC Dividends to Class Members, excepting only a claim for enforcement of this Settlement Agreement.

(51) *Releasees* means, jointly and severally, individually and collectively, the Defendants and all of their present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, 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, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing.

(52) **Releasors** means, jointly and severally, the Plaintiff, the Class Members who have not opted out of the Action, including any person having a legal and/or beneficial interest in the Consideration to which those Class Members were entitled, their respective heirs, executors, administrators, successors and assigns, and in relation to Class Members that are corporations, their respective present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, 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, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing.

(53) **Request for Review** means the form approved by the Court by which a Claimant or Class Counsel applies for review of a Claim Decision by a Referee.

(54) **Search Firm** means the firm retained by the Parties to conduct searches to locate Missing Class Members.

(55) **Series E Shares** means the 4.80% Non-Cumulative First Preferred Shares, Series E, in the capital of Lifeco or, if these shares are redeemed, the consideration in relation to these shares arising from the redemption.

(56) **Series F Shares** means the 5.90% Non-Cumulative First Preferred Shares, Series F, in the capital of Lifeco.

(57) **Settlement Agreement** means this agreement, including the Recitals and Schedules hereto.

(58) **Settlement Benefits** means the benefits provided for in section 2 of this Settlement Agreement.

(59) **Transaction** means the July 10, 2003 transaction whereby Lifeco acquired all of the common shares of CLFC.

(60) **Transaction Notice** means the Notice of the Special Meeting of Shareholders of CLFC dated March 22, 2003.

SECTION 2 - SETTLEMENT BENEFITS

2.1 Eligibility

The Defendants shall provide benefits to eligible Class Members or their Authorized Personal Representatives for all claims submitted on or before the Claim or Opt-Out Deadline that are verified and accepted in accordance with the terms of this Settlement Agreement.

2.2 Level 1 Settlement Benefits

A Class Member who is not entitled to Level 2 Settlement Benefits and who timely files a Claim Form will be entitled to receive the following:

- (a) to the extent not already paid, full payment of the cash portion of the Consideration to which the Class Member was entitled;
- (b) to the extent not already paid, full payment of the CLFC Dividends to which the Class Member was entitled;
- (c) to the extent not already received, the Series E or Series F Shares allocated to the Class Member as a result of the Transaction;
- (d) to the extent not already paid, simple interest at 1.1985% per annum on the amounts payable to the Class Member under section 2.2(a) and (b), for the period from July 15, 2003 until June 1, 2004; and
- (e) to the extent not already paid, simple interest at 3.5% per annum on the amounts payable to the Class Member under sections 2.2(a) and (b), for the period from the later of June 1, 2004 and the date that these amounts were payable to the Class Member to the date that payment is or was made to the Class Member.

2.3 Level 2 Settlement Benefits

(1) A Class Member who is entitled to Level 2 Settlement Benefits and who timely files a Claim Form will be entitled to receive the following:

- (a) to the extent not already paid, full payment of the cash portion of the Consideration to which the Class Member was entitled;

- (b) to the extent not already paid, full payment of the CLFC Dividends to which the Class Member was entitled;
- (c) to the extent not already received, the Series E or Series F Shares allocated to the Class Member as a result of the Transaction;
- (d) to the extent not already paid, simple interest at 4.5% per annum on the Amounts payable to the Class Member under section 2.3(1)(a) and (b), calculated from July 15, 2003 to the date that payment is or was made to the Class Member;
- (e) to the extent not already reimbursed, and to the extent that the Class Member failed to timely report to a governmental taxing authority for income tax purposes the capital gain deemed to have been realized by the Class Member on completion of the Transaction because the Transaction Notice or the Letter of Election was not mailed to the Class Member, any interest and/or other penalties paid or payable by the Class Member to a governmental taxing authority as a consequence of the failure to report and remit on a timely basis;
- (f) reimbursement of any accounting or other financial services fees, to a maximum of CAD\$500.00 plus any applicable taxes, paid or payable by the Class Member in relation to any advice or assistance provided to the Class Member regarding any interest and/or other penalties paid or payable by the Class Member as referred to in section 2.3(1)(e).

2.4 Certificated Shareholders

Any Class Member who was a Certificated Shareholder shall, as condition of receiving Settlement Benefits, surrender the Class Member's CLFC share certificates to the Defendants or provide an affidavit of loss and surety bond in a form to be agreed by the Parties or approved by the Court.

2.5 Exchange Rates

The cash portion of any Settlement Benefits payable to a Class Member residing in the United Kingdom, Ireland or the United States of America shall be paid in local currency, and shall be converted from Canadian dollars to local currency using exchange rates based on the

purchases of foreign currency in the market made in respect of the Transaction or, in the case of dividends, on Bank of Canada noon rates on the record date of each dividend.

2.6 Costs of Implementation of Settlement Agreement

In addition to the payment of Settlement Benefits, the Defendants shall be solely responsible to pay the following costs reasonably arising in the implementation of this Settlement Agreement:

- (a) the costs of disseminating the Pre-Approval Notice and the Approval Notice pursuant to the Plan of Notice;
- (b) the costs of gathering and formatting the Identifying Information for delivery to the Search Firm;
- (c) the costs of the Initial Search Process pursuant to section 3.2(1), including the fees of the Search Firm, which shall not exceed \$20.00, plus applicable taxes, for each Missing Class Member in relation to whom searches are conducted;
- (d) the costs of the Initial Mailing and any subsequent mailings to Class Members, including the fees of the Mailing Firm, pursuant to section 3.3; and
- (e) the costs of claims administration, pursuant to section 4, including the fees of the Referee.

SECTION 3 – SEARCH FOR MISSING CLASS MEMBERS

3.1 Compilation of Identifying Information

(1) Upon execution of this Settlement Agreement, the Defendants shall make or cause to be made electronic searches of the electronically searchable records of the Defendants, CLAC and Computershare in order to locate any Identifying Information that is reasonably obtainable through electronic searches of those records.

(2) The Defendants shall compile the Identifying Information located through the searches referred to in section 3.1(1), except any Identifying Information in relation to Missing Class Members that have been located through other means, in the Electronic Database (fixed-length or

comma-delimited ASCII (text) file) organized into fields satisfactory to the Search Firm, acting reasonably.

(3) Immediately upon the Court issuing an Approval Order, the Defendants shall provide the Electronic Database to the Search Firm and Class Counsel.

(4) Upon delivery of the Electronic Database to the Search Firm, the Defendants shall report to Class Counsel detailing the steps undertaken by the Defendants to identify and locate the Identifying Information and the results of the process undertaken.

(5) On or before the Notice Implementation Date, the Defendants shall provide Class Counsel with a statement indicating, to the extent it can reasonably be determined, the value of the Consideration and CLFC Dividends to which each Class Member was entitled at the date of the Transaction.

3.2 Search for Missing Class Members

(1) International Genealogical Search Inc. shall be retained by the Parties as the Search Firm.

(2) The Search Firm shall commence the Initial Search Process immediately upon receiving the Electronic Database, and shall complete the Initial Search Process within four weeks.

(3) The Search Firm shall conduct the Advanced Search Process in respect of any Missing Class Members it is unable to locate through the Initial Search Process, except to the extent that they have been located through other means.

(4) The Search Firm shall be compensated for the Advanced Search Process by way of a payment approved by the Court, not to exceed the lesser of \$200.00, plus applicable taxes, or 20% of the Settlement Benefits accruable to the Missing Class Member, for each Missing Class Member who is located through the Advanced Search Process and who files a Claim Form. The Search Firm's fees for locating a Missing Class Member through the Advanced Search Process shall be payable from the Settlement Benefits payable in respect of the located Missing Class Member.

3.3 Mailing to Class Members

(1) Upon completion of the Initial Search Process, the Search Firm shall provide to the Mailing Firm, in an electronic database in a format satisfactory to the Mailing Firm and organized into fields satisfactory to the Mailing Firm, acting reasonably, a list of names and addresses of the Missing Class Members located through the Initial Search Process, for the purposes of conducting the Initial Mailing.

(2) At the same time, the Defendants and Class Counsel shall provide to the Mailing Firm, in an electronic database in a format satisfactory to the Mailing Firm and organized into fields satisfactory to the Mailing Firm, acting reasonably, a list of names and addresses of Previously Located Class Members and of any Missing Class Members who have been located otherwise than through the Initial Search Process, for the purposes of conducting the Initial Mailing.

(3) As soon as reasonably possible after receiving the lists referred to in section 3.3(1) and (2), the Mailing Firm shall conduct the Initial Mailing. The Initial Mailing shall include copies of the Approval Notice, the Claim Form and the Opt-Out Form.

(4) To the extent that the Defendants receive undeliverable returned mail, the Defendants shall promptly advise the Search Firm and Class Counsel of the names and addresses of Missing Class Members whose mail was returned. The Search Firm shall immediately thereafter commence the Advanced Search Process for such Missing Class Members.

(5) As Missing Class Members are located through the Advanced Search Process, the Search Firm will provide the Mailing Firm with the new information located in respect of the Missing Class Members, and the Mailing Firm shall send them as soon as reasonably possible copies of the Approval Notice, Claim Form and Opt-Out Form.

3.4 Confidentiality of Class Members' Information

Any information provided by the Defendants in connection with this Settlement Agreement 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 implementing this Settlement Agreement in accordance with its terms. Any agreements and/or orders appointing the Search Firm and Mailing Firm shall include reasonable and appropriate terms limiting the use

of such information and requiring the maintenance of its confidentiality, and reasonable and appropriate indemnities in the event of any failure to maintain its confidentiality.

SECTION 4 – CLAIMS ADMINISTRATION

4.1 Submission of Claims

(1) A claim for Settlement Benefits may be made by a Class Member or by the Authorized Personal Representative of a Class Member on behalf of the Class Member.

(2) A Claimant shall submit a Claim Form to Class Counsel, at the address specified in the Claim Form, by mail post-marked, or e-mail or fax sent, on or before the Claim or Opt-Out Deadline.

(3) The Claim Form shall give the Claimant the option of applying for Level 1 Settlement Benefits or Level 2 Settlement Benefits.

(4) A Claimant claiming the Level 2 Settlement Benefits provided for by section 2.3(1)(e) shall provide a document issued by the relevant taxing authority establishing the interest and/or any other penalties paid or payable by the Class Member in relation to the Transaction as referred to in section 2.3(1)(e) and quantifying the interest and/or other penalties for which compensation is sought.

(5) A Claimant claiming the Level 2 Settlement Benefits provided for by section 2.3(1)(f) shall provide an invoice, account statement or other similar document establishing eligible accounting or other financial services fees paid or payable by the Class Member and quantifying the accounting or other financial services fees for which compensation is sought.

(6) A Claimant shall enter in or include with the Claim Form all other information and documents required by the Claim Form that are reasonably available to the Claimant.

(7) Upon receipt of the Claim Form, Class Counsel may review the Claim Form and contact the Claimant to address any deficiencies in the Class Form. Class Counsel may assist the Claimant in ensuring that the Claim Form is fully and accurately completed and that any required supporting documents are enclosed with the Claim Form.

(8) Class Counsel shall promptly, and in any event no later than 10 days from the date on which they receive a fully completed Claim Form, forward the originals of the Claim Form and any supporting documents to the Defendants, at the address specified by the Defendants.

4.2 Claim Decisions

(1) Within 120 days of the Claim or Opt-Out Deadline, the Defendants shall review each Claim Form submitted, any supporting documents provided with the Claim Form and, to the extent necessary, their records and the records of CLAC and Computershare in relation to the Claimant, in order to make a Claim Decision determining the following issues:

- (a) whether the Claimant is a Class Member or the authorized personal representative of a Class Member;
- (b) if the Claimant has applied for Level 2 Settlement Benefits, whether, and the extent to which, entitlement to Level 2 Settlement Benefits has been established;
- (c) the amounts, if any, payable under section 2.2(a) and (b) or section 2.3(1)(a) and (b) of this Settlement Agreement, and if some or all of these amounts have already been paid, the date of payment; and
- (d) any other Settlement Benefits to which the Claimant is entitled.

(2) The Defendants shall send the Claim Decision to the Claimant and Class Counsel by ordinary mail within 45 days of making the Claim Decision. Where a Claim has been rejected in whole or in part, the Claims Decision shall include a brief explanation of the basis for the Claim Decision and information explaining the right of the Claimant to seek a review of the Claim Decision in accordance with section 4.4 of this Settlement Agreement and the manner in which that right may be exercised.

(3) The Defendants shall, at the same time as they send the Claim Decision to the Claimant, provide to the Claimant, subject to section 4.2(4), the Settlement Benefits to which the Claimant is entitled based on the Claim Decision.

(4) Before paying any Settlement Benefits to a Class Member, the Defendants shall deduct:
(i) any amounts payable to the Search Firm in accordance with section 3.2(3) for locating a

Missing Class Member through the Advanced Search Process; and (ii) any amounts authorized by the Court to be deducted with respect to Class Counsel Fees, which amounts will be held in trust by Class Counsel pending the motion by Class Counsel for approval of Class Counsel Fees.

(5) The times set out in section 4.2(1), (2) and (3) may be extended by agreement of the Parties or order of the Court. In considering the appropriateness of an extension, the Parties or the Court shall take into account the number of claims submitted, the timing of their submission and the time reasonably required to review them and make Claim Decisions.

4.3 Review of Claim Decisions

(1) Where the Claimant is dissatisfied with a Claim Decision, the Claimant or, at the request of the Claimant, Class Counsel may seek a review of the Claim Decision by a Referee by submitting a Request for Review to the address specified in the Request for Review, by mail post-marked, or e-mail or fax sent, within 30 days of the mailing of the Claim Decision.

(2) The review shall be conducted as expeditiously as possible, and in accordance with rules agreed by the Parties or approved by the Court. The rules shall provide that the review shall be based on written materials alone.

(3) The decision of the Referee shall be final and binding on the Parties and the Class Member.

(4) The Defendants shall promptly provide to the Claimant, subject to section 4.2(4), any further Settlement Benefits required to be provided as a result of the decision of the Referee.

4.4 Payment Pending Approval Order

(1) Pending the Approval Order, the Defendants shall continue to pay to Class Members who identify themselves to the Defendants and/or Class Counsel, to the extent not already paid, the cash portion of the Consideration and any CLFC Dividends to which the Class Member was entitled.

(2) The Defendants shall not seek or obtain a binding release relating to the matters raised by the Action from any Class Members who identify themselves and are paid in accordance with section 4.4(1) pending the Approval Order.

SECTION 5 – RELEASES AND DISMISSALS

5.1 Release of Releasees

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

5.2 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.

5.3 No Further Litigation

The Releasors and Class Counsel shall not on or after the Effective Date institute, continue, maintain or assert, either directly or indirectly, whether in Canada, the United Kingdom, Ireland, the United States of America 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 Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

5.4 Disposition of the Actions

- (3) The Action shall be dismissed with prejudice and without costs as against the Defendants.
- (4) The Plaintiffs shall cause the Quebec Action to be discontinued without costs as against the Defendants within 30 days of the Effective Date.

SECTION 6 – COURT APPROVALS

6.1 Best Efforts

- (1) 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 Action.
- (2) The Parties shall hold in abeyance all proceedings in the Action, other than the motions provided for in this Settlement Agreement, until the date this Settlement Agreement becomes Final, or the termination of this Settlement Agreement, whichever occurs first.