

**CANADIAN IKO ORGANIC SHINGLE CLASS ACTION
NATIONAL SETTLEMENT AGREEMENT**

Made as of January 13, 2017

Between

KEVIN BARWIN
(the “Representative Plaintiff”)

and

**IKO INDUSTRIES LTD., CANROOF CORPORATION INC.,
and I.G. MACHINE & FIBERS LTD.**
(the “Defendants”)

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**CANADIAN IKO ORGANIC SHINGLE CLASS ACTION
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RECITALS

A. WHEREAS the Proceedings were commenced by the Plaintiffs in Ontario, Alberta and Quebec alleging that the Defendants manufactured, distributed, marketed and/or sold IKO Organic Shingles in Canada that were defective and prone to premature failure, and made misrepresentations about the quality and characteristics of IKO Organic Shingles;

B. WHEREAS the Ontario Action was certified as a national class proceeding under the Ontario *Class Proceedings Act* pursuant to the Certification Order on behalf of the Class;

C. WHEREAS the Defendants do not admit, through the execution of this Settlement Agreement or otherwise, any allegation of unlawful or otherwise actionable conduct alleged in the Proceedings or otherwise and in fact deny any such allegations;

D. WHEREAS the Plaintiffs, 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 Releasees or evidence of the truth of any of the Plaintiffs' allegations against the Releasees, which allegations are expressly denied by the Defendants;

E. WHEREAS the Defendants assert that IKO is a multi-generational long time designer and manufacturer of shingles, IKO Organic Shingles are designed and manufactured to produce quality roofing materials and IKO is committed to providing products of good value to customers, and the Defendants are entering into this Settlement Agreement to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation and in order to achieve a final and nation-wide resolution of all claims asserted or which could have been asserted against the Releasees by the Plaintiffs and the Class in the Proceedings;

F. WHEREAS the Defendants do not hereby attorn to the jurisdiction of the Ontario Court or any other court or tribunal in respect of any civil, criminal or administrative process except to the extent they have previously done so in the Proceedings and as is expressly provided in this Settlement Agreement with respect to the Proceedings;

G. WHEREAS as a result of these settlement discussions and negotiations, the Defendants and the Representative Plaintiff have entered into this Settlement Agreement, which embodies all of the terms and conditions of the settlement between the Defendants and the Representative Plaintiff, on behalf of himself and the Class he represents, subject to approval of the Ontario Court, and, if necessary, the Quebec Court;

H. WHEREAS the Representative 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 Representative Plaintiff's and Class Members' claims, having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, and having regard to the value of the Settlement Agreement, the Representative Plaintiff and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Representative Plaintiff and the Class he represents;

I. WHEREAS the Parties therefore wish to and hereby finally resolve on a national basis, without admission of liability, the Proceedings as against the Defendants;

J. WHEREAS this Settlement Agreement is not intended to and does not amend, derogate from, enhance, or otherwise change Future IKO Warranty Claims benefits available pursuant to the strict express written terms of the Applicable IKO Limited Warranty, or the administration or processing of same except to the limited extent expressly provided for in Section 5.1 herein; and the Settlement Benefits contained in this Settlement Agreement are intended to be completely separate from the benefits available pursuant to the IKO Warranty Claims Process;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Plaintiffs and Defendants agree that the Ontario Action be settled and dismissed with prejudice, the Alberta Action be terminated with prejudice and without reservation, and the Quebec Action be terminated with prejudice and without reservation in a manner provided for herein, all without costs as to the Plaintiffs, the Class or the Defendants, subject to approval of the Ontario Court, and, if necessary, the Quebec Court, on the terms and conditions herein:

Section 1 - Definitions

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

- (1) ***Alberta Action*** means the action pending before the Alberta court under the style of cause *Brenda Davies v IKO Industries Ltd et al*, Court of Queen's Bench, Calgary (Court File No. 1001-00132).
- (2) ***Applicable IKO Limited Warranty*** means the relevant IKO written limited warranty published by IKO for each Class Member's particular IKO Organic Shingles which provides specific benefits for a manufacturing defect that results in leaks on the terms and conditions set forth therein.
- (3) ***Approved Bundles*** means the number of bundles of IKO shingles offered in full and final settlement of an IKO Warranty Claim as set out in an IKO Offer/Release.
- (4) ***Certification Order*** means the order of the Ontario Court dated October 24, 2012 in respect of the certification of the Class under the *Class Proceedings Act*.
- (5) ***Claims Administrator*** means the firm proposed by Class Counsel and appointed by the Ontario Court to administer the Settlement Amount and Settlement Claims Process in accordance with the provisions of this Settlement Agreement, and any employees of such firm.
- (6) ***Class*** means all Persons that own, have owned, lease, or have leased, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased, buildings, homes, residences, or any other structures located in Canada that contain or have ever contained IKO Organic Shingles.
- (7) ***Class Counsel*** means Siskinds LLP.
- (8) ***Class Counsel Fees*** include the fees, disbursements, costs, interest, and/or charges of Class Counsel, and any GST, HST and other applicable taxes or charges thereon, including any amounts payable by Class Counsel or the Class Members as a result of the Settlement Agreement to any other body or Person, including the Fonds d'aide aux actions collectives in Quebec.

- (9) ***Class Member*** means a member of the Class who did not opt-out of the Ontario Action, in accordance with the terms of the Notice Order and the Order of Justice Baltman dated September 29, 2014 relating to opt-outs.
- (10) ***Class Proceedings Act*** means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended, S.O. 2006, c. 19.
- (11) ***Counsel for the Defendants*** means Blake, Cassels & Graydon LLP.
- (12) ***Date of Execution*** means the date on the cover page as of which the Representative Plaintiff and Defendants have executed this Settlement Agreement.
- (13) ***Defendants*** means IKO Industries Ltd., Canroof Corporation Inc., and I.G. Machine & Fibers Ltd.
- (14) ***Effective Date*** means the date when: (i) a Final Ontario Order has been received from the Ontario Court approving this Settlement Agreement; (ii) a Final Quebec Order has been received from the Quebec Court; and (iii) the requirements of Section 2.4 have been satisfied.
- (15) ***Electronic Field Data*** means data entered in the fields of the electronic database maintained by IKO as part of its IKO Warranty Claims Process (for greater certainty, it does not include any electronic files attached to entries in the database).
- (16) ***Eligible Settlement Claimant(s)*** shall have the meaning attributed to it in Section 4.1.
- (17) ***Excluded Persons*** means each Defendant, the directors and officers of each Defendant, the subsidiaries or affiliates of each Defendant, the entities in which each Defendant or any of that Defendant's subsidiaries or affiliates have a controlling interest and the legal representatives, heirs, successors and assigns of each of the foregoing.
- (18) ***Final Ontario Order*** means a final judgment entered by the Ontario Court approving this Settlement Agreement, either once the time to appeal such judgment has expired without any appeal being taken if an appeal lies, or, if an appeal is taken, once there has been affirmation of the approval of this Settlement Agreement upon a final disposition of all appeals.

(19) ***Final Quebec Order*** means a final judgment entered by the Quebec Court, either enforcing the Final Ontario Order or authorizing the Quebec Action as a class proceeding for settlement purposes only and approving this Settlement Agreement, once the time to appeal such judgment has expired without any appeal being taken if an appeal lies, or, if an appeal is taken, once there has been affirmation of the enforcement or authorization and settlement approval order upon a final disposition of all appeals.

(20) ***Final Settlement Claims Filing Deadline*** means the last deadline for Class Members to apply for Settlement Benefits pursuant to Section 5.5 and participate in the final payment pursuant to Section 6.5, which deadline shall be December 31, 2023.

(21) ***Future IKO Warranty Claims*** means IKO Warranty Claims in relation to a problem with IKO Organic Shingles discovered after April 28, 2016 and received by IKO after May 28, 2016.

(22) ***IKO*** means the Defendants both individually and collectively.

(23) ***IKO Offer/Release*** means a letter issued by IKO offering some form of benefit to an IKO Warranty Claimant in response to an IKO Warranty Claim under the terms of the Applicable IKO Limited Warranty.

(24) ***IKO Organic Shingles*** means shingles manufactured by or on behalf of IKO Industries Ltd., Canroof Corporation Inc., or I.G. Machine & Fibers Ltd. with a felt reinforcement base material that is saturated with asphalt, also known as “organic” roofing shingles, manufactured during the period from 1979 to 2010 whether sold under the names: Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Superplus, Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Chateau Ultra Shadow (laminated organic), Cathedral XL, Crowne 30, or otherwise.

(25) ***IKO Warranty Claim*** means a claim for warranty benefits pursuant to an Applicable IKO Limited Warranty.

(26) ***IKO Warranty Claimant*** means a Person who submits an IKO Warranty Claim Form to apply for warranty benefits from the Defendants pursuant to an Applicable IKO Limited Warranty.

(27) ***IKO Warranty Claim Form*** means the form that Persons must use to apply for warranty benefits from the Defendants pursuant to an Applicable IKO Limited Warranty.

(28) ***IKO Warranty Claims Process*** means the steps taken by IKO to process IKO Warranty Claims, including the determination of whether and to what extent any such claims are approved or denied.

(29) ***Initial Settlement Claims Filing Deadline*** means the deadline for Class Members to apply for Settlement Benefits pursuant to Section 5.5 and participate in the initial payment pursuant to Section 6.4, which deadline shall be four (4) months after the first publication of the Notice of Approval.

(30) ***Interior Damage*** means water damage requiring repair or replacement of materials below the Roof Deck of the relevant structure, beyond repainting and/or drywall repair, as a result of a leak of water through the IKO Organic Shingles and Roof Deck.

(31) ***Net Settlement Fund*** means the Settlement Amount, plus accrued interest, less: (i) Class Counsel Fees as approved by the Ontario Court; (ii) the cost of disseminating the Notice of Hearing and Notice of Approval; (iii) the costs of the Claims Administrator; and (iv) taxes (including interest and penalties) accruable with respect to the income earned on the Settlement Amount.

(32) ***Notice of Approval*** means the notice referred to in Section 10.1(3).

(33) ***Notice of Hearing*** means the notice referred to in Section 10.1(1).

(34) ***Notice Order*** means the Order of Justice Baltman dated October 25, 2013 approving the notice of certification and the plan for disseminating the notice.

(35) ***Objection Deadline*** means the deadline for Class Members to object to or otherwise provide their views regarding the Settlement Agreement, which deadline will be set in accordance with Section 11(2) herein.

(36) ***Ontario Action*** means the action pending before the Ontario Court under the style of cause *Kevin Barwin v IKO Industries Ltd et al*, Ontario Superior Court of Justice, Brampton (Court File No. CV-09-00005758-CP).

(37) **Ontario Court** means the Ontario Superior Court of Justice.

(38) **Opt-Out Threshold** means the threshold agreed upon by the Representative Plaintiff and Defendants in Schedule “A” hereto, delivered to the Ontario Court (and if necessary, Quebec Court) under seal and kept confidential by the Representative Plaintiff, the Defendants and the Courts.

(39) **Other Actions** means actions or proceedings, excluding the Proceedings, relating to Released Claims commenced in any court in Canada by a Class Member either before or after the Effective Date, including those commenced in the small claims courts of any province or territory.

(40) **Parties** means the Defendants, the Plaintiffs, and the Class Members.

(41) **Person** means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity and their heirs, predecessors, successors, representatives, or assignees.

(42) **Plaintiffs** means the Representative Plaintiff, Claude Beaudet (the petitioner in the Quebec Action), and Brenda Davies (the plaintiff in the Alberta Action).

(43) **Proceedings** mean the Ontario Action, the Alberta Action and the Quebec Action.

(44) **Quebec Action** means the putative class action pending before the Quebec Court under the style of cause *Claude Beaudet v IKO Industries Ltd et al*, Quebec Superior Court, Quebec District (Court File No. 200-06-000130-115).

(45) **Quebec Court** means the Quebec Superior Court, Quebec District.

(46) **Released Claims** means any and all manner of claims, demands, actions, suits, causes of action (including Other Actions), whether class, individual or otherwise in nature, whether personal or subrogated, for damages of any kind (including compensatory, punitive or other damages) whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, penalties, and lawyers’ fees (including Class Counsel Fees), known or unknown,

suspected or unsuspected, asserted or unasserted, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity, relating in any way to any conduct anywhere, from the beginning of time to the date hereof, which the Releasors ever had, now have or may in the future have against the Releasees in respect of any alleged product defect, breach of contract, breach of warranty, breach of consumer protection legislation, invalidity of warranty, invalidity or restricted scope of release, or any other claim relating to alleged design or manufacturing or other defects of IKO Organic Shingles, and/or in respect of any alleged misrepresentations (express or implied) regarding the durability, longevity, quality or any other characteristics of IKO Organic Shingles in Canada, and/or relating to any conduct alleged (or which was previously or could have been alleged) in the Proceedings including, without limitation, any such claims which have been asserted or could have been asserted directly or indirectly, whether in Canada or elsewhere, including without limitation, any claims relating to the purchase, sale, marketing or distribution of IKO Organic Shingles in Canada, the failure or condition of IKO Organic Shingles, Interior Damage, or consequential, subsequent or follow-on harm that has arisen prior to or that arises after the date hereof in respect of any conduct or omission that occurred prior to the date hereof in relation to IKO Organic Shingles sold in Canada. However, nothing herein shall be construed to release: (i) any claims for bodily or personal injury; (ii) any claims against a Class Member's roofer or other installer relating solely to improper installation of IKO Organic Shingles, or other similar claims against Persons other than the Releasees that are completely unrelated to the design, manufacture and sale of IKO Organic Shingles and representations or alleged misrepresentations made by the Defendants (and where the claim against the Person is limited to its/his/her several liability, so that no claim is made against a Releasee for contribution and/or indemnity); (iii) claims relating to IKO Organic Shingles sold and installed on roofs outside of Canada, including those claims being pursued as part of the U.S. Litigation; and (iv) Future IKO Warranty Claims by individual Class Members under, but only to the extent allowed by the strict express written terms of, the Applicable IKO Limited Warranty including for greater certainty any action brought in a Canadian court, including a small claims court, arising from a denial by IKO of any such Future IKO Warranty Claims.

(47) ***Releasees*** means, jointly and severally, individually and collectively, the Defendants and all of their present, future and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, suppliers, distributors, vendors and assigns, and all other Persons,

partnerships or corporations with whom any of the former have been, or are now, affiliated or related, and all of 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.

(48) ***Releasors*** means, jointly and severally, individually and collectively, the Representative Plaintiff and the Class Members and all of their present, future and former, direct and indirect parents, subsidiaries, divisions, affiliates, partners and assigns, and all other Persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives, and the predecessors, successors, purchasers, heirs, executors, administrators, insurers and assigns of each of the foregoing, all where applicable.

(49) ***Representative Plaintiff*** means Kevin Barwin.

(50) ***Roof Deck*** means the layer of material (usually plywood or other similar material) installed on the roof trusses.

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

(52) ***Settlement Amount*** means CDN \$7,500,000.

(53) ***Settlement Benefits*** means the benefits to which Eligible Settlement Claimants are entitled under the terms of this Settlement Agreement.

(54) ***Settlement Claimant*** means a Class Member who submits a Settlement Claim Form under the terms of this Settlement Agreement.

(55) ***Settlement Claim*** means a claim filed by a Class Member to apply for Settlement Benefits pursuant to Section 5.5.

(56) ***Settlement Claim Decision*** means the decision made by the Claims Administrator in accordance with Section 5.6(8)-(12).

(57) ***Settlement Claim Form*** means the form agreed upon by the Representative Plaintiff and the Defendants and approved by the Ontario Court for use by Class Members in making

Settlement Claims pursuant to Section 5.5 and requesting the information required pursuant to Section 5.5(4)-(6)

(58) ***Settlement Claims Process*** means the steps taken by the Claims Administrator to process Settlement Claims under this Settlement Agreement, including the determination of whether and to what extent such Settlement Claims are approved or denied.

(59) ***Settlement Claim Value*** means the value of an Eligible Settlement Claimant's claim calculated in accordance with Section 6.3.

(60) ***Settlement Website*** means the website created and maintained by the Claims Administrator for the purposes of providing information to Class Members regarding the Settlement Agreement and the Settlement Claims Process.

(61) ***Trust Account*** means a guaranteed investment vehicle, liquid money market account or equivalent security with a rating equivalent to or better than that of a Canadian Schedule I bank (a bank listed in Schedule I of the *Bank Act*, S.C. 1991, c. 46) held at a Canadian financial institution under the control of Class Counsel or the Claims Administrator, once appointed, for the benefit of the Class Members or the Defendants, as provided for in this Settlement Agreement.

(62) ***U.S. Litigation*** means the class action proceedings litigated in the United District Court for the Central District of Illinois, under the caption *In re: Iko Roofing Shingle Products Liability Litigation*, 2:09-md-02104, and includes all actions transferred by the Judicial Panel for Multidistrict Litigation for coordination, all actions pending such transfer, and all actions that may be transferred in the future.

Section 2- Settlement Approval

2.1 Best Efforts

(1) The Plaintiffs and Defendants shall use their best efforts to effectuate this settlement and to secure the prompt, complete and final dismissal with prejudice of the Proceedings as against the Defendants.

2.2 Motion Seeking Approval of Notice of Hearing

- (1) The Representative Plaintiff shall bring a motion before the Ontario Court, as soon as practicable after the Date of Execution, for an order approving the Notice of Hearing.
- (2) The order approving the Notice of Hearing shall be in the form attached as Schedule “B”, or such other form as the Representative Plaintiff and Defendants agree to and the Ontario Court approves.

2.3 Motion Seeking Approval of the Settlement

- (1) The Representative Plaintiff shall bring a motion before the Ontario Court for an order approving this Settlement Agreement as soon as practicable after:
 - (a) the order referred to in Section 2.2(2) is granted;
 - (b) sixty (60) days after the first Notice of Hearing has been published; and
 - (c) the Objection Deadline has expired.
- (2) The order approving of this Settlement Agreement shall be substantially in the form attached as Schedule “C” or such other form as the Representative Plaintiff and Defendants agree to and the Ontario Court approves.

2.4 Dismissal of Alberta and Quebec Actions and Recognition Order in Quebec Action

- (1) After the Date of Execution and, in any event, as soon as practical after the order referred to in Section 2.3(2) is granted, the plaintiff in the Alberta Action shall obtain an order from an Alberta judge dismissing the Alberta Action, without costs to any party.
- (2) As soon as practical after the order referred to in Section 2.3(2) is granted, the petitioner in the Quebec Action shall obtain a recognition order in accordance with Sections 507 and 508 of the *Code of Civil Procedure* and the discontinuance of the Quebec Action, without costs to any party. In the event that the Quebec Court declines to grant such an order, the petitioner in the Quebec Action shall obtain an authorization to bring a class proceeding in Quebec, for settlement purposes only, and a settlement approval order in the Quebec Action substantially in accordance with the terms of this Settlement Agreement. Should Quebec authorization and settlement approval be required, and Class Members in Quebec be given a further right to opt out of the

Quebec Action, the Defendants may elect to terminate this settlement in its entirety if the number of new opt outs exceeds the Opt-Out Threshold.

2.5 Effective Date

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

2.6 Pre-Motion Confidentiality

- (1) Until the motion required by Section 2.2 is brought, the Plaintiffs, Class Counsel and Defendants shall keep all of the terms of the Settlement Agreement confidential and shall not disclose them without the prior consent of Counsel for the Defendants and Class Counsel, as the case may be, except as required for Class Counsel, the Defendants or their insurers' purposes of financial reporting or the preparation of financial records (including tax returns and financial statements), as necessary to give effect to the terms of the Settlement Agreement, or as otherwise required by law.

Section 3 - Settlement Amount

3.1 Payment of Settlement Amount

- (1) Within thirty (30) days of the Date of Execution, the Defendants or their insurers shall pay the Settlement Amount into the Trust Account to be held for the benefit of Class Members or the Defendants, as provided for in this Settlement Agreement.
- (2) The Settlement Amount and other consideration to be provided in accordance with this Settlement Agreement shall be provided in full satisfaction of the Released Claims against the Releasees.
- (3) The Settlement Amount shall be all-inclusive of all amounts, including interest, legal and administrative costs and taxes.
- (4) The Releasees 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 or the Proceedings, except as specified in Section 5.2.

3.2 Management of the Trust Account

- (1) Class Counsel or the Claims Administrator shall establish and maintain the Trust Account as provided for in this Settlement Agreement, and shall not pay out all or any part of the monies in the Trust Account, except in accordance with this Settlement Agreement, or in accordance with an order of the Ontario Court obtained after notice to the Defendants.
- (2) Class Counsel or the Claims Administrator shall establish and maintain the Trust Account in a manner that minimizes transactional costs and risks, and maximizes the amount available for distribution to Class Members.
- (3) All reasonable transactional costs associated with maintaining the Trust Account shall be paid from the Trust Account.
- (4) Class Counsel or the Claims Administrator shall keep books of record and account in which complete entries shall be made of all transactions relating to the receipts, disbursements, and investment of the Trust Account, and such books shall be available for inspection at reasonable hours and under reasonable conditions by Class Counsel (if applicable) and the Defendants.
- (5) Class Counsel or the Claims Administrator shall not be liable for any claims, demands or losses (including any investment losses) arising from the maintaining of the Trust Account, except such as may arise through or be caused by Class Counsel or the Claims Administrator's breach of this Settlement Agreement or any wilful misconduct or negligence.

3.3 Taxes and Interest

- (1) Except as hereinafter provided, all interest earned on the Settlement Amount in the Trust Account shall accrue to the benefit of the Class and shall become and remain part of the Trust Account.
- (2) All taxes payable on any interest which accrues on the Settlement Amount in the Trust Account or otherwise in relation to the Settlement Amount shall be paid from the Trust Account.
- (3) Class Counsel or the Claims Administrator is responsible for fulfilling all tax reporting and payment requirements arising from the Settlement Amount in the Trust 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 Trust Account.

(4) Subject to Section 3.3(5), the Defendants shall have no responsibility to make any tax filings relating to the Trust 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 Trust Account.

(5) Notwithstanding Sections 3.3(3) and (4), if this Settlement Agreement is terminated, the interest earned on the Settlement Amount in the Trust Account shall be paid to the Defendants in accordance with Section 7.3 which, in such case, shall be solely responsible for any tax filings and the payment of all taxes on such interest.

Section 4 - Claims to be Compensated by the Settlement Agreement

4.1 Eligible Settlement Claimants

(1) A Settlement Claimant shall be deemed an “Eligible Settlement Claimant” and entitled to Settlement Benefits under this Settlement Agreement if:

- (a) the Settlement Claimant is a member of the Class; and
- (b) the Settlement Claimant files a timely and complete Settlement Claim Form, together with all required supporting documents, in accordance with Sections 5.5 and 5.6; and
- (c) the Settlement Claimant’s IKO Organic Shingles were installed after June 30, 1997; and
- (d) the Settlement Claimant’s claim falls within Section 4.1(2), (3) or (4); and
- (e) the Settlement Claimant otherwise meets the requirements of this Section 4.1.

(2) For the purposes of Section 4.1(1)(d), Settlement Claimants must satisfy the following requirements or the requirements in Section 4.1(3) or 4.1(4):

- (a) after December 18, 2007 and before May 28, 2016, IKO sent an IKO Offer/Release or a Canadian court (including a small claims court) has found that

the Settlement Claimant is entitled to benefits under the terms of the Applicable IKO Limited Warranty, in relation to some or all of the Settlement Claimant's IKO Organic Shingles; and

(b) some or all of the Settlement Claimant's IKO Organic Shingles that were the subject of the IKO Offer/Release or court decision required replacement during the period between the expiration of the "Iron Clad Protection Period" (as described or referenced in the Applicable IKO Limited Warranty) and the deadline provided for in Section 4.1(5); and

(c) the Settlement Claimant falls within one or more of the following scenarios;

(A) the Settlement Claimant was not issued IKO Warranty Claim benefits and the IKO Warranty Claim event was not one of the events identified in Subsection (B) below; or

(B) the Settlement Claimant was not issued IKO Warranty Claim benefits and the IKO Warranty Claim event was:

(1) cracking through the entire shingle; or

(2) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; or

(3) a leak of water through the IKO Organic Shingles and Roof Deck; or

(C) the Settlement Claimant was issued IKO Warranty Claim benefits and the IKO Warranty Claim event was:

(1) cracking through the entire shingle; or

(2) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; or

(3) a leak of water through the IKO Organic Shingles and Roof Deck.

(3) For the purposes of Section 4.1(1)(d), if the Settlement Claimants did not satisfy the requirements of Section 4.1(2), the Settlement Claimants must satisfy the following requirements or the requirements in Section 4.1(4):

- (a) On or after May 28, 2016, IKO sent or sends an IKO Offer/Release or a Canadian court (including a small claims court) finds that the Settlement Claimant is entitled to benefits under the strict express written terms of the Applicable IKO Limited Warranty, in relation to some or all of the Settlement Claimant's IKO Organic Shingles; and
- (b) some or all of the Settlement Claimant's IKO Organic Shingles that were the subject of the IKO Offer/Release or court decision required or require replacement during the period between the expiration of the "Iron Clad Protection Period" (as described or referenced in the Applicable IKO Limited Warranty) and the deadline provided for in Section 4.1(5); and
- (c) the IKO Warranty Claim event is:
 - (A) cracking through the entire shingle; or
 - (B) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; or
 - (C) a leak of water through the IKO Organic Shingles and Roof Deck.

(4) For the purposes of Section 4.1(1)(d), if the Settlement Claimants did not satisfy the requirements of Section 4.1(2) or (3), the Settlement Claimants must satisfy the following requirements:

- (a) The Settlement Claimant submitted an IKO Warranty Claim after December 18, 2007 and that claim was denied by IKO prior to May 28, 2016; and
- (b) The Settlement Claimant has not commenced a court action, based on a denial of IKO Warranty Claim benefits, as of the date of the filing of the motion materials for the motion referred to in Section 2.2; and

- (c) The Settlement Claimant is able to satisfy the Claims Administrator that the facts and circumstances surrounding the IKO Warranty Claim made by the Settlement Claimant were covered by the strict express written terms of the Applicable IKO Limited Warranty; and
- (d) The Settlement Claimant's IKO Organic Shingles required repair or replacement due to:
 - (A) cracking through the entire shingle; or
 - (B) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter.
- (5) For the purpose of Section 4.1(2), (3) and (4) above, the IKO Warranty Claim or court claim relating to the IKO Organic Shingles must have been made on or before:
 - (a) for the following brands: AM Amour Seal 20, Superplus 20, Armour Plus 20, Armour Lock 20, Imperial Seal 20, Superlock 20, Superseal 20, Total 20, and Vista 20, twelve (12) years after application of the applicable IKO Organic Shingles on the Settlement Claimant's roof; and
 - (b) for all other brands, namely: Aristocrat 25, Cathedral 25, Harvard 25, New Englander 25, Quantum 25, Renaissance 25, Royal Victorian 25, Seville 25, Skyline 25, Fast Lock 25, Ultralock 25, Chateau 30/35, and Crowne 30, fifteen (15) years after the application of the applicable IKO Organic Shingles on the Settlement Claimant's roof.
- (6) An Eligible Settlement Claimant who becomes eligible for Settlement Benefits pursuant to Sections 4.1(2)(c)(B)(3), 4.1(2)(c)(C)(3), 4.1(3)(c)(C) or 4.1(2)(4) and does not become ineligible pursuant to Section 4.1(7) can claim compensation for Interior Damage.
- (7) Notwithstanding Sections 4.1(1)-(4), Settlement Claimants are not eligible for benefits under the terms of this Settlement Agreement if any one or more of the following apply:
 - (a) the Settlement Claimant receives or received some IKO Warranty Claim benefits from IKO in relation to the IKO Organic Shingles in question in accordance with

the "Iron Clad Protection", (as described or referenced in the Applicable IKO Limited Warranty);

- (b) the Settlement Claimant's IKO Organic Shingles were installed prior to June 30, 1997; or
- (c) prior to the Effective Date, the Settlement Claimant previously resolved, had resolved and/or otherwise released a claim against one or more of the Defendants in relation to the applicable IKO Organic Shingles by a settlement or court adjudication of a legal claim.

(8) For greater certainty, a Settlement Claimant who was sent an IKO Offer/Release between December 18, 2007 and May 28, 2016, but the Settlement Claimant was not issued IKO Warranty Claim benefits can be an Eligible Settlement Claimant if that Settlement Claimant: (i) satisfies all criteria in Section 4.1(1); (ii) satisfies the criteria in one of Section 4.1(2)(c)(A) or (B); and (iii) does not become ineligible as a result of Section 4.1(7).

(9) If the Settlement Claimant is a former owner of a home, residence, building or other structure on which IKO Organic Shingles are or were installed, the Settlement Claimant shall only be an Eligible Settlement Claimant if the Settlement Claimant: (i) retained from the subsequent property owner the rights and obligations with respect to the IKO Organic Shingles in question pursuant to a written assignment agreement executed contemporaneously with the sale of the property; and (ii) otherwise satisfies all terms of this Settlement Agreement. In these circumstances, the Settlement Claimant must: (i) submit a Settlement Claim Form postmarked on or before the Initial Claims Filing Deadline or, if the sale occurs thereafter, four (4) months after the sale of the property, but no later than the Final Settlement Claims Filing Deadline; and (ii) include evidence of the assignment with the Settlement Claim Form.

(10) If the Settlement Claimant is the current owner of a home, residence, building or other structure on which IKO Organic Shingles are or were installed, the Settlement Claimant shall only be an Eligible Settlement Claimant if: (i) the Settlement Claimant has not assigned to any former property owner the rights and obligations with respect to the IKO Organic Shingles in question; and (ii) the Settlement Claimant otherwise satisfies all terms of this Settlement Agreement.

(11) If a Settlement Claimant receives IKO Warranty Claim benefits for less than all of his or her IKO Organic Shingles on the entire roof and the Settlement Claimant experiences additional damage to IKO Organic Shingles on other portions of the roof not included in the calculation of the IKO Warranty Claim benefits received, the Settlement Claimant can submit further Settlement Claims with respect to IKO Organic Shingles on such other portions of the roof in accordance with and subject to the terms of this Settlement Agreement. For greater certainty, where a Settlement Claimant submitted an IKO Warranty Claim in respect of only a portion of the IKO Organic Shingles on his or her roof, but received IKO Warranty Claim benefits calculated based on a prorated amount of the value of the shingles on the entire roof, the Settlement Claimant cannot submit a further claim under this Settlement Agreement in respect of other portions of the roof. Notwithstanding the foregoing, Settlement Claimants can submit further Settlement Claims in respect of any replacement IKO Organic Shingles provided pursuant to an executed IKO Offer/Release. In such circumstances, for the purposes of determining the applicable deadline pursuant to Section 4.1(5), the time period will begin running from the application of IKO Organic Shingles that were the subject of the initial IKO Warranty Claim (and not the application of the replacement IKO Organic Shingles provided pursuant to the IKO Offer/Release).

(12) Settlement Claimants who previously received or receive compensation as a result of an insurance claim or claim against a builder or other third party relating to IKO Organic Shingles can claim under the Settlement Agreement for the same IKO Organic Shingles, but any compensation payable under the terms of the Settlement Agreement shall be reduced by any amount paid to the Settlement Claimant as a result of such claim.

Section 5- Settlement Claims Process

5.1 Warranty Claims Process

- (1) The Defendants will continue administering the IKO Warranty Claims Process.
- (2) The following processes will be substantially followed by IKO in the IKO Warranty Claims Process until the Final Settlement Claims Filing Deadline:

- (a) The IKO Warranty Claims Process shall be bilingual in nature, including but not limited to the Defendants assigning French-speaking representatives to correspond with French-speaking IKO Warranty Claimants;
- (b) The Defendants will continue to maintain a dedicated toll-free telephone facility in Canada for the purposes of providing information to IKO Warranty Claimants regarding the IKO Warranty Claims Process and, to the extent that IKO Warranty Claimants inquire about the Settlement Agreement or Settlement Claims Process pursuant to the Settlement Agreement, the Defendants will direct the IKO Warranty Claimant to the Settlement Website for more information;
- (c) The Defendants will continue to staff the dedicated toll-free telephone facility with French and English speaking representatives, available to speak with IKO Warranty Claimants weekdays, not including statutory holidays, between at least 9:00am and 4:00pm EST;
- (d) The Defendants will continue to maintain an automated message with relevant information for IKO Warranty Claimants and will allow IKO Warranty Claimants to leave voice messages in the event that a representative is not available to take the call. To the extent that calls are received outside business hours, the automated message shall advise IKO Warranty Claimants to call during business hours in order to speak with a representative or leave a voice message;
- (e) The Defendants will continue to maintain an email address that IKO Warranty Claimants can email with questions regarding the IKO Warranty Claims Process;
- (f) The Defendants will direct their representatives to use reasonable best efforts to respond to any voice messages and emails within two (2) business days;
- (g) The Defendants will post a link to the Settlement Website on the webpage(s) of their website containing information about the IKO Warranty Claims Process (currently <http://iko.com/na/residential/homeowner/canada-warranties> and <http://iko.com/na/fr/residential/homeowner/canada-warranties>). The link shall be

maintained by the Defendants until two months after the Final Settlement Claims Filing Deadline;

- (h) After the Date of Execution, the Defendants will amend the IKO Warranty Claim Form to recommend that IKO Warranty Claimants who are possible Class Members retain a copy of their IKO Warranty Claim Form and any supporting documents or photographs;
- (i) After the order referred to in Section 2.2(2) is granted, the Defendants will amend the “Notice to Class Members” found in the IKO Offer/Release to state as follows:

A settlement has been reached in the class action lawsuit in Canada against certain IKO companies on behalf of all persons that own, have owned, lease, or have leased, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased, buildings, homes, residences, or any other structures located in Canada that contain or have ever contained IKO Organic Shingles. The settlement is subject to the approval of the Ontario Superior Court of Justice. A motion to approve the settlement will be heard on [date].

For further information about the settlement, including the distribution of the settlement funds, please visit www.classaction.ca/iko.

- (j) After the Effective Date, the Defendants will amend the “Notice to Class Members” found in the IKO Offer/Release to state as follows:

A settlement has been reached in the class action lawsuit in Canada against certain IKO companies on behalf of all persons that own, have owned, lease, or have leased, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased, buildings, homes, residences, or any other structures located in Canada that contain or have ever contained IKO Organic Shingles. The settlement was approved by the Ontario Superior Court of Justice.

You might be eligible for additional compensation pursuant to the terms of the class action settlement.

For further information about the settlement, including the distribution of the settlement funds, please visit [the URL for the Settlement Website].

- (k) After the Effective Date, and in the event that IKO feels it has sufficient information to enable it to conclude that the IKO Organic Shingles at issue exhibit a crack through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter, IKO may include one of the following statements, as applicable, in any IKO Offer/Release that it sends to an IKO Warranty Claimant who is also a Class Member:

- (A) “Based on the information provided, IKO has concluded that the IKO Organic Shingles at issue exhibit a crack through the entire shingle.” or
- (B) “Based on the information provided, IKO has concluded that the IKO Organic Shingles at issue exhibit an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter”.

IKO is under no obligation to provide either statement and will have no liability arising from including or failing to include either statement.

- (3) Nothing in this Settlement Agreement, including the provisions of Sections 5.1, 5.2 or 5.3, requires the Defendants to adjudicate IKO Warranty Claims in any specific manner. The Defendants retain their rights to adjudicate IKO Warranty Claims in their sole discretion without any limitation whatsoever and to provide IKO fiberglass shingles to IKO Warranty Claimants in the IKO Warranty Claims Process.

- (4) The Defendants shall maintain a copy of all paper (in electronic form only) and electronic documents or records maintained by them in respect of IKO Warranty Claims submitted by possible Class Members until two years after the Final Settlement Claims Filing Deadline.

5.2 Transitional Payment of IKO Warranty Claims

- (1) Where a Class Member: (i) received a IKO Offer/Release on or after May 28, 2016 and before the Notice of Approval is published; (ii) declined to execute the IKO Offer/Release; and

(iii) provides IKO with the executed IKO Offer/Release within ninety (90) days of the first emailing or mailing of the Notice of Approval:

- (a) if the Class Member has replaced the affected IKO Organic Shingles, the Defendants shall provide a cash payment to the Class Member equivalent to the dollar amount offered (if any) or, if no dollar amount was offered, IKO's standard cash settlement value (\$15 per bundle of shingles offered), for shingles that otherwise would have been provided by Defendants to the Class Member pursuant to the IKO Offer/Release; or
- (b) if the Class Member has not replaced the affected IKO Organic Shingles, the Defendants shall provide the benefits provided for in the IKO Offer/Release, including any bundles of IKO fiberglass shingles so offered.

(2) Any payments or benefits provided for in Section 5.2(1) shall be made by the Defendants in addition to the Settlement Amount in exchange for a release of all claims related to the applicable IKO Organic Shingles, including, without limitation, claims under the strict express written terms of the Applicable IKO Limited Warranty.

(3) The Defendants will keep any offers of settlement made after May 28, 2016 and before the Notice of Approval is published open for acceptance by the Class Member until ninety (90) days of the first emailing or mailing of the Notice of Approval.

5.3 Role of the Defendant in Administering Settlement Claims

(1) The Defendants will have no responsibility for administering Settlement Claims except that they will be responsible for: (i) the provision of claim information in accordance with Sections 5.6(3) and (6); and (ii) the provision of IKO fiberglass coupons in accordance with Section 6.2(1) and (2), if an Eligible Settlement Claimant so elects.

(2) IKO will have no liability for the accuracy or sufficiency of the information and or documentation provided or not provided to the Claims Administrator pursuant to Sections 5.6(3) or 5.6(6).

5.4 Role of the Claims Administrator in Administering Settlement Claims

(1) The Claims Administrator will be responsible for administering Settlement Claims under the Settlement Agreement. Settlement Claims shall be administered and resolved in a neutral, rational, good-faith, responsive, cost-effective, and timely manner. The Claims Administrator can, in its discretion, rely on information provided by the Defendants, but ultimate responsibility for administering and determining Settlement Claims rests with the Claims Administrator.

(2) The Claims Administrator shall have the discretion to enter into such contracts and obtain financial, accounting, technical, and other expert assistance as are reasonably necessary in the implementation of the Settlement Agreement.

(3) The Claims Administrator will ensure that the following guidelines are observed throughout the Settlement Claims Process:

- (a) The Settlement Claims Process shall be bilingual in nature, including but not limited to the Claims Administrator assigning French-speaking representatives to correspond with French-speaking Class Members;
- (b) The Claims Administrator will ensure that a dedicated toll-free telephone facility is operative in Canada for the purposes of providing information to Class Members regarding the Settlement Agreement and the Settlement Claims Process;
- (c) The Claims Administrator will ensure that the dedicated toll-free telephone facility is staffed with representatives who are bilingual in English and French and available to speak with Class Members weekdays, not including statutory holidays, between at least 9:00am and 4:00pm EST;
- (d) The Claims Administrator will create an automated message with relevant information for Class Members and will allow Class Members to leave voice messages in the event that a representative is not available to take the call. To the extent that calls are received outside business hours, the automated message shall advise Class Members to call during business hours in order to speak with a representative or leave a voice message;

- (e) The Claims Administrator will create an email address that Class Members can email with questions regarding the Settlement Agreement and the Settlement Claims Process;
 - (f) The Claims Administrator will direct their representatives to use reasonable best efforts to respond to any voice messages and emails within two (2) business days;
 - (g) The Claims Administrator will create and maintain the Settlement Website. The Settlement Website shall: (i) provide general information about the Settlement Agreement and the Settlement Claims Process; (ii) post key documents relating to the Settlement Agreement, including the Settlement Agreement, the Notice of Approval, and copies of the orders obtained pursuant to Section 2.3 and 2.4 of the Settlement Agreement; (iii) a detailed “frequently asked questions” page; and (iv) state the toll-free number to be maintained in accordance with Section 5.4(3)(b). The Settlement Website shall be available in English and French. The Settlement Website shall be maintained by the Claims Administrator until two (2) months after the last payments are issued in accordance with the terms of this Settlement Agreement;
 - (h) The toll-free telephone facility, email, and Settlement Website shall be operational at the time the first publication of the Notice of Approval; and
 - (i) The specific content and language of the Settlement Website components listed in Section 5.4(3)(g) above shall be agreed to by the Representative Plaintiff and Defendants.
- (4) The Claims Administrator will adopt an electronic process (including an option for Settlement Claimants to file Settlement Claim Forms and other documents required herein electronically through an online portal) where doing so will improve the efficiency of the Settlement Claims Process.

5.5 Submission of Settlement Claims

- (1) Class Members can apply for Settlement Benefits by submitting to the Claims Administrator a properly completed and timely Settlement Claim Form.

(2) Where a Settlement Claimant has received an IKO Offer/Release prior to the Effective Date or wishes to make a Settlement Claim pursuant to Section 4.1(4), the Settlement Claimant must submit a Settlement Claim Form prior to the Initial Settlement Claims Filing Deadline.

(3) Where a Settlement Claimant receives an IKO Offer/Release after the Effective Date, the Settlement Claimant must submit a Settlement Claim Form within sixty (60) days of the date of the IKO Offer/Release.

(4) The Settlement Claim Form shall require the Settlement Claimant to provide: (i) name and contact information, including any related IKO Warranty Claim number; (ii) the address of the building on which the IKO Organic Shingles were installed; (iii) an election of settlement benefit options in accordance with Section 6.2(1), if applicable; (iv) confirmation the claim has not been subsequently assigned or, if assigned to the Settlement Claimant, documentation of the assignment in accordance with Section 4.1(9); (v) disclosure of any compensation received from a third-party in relation to the relevant IKO Organic Shingles; (vi) documents supporting any claim for compensation in connection with a leak of water pursuant to Sections 4.1(2)(c)(B)(3), 4.1(2)(c)(C)(3) or 4.1(3)(c)(C) in accordance with Section 5.5(5), if applicable; (v) documents supporting any claim for compensation for Interior Damage under Section 4.1(6) in accordance with Section 5.5(6); and (vi) for Settlement Claims claiming pursuant to Section 4.1(4), documents supporting such claim in accordance with Section 5.5(7). The Settlement Claim Form shall specify the specific documents, photographs and other information required to support a Settlement Claim.

(5) Where the Settlement Claimant is applying for compensation in connection with a leak of water pursuant to Sections 4.1(2)(c)(B)(3), 4.1(2)(c)(C)(3) or 4.1(3)(c)(C), the Settlement Claimant must provide documentation establishing a leak of water through the IKO Organic Shingles and Roof Deck.

(6) Where the Settlement Claimant is applying for compensation for Interior Damage under Section 4.1(6), the Settlement Claimant must provide: (i) documentation establishing the nature and extent of Interior Damage and that the Interior Damage was a result of a leak through the IKO Organic Shingles and Roof Deck; (ii) contemporaneous documents establishing the amount paid by the Settlement Claimant to repair or otherwise remedy the Interior Damage; and (iii) disclosure of any compensation received from a third-party in relation to the Interior Damage.

(7) Where the Settlement Claimant is applying for compensation pursuant to Section 4.1(4), the Settlement Claimant must provide documentation establishing that the facts and circumstances surrounding the IKO Warranty Claim made by the Settlement Claimant were covered by the strict express written terms of the Applicable IKO Limited Warranty and that the IKO Organic Shingles required repair or replacement due to cracking through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter.

(8) If the postmark on the Settlement Claim Form is not visible or is illegible, the Settlement Claim Form shall be deemed to have been postmarked seven (7) business days before it was received.

(9) The failure to provide a properly completed Settlement Claim Form, along with the necessary supporting documents, may result in the denial of a claim.

(10) The Claims Administrator can request that the Settlement Claimant provide any other information or documents that might be reasonably necessary to assist the Claims Administrator in the evaluation of Settlement Claims, including, but not limited to: (i) any of the items listed in Sections 5.6(3) and 5.6(6); (ii) a copy of the IKO Offer/Release; (iii) if applicable, a copy of the decision of a Canadian court (including a Small Claims Court) finding that the Settlement Claimant is entitled to benefits under the strict express written terms of the Applicable IKO Limited Warranty in relation to some or all of the Settlement Claimant's IKO Organic Shingles; (iv) if executed by the Settlement Claimant, the executed IKO Offer/Release; and (v) for Settlement Claimants who fall within the parameters of Sections 4.1(2)(c)(B) or (C) or 4.1(3)(c) or 4.1(4), contemporaneous documents establishing that the IKO Organic Shingles required or require replacement due to a crack through the entire shingle, an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter, or a leak of water through the IKO Organic Shingles and Roof Deck. Subject to the discretion of the Claims Administrator, an IKO Offer/Release disclosing a crack through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter can be considered contemporaneous documentation.

(11) The Claims Administrator may contact the Settlement Claimant in connection with its processing and evaluation of the Settlement Claim.

(12) The failure of the Settlement Claimant to cooperate with the Claims Administrator in a reasonable manner in providing sufficient information and documents for the Claims Administrator to evaluate the Settlement Claim may result in the denial of the Settlement Claim.

(13) Notwithstanding IKO's agreement to provide the information set out in this Settlement Agreement that may assist the Claims Administrator in the Settlement Claims Process, the burden of demonstrating eligibility for Settlement Benefits remains on the Settlement Claimants at all times.

(14) No materials submitted by any Settlement Claimant will be returned to the Settlement Claimant.

(15) Settlement Claimants are responsible for providing the Claims Administrator with any change of address or updated or revised contact information.

(16) Settlement Claimants cannot utilize third-party claims services or similar services to file Settlement Claims. Where Settlement Claimants utilize third-party claims services or similar services to file Settlement Claims, their Settlement Claims will be treated as deficient and they will be given an opportunity to cure the deficiency in accordance with Section 5.6(4) below. Notwithstanding the foregoing, nothing in this section shall preclude Settlement Claimants from being assisted by personal counsel of their own choosing in the completion of their Settlement Claim Form and pursuit of their Settlement Claims.

5.6 Processing of Settlement Claim Forms

(1) Any communications required in the administration of a Settlement Claim may be sent by email where the Settlement Claimant has provided his/her/its email address.

(2) The Claims Administrator shall provide a monthly report to the Defendants identifying the Settlement Claimants who have filed a Settlement Claim Form.

(3) For each Settlement Claimant identified in the reports prepared by the Claims Administrator pursuant to Section 5.6(2), as soon as reasonably practical, not to exceed thirty (30) days of receipt of the report, the Defendants will undertake a reasonable review of available Electronic Field Data associated with an IKO Warranty Claim file for the Settlement Claimant, if such Electronic Field Data exists, and provide the following information, if found therein, to the

Claims Administrator, which information the Claims Administrator can use at its discretion in the administration of Settlement Claims:

- (a) whether the Settlement Claimant had IKO Organic Shingles;
 - (b) the date the IKO Organic Shingles were installed and the date of the IKO Warranty Claim;
 - (c) whether the Defendants sent an IKO Offer/Release on or after December 18, 2007;
 - (d) for Settlement Claimants who filed an IKO Warranty Claim prior to May 28, 2016, whether the Settlement Claimant signed the IKO Offer/Release;
 - (e) for Settlement Claimants who filed a Settlement Claim Form prior to the Effective Date, whether the Defendants' electronic record codes indicate that the Settlement Claimant's IKO Organic Shingles required replacement due to "cracking" or "granular loss";
 - (f) for Settlement Claimants who filed a Settlement Claim Form after the Effective Date, whether the IKO Offer/Release discloses that IKO has concluded that the Settlement Claimant's IKO Organic Shingles exhibit a crack through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; and
 - (g) the number of Approved Bundles.
- (4) If the Settlement Claim Form and supporting documentation is deficient or missing information and the deficiency or missing information is not remedied through information that is provided by IKO pursuant to Section 5.6(3), the Claims Administrator shall send a deficiency letter to the Settlement Claimant identifying the deficiencies and/or missing information and providing the Settlement Claimant thirty (30) days to cure the deficiencies and/or provide the missing information. The letter shall advise the Settlement Claimant that if the Settlement Claimant does not resolve the identified deficiencies or provide the required further information within thirty (30) days from the date of the letter, the Settlement Claim may be denied. In

advance of the deadline for responding to the deficiency letter, the Settlement Claimant can request a reasonable time extension to respond to the deficiency letter. The Claims Administrator can in its sole discretion decide whether to grant such an extension.

(5) The Claims Administrator shall provide a monthly report to the Defendants identifying the Settlement Claimants who have filed a Settlement Claim Form, been sent a deficiency letter pursuant to Section 5.6(4) and have outstanding deficiencies or missing information after the deficiency period. The reports shall specify the particular information required to cure the deficiency or missing information for each Settlement Claimant.

(6) For each Settlement Claimant identified in the reports prepared by the Claims Administrator pursuant to Section 5.6(5), as soon as reasonably practical, not to exceed ninety (90) days of receipt of the report, the Defendants will undertake a reasonable review of available electronic records associated with an IKO Warranty Claim file for the Settlement Claimant, if such a file exists, and provide the following documents and photographs in electronic form, if found therein, which documents and photographs the Claims Administrator can then use in its discretion in the administration of Settlement Claims:

- (a) an electronic copy of documents provided to IKO by the Settlement Claimant and photographs (whether taken by the Settlement Claimant or IKO) contained in the electronic IKO Warranty Claim file; and/or
- (b) an electronic copy of the IKO Offer/Release.

(7) If the Settlement Claimant does not resolve the identified deficiencies within thirty (30) days from the date of the letter referred to in Section 5.6(4) and the deficiencies cannot be cured by any information provided by IKO pursuant to Sections 5.6(3) or 5.6(6), the Settlement Claim shall be denied, without prejudice to the Settlement Claimant's right to file another Settlement Claim Form in accordance with Section 4.1(11), and the Claims Administrator shall promptly issue a Settlement Claim Decision denying the Settlement Claim.

(8) The Claims Administrator shall review the Settlement Claim Form and any supporting documentation and the information and documentation provided by IKO, if applicable, to determine whether the Settlement Claimant is an Eligible Settlement Claimant and, if so, the

Settlement Claim Value of the Settlement Claimant's Settlement Claim. For the purposes of making this determination, the Claims Administrator can rely on the information contained in the Settlement Claim Form and any information provided by Defendants pursuant to Section 5.6(3) and Section 5.6(6) in exercising its discretion to determine eligibility for Settlement Benefits. For greater certainty, the Claims Administrator is not required to make an independent assessment of the information provided for in Section 5.6(3) above.

(9) Within one hundred and twenty (120) days of receiving the later of (i) a completed Settlement Claim Form; or (ii) any additional information pursuant to Section 5.6(3), (4), and/or (6), the Claims Administrator shall determine the eligibility of the Settlement Claimant and issue a Settlement Claim Decision. Further, within one (1) year of the Initial Settlement Claims Filing Deadline and the Final Settlement Claims Filing Deadline, the Claims Administrator shall determine the eligibility of all Settlement Claimants who filed a Settlement Claim Form on or before the applicable deadline and issue Settlement Claim Decisions.

(10) The Settlement Claim Decision shall disclose: (i) the extent to which the Settlement Claim was approved or rejected; (ii) if rejected, the basis for the rejection; and (iii) if approved (in whole or in part), the number of Approved Bundles and assigned points calculated in accordance with Sections 6.3(2) and the anticipated date of the issuance of the Settlement Benefits to which the Settlement Claimant is entitled pursuant to Section 6.

(11) The Claims Administrator shall send a copy of the Settlement Claim Decision to the Settlement Claimant promptly after making the Settlement Claim Decision.

(12) The Settlement Claim Decision shall be final and binding upon the Settlement Claimant.

(13) The Claims Administrator shall use reasonable diligence to locate Settlement Claimants whose Settlement Claim Decision is returned as undeliverable.

(14) The Defendants will have no liability to Settlement Claimants, Class Members, Class Counsel, Claims Administrator or any other Person arising from the processing of Settlement Claims or any determinations as to eligibility or Settlement Claim Values.

5.7 Costs of Administering Claims

- (1) The costs of the Claims Administrator shall be paid out of the settlement funds in the Trust Account.
- (2) The Defendants shall be solely responsible for all costs incurred by them (and only by them) in fulfilling their obligations contained in Sections 5.1(1), 5.1(2), 5.1(4), 5.2, 5.6(3), 5.6(6), 6.2(2), and 10.2 of this Settlement Agreement.

5.8 Reporting and Audit Rights

- (1) On the first anniversary of the Effective Date, and annually thereafter until one year after the expiration of the Final Settlement Claims Filing Deadline, the Claims Administrator shall provide to Class Counsel a report identifying the Settlement Claimants whose Settlement Claims it has received in the prior twelve (12) months, the approval or denial of those Settlement Claims, and where denied, the basis for the denial.
- (2) Class Counsel shall have the right to audit, on an annual basis, the processing and disposition of Settlement Claims by the Claims Administrator. In connection with such an audit, Class Counsel shall have the right to examine all books and records maintained by the Claims Administrator related to the processing of Settlement Claims, including any Settlement Claim Forms and supporting documents (including any information or documents provided by the Defendants in accordance with Section 5.6(3) or 5.6(6), written correspondence with Settlement Claimants, and written correspondence between the Claims Administrator and the Defendants).
- (3) The Claims Administrator shall maintain a copy of all paper and electronic documents or records maintained by them in respect of Settlement Claims submitted until two years after the Settlement Claims Process is concluded.
- (4) Class Counsel, Counsel for the Defendants and the Claims Administrator, if appropriate, shall meet in person or by telephone conference, as reasonably necessary, to discuss the implementation of this Settlement Agreement and attempt to resolve any concerns of the Parties. If Class Counsel, Counsel for the Defendants and the Claims Administrator, if appropriate, are unable to resolve their concerns in accordance with this section, such disputes shall be resolved in accordance with Section 13.1.

5.9 Confidentiality and Use of Settlement Claimant Information

- (1) Information and documents about individual claims and claims processing is confidential and shall only be disclosed in accordance with the terms of this Settlement Agreement, any order of the Ontario Court, or as otherwise required by the law.
- (2) Information and documents provided by individual Class Members and the Defendants pursuant to the terms of this Settlement Agreement can only be used and disclosed for the purposes of the administration of this Settlement Agreement, except as otherwise ordered by the Ontario Court.

5.10 Ongoing Jurisdiction of Ontario Court

- (1) Notwithstanding any order or provision herein, the Ontario Court shall continue to have sole and exclusive jurisdiction over the Parties in connection with the administration of Settlement Claims pursuant to this Settlement Agreement.

Section 6- Settlement Benefits

6.1 Issuance of Settlement Benefits

- (1) The Claims Administrator shall make payment of Settlement Benefits from the Trust Account in accordance with the terms of this Settlement Agreement.
- (2) If the Claims Administrator determines that the Settlement Claimant is an Eligible Settlement Claimant, subject to further order of the Ontario Court, Settlement Benefits shall be issued pursuant to this Section 6.1.
- (3) Within one (1) year of the Initial Settlement Claims Filing Deadline and Final Settlement Claims Filing Deadline, as applicable, or such other time as agreed by the Claims Administrator, Class Counsel and the Defendants, the Claims Administrator shall provide to Class Counsel and the Defendants a report containing: (i) the number of Settlement Claims received; (ii) the number of Settlement Claims approved, approved in part, and rejected; (iii) the Settlement Claim Value of the approved Settlement Claims, including the number and value of the approved Settlement Claims where the Eligible Settlement Claimant selected IKO fiberglass shingles in lieu of a cash payment; (iv) the calculation of the dollar value of each point in accordance with Sections 6.4(2), 5.5(2) and 6.6(2), as applicable; (v) the proposed distribution in accordance with Sections 6.4,

6.5, and 6.6, as applicable; (vi) the number of Eligible Settlement Claimants who elected IKO fiberglass shingles pursuant to Section 6.2(1) and the number of coupons for IKO fiberglass shingles to be issued as well as the number of bundles of IKO fiberglass shingles for each coupon as calculated pursuant to Section 6.2(1); and (vii) the then current balance of the Trust Account. The Claims Administrator shall on each occasion and on notice to Class Counsel and the Defendants seek directions from the Ontario Court regarding the distributions of the Net Settlement Fund. No payments shall be issued from the Net Settlement Fund until the Claims Administrator has obtained directions from the Ontario Court.

(4) Subject to Section 6.2(2), the Claims Administrator shall issue Settlement Benefits within thirty (30) days of obtaining directions from the Ontario Court in accordance with Section 6.1(3) or such other time as directed by the Ontario Court. The Settlement Benefits shall be issued along with a report setting out the determination of the cash value of the Eligible Settlement Claimant's assigned points in the Settlement Claim Decision issued pursuant to Section 5.6(10).

(5) The Claims Administrator shall use reasonable diligence to locate Settlement Claimants whose Settlement Benefits are returned as undeliverable. Any costs associated with locating a Settlement Claimant and/or reissuing payment to a Settlement Claimant will be deducted from that Settlement Claimant's Settlement Benefits.

6.2 IKO Fiberglass Shingle Option

(1) Eligible Settlement Claimants can elect to receive IKO fiberglass shingles in lieu of some or all of the cash payment they would otherwise have been paid from the Settlement Amount. Where the Eligible Settlement Claimant so elects, the Defendants shall provide the Claims Administrator with coupons to be provided to the Eligible Settlement Claimants that the Eligible Settlement Claimants can use to purchase the appropriate number of bundles of IKO fiberglass shingles from an IKO distributor. The number of bundles will be calculated by dividing that part of the Settlement Claim Value elected to be paid in IKO fiberglass shingles by the amount set out below and rounding to the nearest whole number:

- (a) for Settlement Claims filed before the Initial Settlement Claims Filing Deadline:
\$15.00 per bundle;

- (b) for Settlement Claims filed after the Initial Settlement Claims Filing Deadline and before the Final Settlement Claims Filing Deadline: \$15.00 per bundle plus an additional amount per bundle to reflect the annual measure of inflation of production costs applicable to the IKO fiberglass shingles.

The amount in Section 6.2(1)(b) above will be calculated as of the Final Settlement Claims Filing Deadline in accordance with the Consumer Price Index, Industrial product price index for Canada. The Claims Administrator will calculate the proposed adjustment and provide the proposal to IKO and Class Counsel for consideration and approval. If Class Counsel, Counsel for the Defendants and the Claims Administrator, if appropriate, are unable to agree on the appropriate adjustment, Class Counsel, Counsel for the Defendants and the Claims Administrator, if appropriate, will bring a motion for directions to the Ontario Court.

(2) Where an Eligible Settlement Claimant elected additional IKO fiberglass shingles in accordance with Section 6.2(1), within fifteen (15) days of obtaining directions from the Ontario Court in accordance with Section 6.1(3) or such other time as directed by the Ontario Court, the Defendants shall provide the Claims Administrator with coupons for the IKO fiberglass shingles in the number and value set out in the report delivered pursuant to Section 6.1(3) or any revised distribution as ordered by the Ontario Court. Within fifteen (15) days of receiving the coupons, the Claims Administrator shall issue the Settlement Benefits along with a report and a coupon clearly setting out the number of bundles of IKO fiberglass shingles the Eligible Settlement Claimant can obtain from an IKO distributor and a statement that the coupon is valid for six (6) months from its issue date.

(3) The Defendants shall be paid the equivalent cash amount calculated in accordance with Section 6.2(1) from the Trust Account for each coupon redeemed by an Eligible Settlement Claimant. The Claims Administrator will reserve an amount equal to the total value of the coupons for the IKO fiberglass shingles set out in the report delivered pursuant to Section 6.1(3) or any revised distribution as ordered by the Ontario Court in the Trust Account until six (6) months after issuance of the Settlement Benefits pursuant to Section 6.2(2). From this reserved amount, the Claims Administrator shall pay the equivalent cash amount of each coupon to the Defendants thirty (30) days after being notified by IKO that the coupon has been redeemed by the Eligible Settlement Claimant. In the event that coupons are not redeemed and the equivalent

cash amounts are not paid to the Defendants within six (6) months, the total equivalent cash value of unredeemed coupons shall be added to the Residual Payment Fund.

(4) The Claims Administrator shall use reasonable diligence to locate Eligible Settlement Claimants whose coupons are returned as undeliverable.

6.3 Settlement Claim Value

(1) The Net Settlement fund will be distributed *prorata* (proportionally) based on the assigned Settlement Claim Values expressed in points. For the purposes of determining Eligible Settlement Claimant's *prorata* share of the Net Settlement Fund in accordance with Sections 6.4, 6.5, and 6.6, as applicable, the Eligible Settlement Claimant's Settlement Claim Value will be calculated in accordance with Section 6.3(2) below.

(2) The Settlement Claim Value of each Eligible Settlement Claimant will be determined by assigning one of the following numbers of points:

- (a) For those Eligible Settlement Claimants eligible for Settlement Benefits under Section 4.1(2)(c)(A): Fifteen (15) points per Approved Bundle; or
- (b) For those Eligible Settlement Claimants eligible for Settlement Benefits under Section 4.1(2)(c)(B) or 4.1(4): Forty (40) points per Approved Bundle; or
- (c) For those Eligible Settlement Claimants eligible for Settlement Benefits under Section 4.1(2)(c)(C): Two and a half (2½) points per Approved Bundle to a maximum of \$100 per Eligible Settlement Claimant, to an aggregate maximum of \$250,000; or
- (d) For those Eligible Settlement Claimants eligible for Settlement Benefits under Section 4.1(2)(c)(C)(3): Twenty-five (25) points per Approved Bundle.

(3) For those Eligible Settlement Claimants also eligible for Settlement Benefits under Section 4.1(6): any additional Settlement Claim Value will be determined by assigning one-half (½) point for every \$1.00 in repair or replacement costs in connection with Interior Damage to a maximum of \$500 per Eligible Settlement Claimant, and an aggregate maximum of \$50,000 from each of the Initial Payment Fund and Final Payment Fund.

6.4 Initial Payment

(1) Fifty percent (50%) of the Net Settlement Fund as of the Initial Settlement Claims Filing Deadline, less estimated costs of administering Settlement Claims filed on or before the Initial Settlement Claims Filing Deadline, will be allocated for the purpose of an initial payment of Settlement Benefits to Eligible Settlement Claimants who file a Settlement Claim Form postmarked on or before the Initial Settlement Claims Filing Deadline (the “Initial Payment Fund”).

(2) The Claims Administrator shall calculate the dollar value of each point for the purposes of payments under Section 6.4(1) above by dividing the total amount of the Initial Payment Fund by the aggregate number of points awarded to all Eligible Settlement Claimants who file a Settlement Claim Form postmarked on or before the Initial Settlement Claims Filing Deadline.

(3) Subject to the maximum amounts contained in Sections 6.3(2)(c) and 6.3(3), Eligible Settlement Claimants who submit Settlement Claim Forms postmarked on or before the Initial Settlement Claims Filing Deadline will be paid the dollar value of each point determined in accordance with Section 6.4(2) in cash or, where the Eligible Settlement Claimant so elects, a coupon for a number of bundles of IKO fiberglass shingles calculated in accordance with Section 6.2(1).

(4) If the aggregate caps provided for in Sections 6.3(2)(c) or 6.3(3) are exceeded, the value of the relevant Settlement Claims (or part thereof) will be reduced pro-rata.

(5) If there are monies remaining in the Initial Payment Fund after Settlement Claims have been paid pursuant to Section 6.4 due to uncashed cheques, residual interest or otherwise, the excess funds will be transferred to the Residual Payment Fund.

6.5 Final Payment

(1) The Net Settlement Fund less the Initial Payment Fund will be allocated for the purpose of a final payment of Settlement Benefits to Eligible Settlement Claimants who file a Settlement Claim Form postmarked after the Initial Settlement Claims Filing Deadline and on or before the Final Settlement Claims Filing Deadline (the “Final Payment Fund”).

(2) The Claims Administrator shall calculate the dollar value of each point for the purposes of payments under Section 6.5(1) above by dividing the total amount of the Final Payment Fund by the aggregate number of points awarded to all Eligible Settlement Claimants Form who file a Settlement Claim Form postmarked after the Initial Settlement Claims Filing Deadline and on or before the Final Settlement Claims Filing Deadline.

(3) Subject to the maximum amounts contained in Section 6.3(3) and Section 6.5(5), Eligible Settlement Claimants who submit Settlement Claim Forms after the Initial Settlement Claims Filing Deadline and on or before the Final Settlement Claims Filing Deadline will be paid the dollar value of each point determined in accordance with Section 6.5(2) in cash or, where the Eligible Settlement Claimant so elects, a coupon for a number of bundles of IKO fiberglass shingles calculated in accordance with Section 6.2(1).

(4) If the aggregate cap provided for in Section 6.3(3) is exceeded, the value of the relevant Settlement Claims (or part thereof) will be reduced pro-rata

(5) The dollar value of each point calculated pursuant to Section 6.5(2) cannot exceed the dollar value of each point calculated pursuant to Section 6.4(2).

(6) To the extent that any funds remain in the Final Payment Fund after Settlement Claims have been paid pursuant to Section 6.5 as a result of Section 6.5(5), uncashed cheques, residual interest or otherwise, the excess funds will be transferred to the Residual Payment Fund.

6.6 Residual Payment

(1) If there are monies remaining in the Trust Account after claims have been paid pursuant to Sections 6.4 and 6.5, additional payments will be made to Eligible Settlement Claimants from the remaining monies (the “Residual Payment Fund”) in accordance with this Section 6.6.

(2) The additional payments will be calculated based on a residual point value which will be the quotient of the Residual Payment Fund divided by the aggregate number of points awarded to all Eligible Settlement Claimants who filed a Settlement Claim Form, subject to the maximum amounts provided for in Section 6.3(2)(c) or 6.3(3) and a minimum payment amount of \$20.

(3) Notwithstanding any other provision herein, payments from the Residual Payment Fund will be issued as cash payments.

(4) If there are monies remaining in the Trust Account after payments have been issued pursuant to Section 6.6(2), such funds will be paid *cy-prés* to a non-profit organization jointly recommended by Class Counsel and the Defendants and approved by the Ontario Court.

6.7 Fonds Levy

(1) Settlement Benefits payable to Class Members resident in Quebec will be subject to deductions in respect of the Fonds d'aide aux actions collectives pursuant to Section 42 of *An Act respecting the Class Action*, R.S.Q., c. R-2.1 and calculated in accordance with the governing regulations relating to collective recovery.

(2) Class counsel shall be solely responsible for any reimbursement or withholding in favour of the Quebec Fonds d'aide aux actions collectives which may be required by law in respect of that portion of any remaining funds that reflects the same proportion of the overall Settlement Fund that was paid out to Quebec Residents in the course of the Settlement Claims Process, with the said portion constituting the Quebec Balance (or "reliquat") for the purposes of Article 596 of the Code of Civil Procedure

Section 7- Termination of Settlement Agreement

7.1 Right of Termination

(1) In the event that:

- (a) the Ontario Court declines to dismiss the Ontario Action as against the Defendants;
- (b) the Ontario Court declines to approve this Settlement Agreement or any material part hereof;
- (c) the Ontario Court approves this Settlement Agreement in a materially modified form that is not agreed to by both the Representative Plaintiff and the Defendants;
- (d) the Ontario Court issues an order approving the Settlement Agreement in a materially modified form that is not agreed to by both the Representative Plaintiff and the Defendants;

- (e) any order approving this Settlement Agreement made by the Ontario Court does not become a Final Ontario Order;
- (f) the Alberta Action is not dismissed by a judge;
- (g) the Quebec Court does not issue an order enforcing the Ontario Settlement Order in Quebec or an order authorizing the Quebec Action, approving this Settlement Agreement and dismissing the Quebec Action;
- (h) any order made by the Quebec Court does not become a Final Quebec Order; and/or
- (i) the Opt Out Threshold is exceeded;

each of the Defendants and the Representative Plaintiff shall have the right to terminate this Settlement Agreement (except with respect to (i), in which case only the Defendants shall have the right to terminate this Settlement Agreement) by delivering a written notice pursuant to Section 13.16(1) within thirty (30) days following an event described above.

(2) Except as provided for in Section 7.4(1), if the Defendants or the Representative Plaintiff exercise their right to terminate, the Settlement Agreement shall be null and void and have no further force or effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation.

(3) Any order, ruling or determination made (or rejected) by the Ontario Court with respect to Class Counsel Fees shall not be deemed to be a material modification of all, or a part, of this Settlement Agreement and shall not provide any basis for the termination of this Settlement Agreement.

7.2 If Settlement Agreement is Terminated

(1) If this Settlement Agreement is not approved by the Ontario Court or is terminated in accordance with its terms, no motion to approve this Settlement Agreement, which has not been decided, shall proceed; and any order approving this Settlement Agreement shall be set aside and declared null and void and of no force or effect, and the Parties shall be estopped from asserting otherwise.

7.3 Allocation of Monies in the Trust Account Following Termination

(1) If the Settlement Agreement is terminated in accordance with Section 7.1(1), the money in the Trust Account, plus all accrued interest thereon, but less the costs already paid or incurred (but not yet paid) to disseminate the Notice of Hearing and/or translate the Settlement Agreement (if required) pursuant to Section 12(3), will be reimbursed to the Defendants.

7.4 Survival of Provisions After Termination

(1) If this Settlement Agreement is terminated, the provisions of Sections 3.3(5), 7.1(2), 7.2, 7.3, 9.1, 9.2 and 10.1(6) and definitions and Schedules applicable thereto shall survive the termination and continue in full force and effect. The definitions and Schedules shall survive only for the limited purpose of the interpretation of Sections 3.3(5), 7.1(2), 7.2, 7.3, 9.1, 9.2 and 10.1(6) within the meaning of this Settlement Agreement, but for no other purposes. All other provisions of this Settlement Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately.

Section 8 - Releases and Dismissals

8.1 Release of Releasees

(1) Upon the Effective Date, in consideration of payment of the Settlement Amount and for other valuable consideration set forth in the Settlement Agreement, the Releasors forever and absolutely release the Releasees from the Released Claims that any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have.

(2) The releases contemplated in this Section shall be considered a material term of the Settlement Agreement and the failure of the Ontario Court to approve the releases contemplated herein shall give rise to a right of termination pursuant to Section 7.1(1) of the Settlement Agreement.

(3) The Releasors specifically reserve any and all other claims and causes of action against any and all other Persons or entities who are not Releasees. The Releasors acknowledge and agree that such reservation creates no basis for a claim of indemnification or contribution, however denominated, by the non-party against the Releasees, as Releasors have released all claims on which liability could be found against the Releasees, and is solely intended to preserve

a Releasors' ability to seek relief against the non-party for that non-party's several liability as otherwise expressly provided herein at Section 1(46). The release in this Section 8.1 shall apply to all related subrogation claims of the Class Members' subrogees or insurance carriers.

(4) It is the intent of the Parties that no Releasor shall recover, directly or indirectly, any sums for claims released by operation of this Settlement Agreement from the Releasees, other than sums received under this Settlement Agreement, if any, and that the Releasees shall have no obligation to make any payments to any non-parties for liability arising out of claims released by operation of this Settlement Agreement.

(5) Releasors agree that in any action brought by a Releasor against any non-party arising out of or related to IKO Organic Shingles, should any such non-party file a claim against any Releasee for contribution or indemnification, however denominated, the Releasors shall reduce any claim and judgment against the non-party by the percentage, amount, or share necessary under applicable law to fully discharge and relieve the Releasees of liability to the non-party for claims for contribution and indemnification, however denominated.

(6) If notwithstanding the intention of the Parties expressed therein, any release given by the Releasors is not given its full effect by operation of law or otherwise, then the Releasors shall be deemed to have and do hereby transfer and assign to Releasees all claims, if any, that were deemed not released, to the extent necessary to effectuate the intent of the release.

8.2 No Further Claims

(1) Upon the Effective Date, 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 Releasee or any other Person who may claim contribution or indemnity from any Releasee in respect of any Released Claim.

(2) The Parties intend to bind all persons in Canada who own, have owned, lease, have leased, or in the future may own or lease, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased, or in the future may own or lease, buildings, homes, residences or any other structures which contain or have ever contained IKO Organic Shingles manufactured and/or sold by the Defendants, to the terms

and conditions of this Settlement Agreement and to seek claims only through the Settlement Amount, other than those who have validly opted-out and excluded themselves as Class Members from the Proceedings. Should any Person in Quebec who has not participated in the Settlement Claims Process, challenge the binding effect of this Settlement Agreement on them, or later make a claim or take a proceeding in any court against any of the Defendants regarding IKO Organic Shingles and, prior to the Final Settlement Claims Filing Deadline, any court of competent jurisdiction finally determines that such Person is not bound by the Settlement Agreement and awards damages against the Defendants, and/or the Defendants resolve the claim in a manner that results in the Defendants issuing payment to such Person, then the Defendants may seek and, in such event, the Claims Administrator shall make a payment to them of a sum or sums equal to the distributions or allocations that such Person would have qualified for under the Settlement Agreement. This request for payment shall be treated as having been made upon submission by the Defendants to the Claims Administrator of: (i) a final decision of a court of competent jurisdiction determining that the Person is not bound to the Settlement Agreement; (ii) a final decision of a court of competent jurisdiction awarding damages against Defendants (if applicable); (iii) a copy of any settlement or other agreement requiring the Defendants to issue payment to such Person (if applicable); and (iv) any available particulars of the claim against the Defendants. Payments pursuant to this subsection shall be issued at the same time as the Person would have been paid had he/she/it filed a Settlement Claim.

8.3 Dismissal of the Ontario Action

(1) Upon the Effective Date, the Ontario Action shall be dismissed with prejudice and without costs as against the Defendants.

8.4 Dismissal of Other Actions

(1) Upon the Effective Date, each Class Member shall be deemed to irrevocably consent to the dismissal, without costs and with prejudice, of his, her or its Other Actions against the Releasees.

(2) Upon the Effective Date, all Other Actions commenced in Ontario by any Class Member shall be dismissed against the Releasees, without costs and with prejudice.

(3) Notwithstanding any other provision herein, a Class Member with an ongoing court action based on a denial of IKO Warranty Claim benefits after December 18, 2007 and prior to May 28, 2016 as of the date of the filing of the motion materials for the motion referred to in Section 2.2 may continue that action for the sole purpose of requesting a declaration from the court that the facts and circumstances surrounding the IKO Warranty Claim made by the Settlement Claimant were covered by the strict express written terms of the Applicable IKO Limited Warranty, such that such Class Member can then apply for Settlement Benefits, but not IKO Warranty Claim benefits.

Section 9- Effect of Settlement

9.1 No Admission of Liability

(1) The Plaintiffs and the Releasees expressly reserve all of their rights if the Settlement Agreement is not approved, is terminated, or otherwise fails to take effect for any reason. Further, whether or not the Settlement Agreement is finally approved, is terminated, or otherwise fails to take effect for any reason, 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 the Releasees, or of the truth of any of the claims or allegations contained in the Proceedings or any other pleading filed by the Plaintiffs.

9.2 Agreement Not Evidence

(1) The Parties agree that, whether or not it 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 pending or future proceeding to approve and/or enforce this Settlement Agreement, to defend against the assertion of Released Claims, or as otherwise required by law.

9.3 No Further Litigation

(1) Neither the Representative Plaintiff, Class Counsel, Higgerty Law nor Siskinds, Desmeules 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 the Released Claims. Moreover, subject to the other terms of this Settlement Agreement, the Representative Plaintiff, Class Counsel, Higgerty Law and Siskinds, Desmeules 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 (so long as the information does not become publicly available through a breach of this section) or unless ordered to do so by a court of competent jurisdiction.

(2) Section 9.3(1) shall be inoperative to the extent that it requires any lawyer who is a member of the Law Society of British Columbia to breach his or her obligations under Section 3.2-10 of the Law Society of British Columbia's *Code of Professional Conduct for British Columbia* by refraining from participation or involvement in any claim or action in a British Columbia Court.

Section 10- Notice to Class

10.1 Notices Required

(1) The Class shall be given notice of: (i) the hearing at which the Ontario Court will be asked to approve the Settlement Agreement; and (ii) if brought with the hearing to approve the Settlement Agreement, the hearing to approve Class Counsel Fees (the "Notice of Hearing").

(2) The Notice of Hearing will be in the form attached hereto as Schedule "D" or such other form as agreed upon by the Representative Plaintiff and Defendants and approved by the Ontario Court.

(3) The Class shall be given notice of the approval of this Settlement Agreement (the "Notice of Approval").

(4) The Notice of Approval will be in the form attached hereto as Schedule "E" or such other form as agreed upon by the Representative Plaintiff and Defendants and approved by the Ontario Court.

(5) The Notice of Hearing and Notice of Approval shall be disseminated by the method set out in the Notice Dissemination Plan attached hereto as Schedule “F” or such other method as agreed upon by the Representative Plaintiff and Defendants and approved by the Ontario Court.

(6) If this Settlement Agreement is not approved by the Ontario Court, is terminated, or otherwise fails to take effect, the Class shall be given notice of such event by Class Counsel posting same on www.classaction.ca/iko and by email where an email address is available.

10.2 Mailing Lists

(1) In order to facilitate the dissemination of notice pursuant to this Section 10:

(a) within fifteen (15) days of the issuance of the order required pursuant to Section 2.2 and to the extent not previously provided, the Defendants will provide to the Notice Provider an additional copy of the mailing list compiled pursuant to the Notice Order (and including any email addresses, where the email address is contained in the Electronic Field Data) and an updated mailing list of the following Persons in Canada that IKO can identify through its Electronic Field Data:

- (A) any Person who has filed a warranty claim between October 21, 2013 and January 4, 2017 and IKO’s Electronic Field Data identifies the claim as being in respect of IKO Organic Shingles;
- (B) any Person who has inquired with the Defendants’ warranty claims department between October 21, 2013 and January 4, 2017 and IKO’s Electronic Field Data identifies the inquiry as being in respect of IKO Organic Shingles; and
- (C) any Person who has commenced individual litigation against the Defendants between October 21, 2013 and January 4, 2017 and IKO’s Electronic Field Data identifies the litigation as being in respect of IKO Organic Shingles and whose litigation has not been finally resolved since October 21, 2013.

(2) The mailing list provided pursuant to Section 10.2(1) shall include name, address, and where available in Electronic Field Data, email addresses.

(3) If Class Counsel retains a third party to complete the mailing of notice pursuant to this Section 10, the mailing list will be provided to such third party after confidentiality agreements acceptable to the Defendants have been executed by such third party.

Section 11- Class Members' Right to Object

(1) A Class Member may object to or otherwise provide their views regarding the Settlement Agreement by filing a written objection. The Notice of Hearing shall advise Class Members of their right to object. To exercise this right, the Class Members must provide written notice of the objection to Class Counsel at an address to be specified in the Notice of Hearing postmarked on or before the Objection Deadline. The objection must bear the signature of the Class Member (even if represented by counsel) and must specify: (i) the Class Member's current address and telephone number; (ii) the address of the property(ies) that contain or have contained IKO Organic Shingles; (iii) the exact nature of the objection, the facts underlying the objection, and whether or not the Class Member intends to appear at the hearing to approve the Settlement Agreement; and (iv) a copy of any documents which the Class Member intends to rely upon at the hearing to approve the Settlement Agreement. If the Class Member is represented by counsel, the objection shall also be signed by the Class Member's counsel.

(2) The Representative Plaintiff and Defendants will ask that the Objection Deadline be set at least forty-five (45) days from the dissemination of the Notice of Hearing.

(3) If the postmark on the objection is not visible or is illegible, the objection shall be deemed to have been postmarked seven (7) business days before it was received.

(4) Subject to the discretion of the Ontario Court, Class Members who do not provide an objection in accordance with Section 11(1) cannot be heard orally at the hearing to approve the Settlement Agreement.

Section 12 - Class Counsel Fees and Cost of Notice

(1) Class Counsel shall seek the Ontario Court's approval to pay Class Counsel Fees contemporaneous with seeking approval of this Settlement Agreement or at such other time as

they may determine in their sole discretion. Class Counsel Fees may only be paid out of the Trust Account after the Effective Date and after those Class Counsel Fees have been approved by the Ontario Court.

(2) The costs of the Notice of Hearing shall be paid by Class Counsel out of the Trust Account, as they become due.

(3) If required by the Quebec Court to prepare a French translation of the Settlement Agreement, the costs of such translation shall be paid by Class Counsel out of the Trust Account, as they become due. In the event of any dispute as to the interpretation or application of this Settlement Agreement, only the English version shall govern.

(4) The Defendants shall not be liable for any fees, disbursements or taxes of the lawyers, experts, advisors, agents, or representatives retained by Class Counsel, the Plaintiffs or Class Members, any amounts to which the Fonds d'aide aux actions collectives in Quebec may be entitled, or any lien of any Person on any payment to any Class Member from the Settlement Amount.

Section 13 - Miscellaneous

13.1 Motions for Directions

(1) Class Counsel or the Defendants may apply to the Ontario Court for directions in respect of the interpretation, implementation and administration of this Settlement Agreement.

(2) All motions contemplated by this Settlement Agreement shall be on notice to the Representative Plaintiff and Defendants, as applicable.

13.2 Headings, etc.

(1) 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”, “herein”, and similar expressions refer to this Settlement Agreement and not to any particular section or other portion of this Settlement Agreement.

13.3 Computation of Time

(1) In the computation of time in this Settlement Agreement, except where a contrary intention appears,

- (a) where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (b) only in the case where the time for doing an act expires on a holiday (as “holiday” is defined in the *Rules of Civil Procedure*, RRO 1990, Reg 194), the act may be done on the next day that is not a holiday.

13.4 Ongoing Jurisdiction

(1) The Ontario Court shall exercise sole and exclusive jurisdiction with respect to implementation, administration, interpretation and enforcement of the terms of this Settlement Agreement, and the Plaintiffs, Class Members and Defendants attorn to the jurisdiction of the Ontario Court for such purposes.

13.5 Governing Law

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

13.6 Entire Agreement

(1) This Settlement Agreement constitutes the entire agreement among the Parties, and supersedes 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.

13.7 Amendments

(1) This Settlement Agreement may not be modified or amended except in writing and on consent of the Representative Plaintiff and Defendants, and any such modification or amendment must be approved by the Ontario Court.

13.8 Binding Effect

(1) This Settlement Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Class Members, the Defendants, the Releasors, the Releasees and all of their successors and assigns.

13.9 Counterparts

(1) 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 or PDF signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

13.10 Negotiated Agreement

(1) 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.

13.11 Transaction

(1) The present Settlement Agreement constitutes a transaction in accordance with Articles 2631 and following of the *Civil Code of Quebec*, and the Parties are hereby renouncing any errors of fact, of law and/or of calculation.

13.12 Recitals

(1) The Recitals to this Settlement Agreement are true and form part of the Settlement Agreement.

13.13 Schedules

(1) The Schedules annexed hereto form part of this Settlement Agreement.

13.14 Acknowledgements

(1) Each of the Parties hereby affirms and acknowledges that:

- (a) he, she or 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 him, her or the Party's representative by his, her or its counsel;
- (c) he, she or 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, beyond the terms of the Settlement Agreement, with respect to the first Party's decision to execute this Settlement Agreement.

13.15 Authorized Signatures

(1) 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 on behalf of the Parties identified above their respective signatures and their law firms.

13.16 Notice

(1) 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 the Representative Plaintiff and for Class Counsel:

Charles M. Wright and Linda Visser
SISKINDS LLP
Barristers and Solicitors
680 Waterloo Street
London, ON N6A 3V8
Tel: 519-660-7753
Fax: 519-672-6065
Email: charles.wright@siskinds.com
linda.visser@siskinds.com

For the Defendants:

Gordon McKee and Jill Lawrie
BLAKE, CASSELS & GRAYDON LLP
199 Bay Street, Suite 4000
Toronto, ON M5L 1A9

Tel: 416-863-2400
Fax: 416-863-2653
Email: gordon.mckee@blakes.com
jill.lawrie@blakes.com

13.17 Date of Execution

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

KEVIN BARWIN on his own behalf and on behalf of the Class, by his counsel

Name of Authorized Signatory:

Linda Visser

Signature of Authorized Signatory:


Siskinds LLP
Class Counsel

Name of Authorized Signatory:

Linda Visser


Signature of Authorized Signatory:

per 
HIGGERTY LAW
Counsel for the Plaintiff in the Alberta Action

Name of Authorized Signatory:

Linda Visser

Signature of Authorized Signatory:

per 
SISKINDS DESMEULES
Counsel for the Plaintiff in the Quebec Action

IKO INDUSTRIES LTD., CANROOF CORPORATION INC., and I.G. MACHINE & FIBERS LTD. by their counsel

Name of Authorized Signatory:

Signature of Authorized Signatory:

Blake, Cassels & Graydon LLP
Counsel for the Defendants

Name of Authorized Signatory: _____

Signature of Authorized Signatory: _____

HIGGERTY LAW

Counsel for the Plaintiff in the Alberta Action

Name of Authorized Signatory: _____

Signature of Authorized Signatory: _____

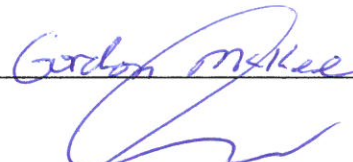
SISKINDS DESMEULES

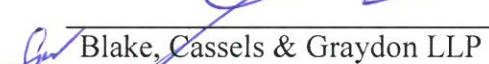
Counsel for the Plaintiff in the Quebec Action

IKO INDUSTRIES LTD., CANROOF CORPORATION INC., and I.G. MACHINE & FIBERS LTD. by their counsel

Name of Authorized Signatory: _____

Signature of Authorized Signatory: _____




Blake, Cassels & Graydon LLP
Counsel for the Defendants

SCHEDULE “A” – CONFIDENTIAL OPT-OUT AGREEMENT

- REDACTED -

SCHEDULE “B” – PROPOSED NOTICE APPROVAL ORDER

Court File No. CV-09-00005758-CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MADAM) , THE DAY
JUSTICE BALTMAN) OF , 2017

B E T W E E N :

KEVIN BARWIN

Plaintiff

– and –

IKO INDUSTRIES LTD., CANROOF CORPORATION INC.,
AND I.G. MACHINE & FIBERS LTD.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION made by the Representative Plaintiff for an Order approving the newspaper publication, short-form and long-form notices of settlement approval hearing (“Notice of Hearing”) and the plan of dissemination of said notices (the “Plan of Dissemination”) was heard this day at the Court House, 7755 Hurontario Street, Brampton, Ontario.

ON READING the materials filed, including the Affidavit of Emilie McLachlan Maxwell sworn January 12, 2017 and the settlement agreement dated January ●, 2017 attached to this Order as Schedule “A” (the “Settlement Agreement”), and on hearing the submissions of counsel for the Representative Plaintiff and counsel for the Defendants;

ON BEING ADVISED that, pursuant to the orders of this Court dated October 25, 2013 and September 29, 2014 a right to opt out was provided and there were 435 opt-outs;

AND ON BEING ADVISED that RicePoint Administration Inc. consents to being appointed as notice provider;

AND ON BEING ADVISED that the Representative Plaintiff and the Defendants consent to this Order:

1. **THIS COURT ORDERS** that, for the purposes of this Order, except to the extent that they are modified in this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.
2. **THIS COURT DECLARES** that the newspaper publication, short-form and long-form of the Notice of Hearing represent fair and adequate notice to the Class and are hereby approved substantially in the forms attached hereto as Schedules “B” to “D”, respectively.
3. **THIS COURT DECLARES** that the Plan of Dissemination represents fair and adequate notice to the Class and is hereby approved in the form attached hereto as Schedule “E”.
4. **THIS COURT ORDERS** that RicePoint Administration Inc. is hereby appointed as Notice Provider.
5. **THIS COURT ORDERS** that the Notice of Hearing shall be disseminated by the Notice Provider in accordance with the Plan of Dissemination.
6. **THIS COURT ORDERS** that the costs of disseminating the Notice of Hearing in accordance with the Plan of Dissemination shall be paid out of the Trust Account as they become due.
7. **THIS COURT ORDERS** that, for the purposes of providing the Notice of Hearing to Class Members, the Defendants may share warranty claims information, including personal information of potential Class Members with the Notice Provider

The Honourable Justice Baltman

SCHEDULE “C” – PROPOSED SETTLEMENT APPROVAL ORDER

Court File No. CV-09-00005758-CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ____ DAY
JUSTICE LEITCH) OF _____, 2017

B E T W E E N :

KEVIN BARWIN

Plaintiff

- and -

IKO INDUSTRIES LTD., CANROOF CORPORATION INC.,
AND I.G. MACHINE & FIBERS LTD.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER
(Settlement Approval)**

THIS MOTION made by the Representative Plaintiff for an Order approving the settlement agreement entered into with the Defendants, was heard this day at the Court House, 7755 Hurontario Street, Brampton, Ontario.

ON READING the materials filed, including the settlement agreement entered into between the Representative Plaintiff and Defendants dated as of January ●, 2017 and attached to this Order as Schedule “A” (the “Settlement Agreement”), and on hearing the submissions of counsel for the Representative Plaintiff and counsel for the Defendants;

AND ON BEING ADVISED that there were ● written objections;

AND ON BEING ADVISED that ● consents to being appointed as the Notice Provider and Claims Administrator;

AND ON BEING ADVISED that the Representative Plaintiff and the Defendants consent to this Order;

1. **THIS COURT ORDERS** that the definitions set out in the Settlement Agreement shall apply to and are incorporated into this Order.
2. **THIS COURT ORDERS** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. **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.
4. **THIS COURT ORDERS** that the Settlement Agreement is incorporated by reference into and forms part of this Order, and is binding upon the Representative Plaintiff and all Class Members, and where any term of this Order and the Settlement Agreement conflict, the term contained in this Order shall govern.
5. **THIS COURT ORDERS** that this Order, including the Settlement Agreement, is binding upon each 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.
6. **THIS COURT ORDERS** that, upon the Effective Date, each Class Member shall be deemed to have consented to the dismissal as against the Releasees, without costs and with prejudice, of any and all proceedings asserting the Class Members' Released Claims in any jurisdiction except as provided for in Section 8.4(3) of the Settlement Agreement.

7. **THIS COURT ORDERS** that, upon the Effective Date, any and all proceedings asserting the Class Members' Released Claims commenced in Ontario by any Class Member shall be dismissed against the Releasees, without costs and with prejudice except as provided for in Section 8.4(3) of the Settlement Agreement.
8. **THIS COURT ORDERS** that, upon the Effective Date, the Releasors shall be deemed to, and do hereby, release and forever discharge the Releasees of and from any and all Released Claims.
9. **THIS COURT ORDERS** that, upon the Effective Date, 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 Releasee or any other Person who may claim contribution or indemnity from any Releasee in respect of any Released Claim.
10. **THIS COURT ORDERS** that for the purposes of assisting in the administration of the Settlement Claims Process, the Defendants may share warranty claims information, including personal information of Settlement Claimants with the Claims Administrator.
11. **THIS COURT ORDERS** that for purposes of enforcement of this Order, this Court will retain an ongoing supervisory role and the Defendants will attorn to the jurisdiction of this Court for this purpose.
12. **THIS COURT ORDERS** that this Order shall be declared null and void in the event that the Settlement Agreement is terminated in accordance with its terms.

13. **THIS COURT ORDERS** that, except for the forgoing, this Action shall be and is hereby dismissed against the Defendants without costs and with prejudice.
14. **THIS COURT ORDERS** that ● is hereby appointed as Notice Provider and Claims Administrator.
15. **THIS COURT DECLARES** that the Notice of Approval represents fair and adequate notice to the Class and is hereby approved substantially in the form attached hereto as Schedule “B”.
16. **THIS COURT DECLARES** that the plan of dissemination of the Notice of Approval (the “Plan of Dissemination”) represents fair and adequate notice to the Class and is hereby approved in the form attached hereto as Schedule “C”.
17. **THIS COURT ORDERS** that the costs of disseminating the Notice of Approval in accordance with the Plan of Dissemination shall be paid out of the Trust Account as they become due.
18. **THIS COURT ORDERS** that the Notice of Approval shall be disseminated by the Notice Provider in accordance with the Plan of Dissemination.
19. **THIS COURT ORDERS** that the Settlement Claim Form is hereby approved substantially in the form attached hereto as Schedule “D”.
20. **THIS COURT ORDERS** that all information provided by Settlement Claimants as part of the Settlement Claims Process is collected, used and retained by the Claims Administrator and its agents pursuant to the applicable privacy laws for the purposes of

administering the Settlement Agreement, including evaluating the Settlement Claimant's eligibility status under the Settlement Agreement. The information provided by the Settlement Claimant shall be treated as private and confidential and shall not be disclosed without the express written consent of the Settlement Claimant, except in accordance with the Settlement Agreement and/or orders of this Court.

21. **THIS COURT ORDERS** that the Parties are hereby released from any obligation to preserve as evidence in the Proceedings any Class Member's IKO Organic Shingles provided to Class Counsel or IKO at any time and currently in the possession, power or control of Class Counsel, the Defendants, and/or any experts retained by the Parties for the purposes of this action.

The Honourable Justice Baltman

SCHEDULE “D” – NOTICE OF HEARING

DO YOU HAVE OR DID YOU HAVE IKO/CRC/CANROOF ORGANIC ROOFING SHINGLES IN CANADA?

If so, you could be affected by a proposed class action settlement.

The settlement is not an admission of wrongdoing, liability or fault. The settlement relates only to asphalt organic shingles. IKO/Canroof/CRC organic shingles were sold under the following brand names: Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Superplus, Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Cambridge Ultra Shadow (laminated organic), Cathedral XL, Crowne 30. IKO/Canroof/CRC organic shingles have not been sold since 2010. The settlement does not relate to fiberglass shingles (some of which have been sold under the same brand names as organic shingles). The settlement is subject to court approval.

For more information about the settlement (including the proposed method for distributing settlement funds to affected persons) and your rights in respect of the settlement (including deadlines for acting) visit www.classaction.ca/iko.

Register to receive updates about the settlement and the process
for applying for settlement funds at www.classaction.ca/iko

DO YOU HAVE OR DID YOU HAVE IKO/CRC/CANROOF ORGANIC ROOFING SHINGLES IN CANADA?

IF SO, YOU COULD BE AFFECTED BY A PROPOSED CLASS ACTION SETTLEMENT.

WHAT IS THE CLASS ACTION ABOUT?

The class action relates to the alleged negligent design and manufacture of IKO/CRC/Canroof asphalt organic shingles (collectively, “IKO Organic Shingles”). Specifically, the representative plaintiff alleges that IKO Organic Shingles were negligently designed and manufactured in a manner that, under normal conditions and usage, would result in premature failure.

IKO Industries Ltd., Canroof Corporation Inc., or I.G. Machine (collectively “IKO”) are the defendants in the class action. IKO denies all of these allegations and asserts that IKO Organic Shingles are free of any defect, and in fact, are good quality roofing materials. However, in order to avoid the significant costs of this litigation and achieve finality in terms of its ongoing obligations, IKO has agreed to a settlement that will resolve the class action. The settlement represents a voluntary resolution of claims. IKO does not admit any wrongdoing or liability.

The class action relates only to organic shingles. The class action does not relate to fiberglass shingles (some of which have been sold under the same brand names as IKO Organic Shingles). IKO Organic Shingles were sold under the following brand names: Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Superplus, Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Cambridge Ultra Shadow (laminated organic), Cathedral XL, Crowne 30. IKO Organic Shingles have not been manufactured since 2008 and have not been sold since 2010.

The Ontario Court certified the action as a class proceeding. The certified class includes current or former owners or leasees of buildings located in Canada that contain or contained IKO Organic Shingles. See the full legal notice for the complete class definition.

WHAT ARE THE TERMS OF THE SETTLEMENT?

A settlement has been reached in the class action with the defendants. The settlement is subject to the approval of the Ontario Court. A hearing to approve the settlement will be held on DD MONTH, YYYY.

Under the terms of the settlement agreement, the defendants are required to pay CDN\$7,500,000 for the benefit of the settlement class.

You have the right to object to the settlement and can make submissions to the Ontario Court regarding the proposed settlement. To do so, you must act by DD MONTH, YYYY. For more information, see Part XX of the full legal notice.



HOW WILL SETTLEMENT FUNDS BE DISTRIBUTED?

The proposed settlement sets out who is eligible for settlement benefits and how the settlement funds will be distributed. Generally speaking, you are eligible for settlement benefit if you: (i) are a member of the class; (ii) you file a timely claim form; (iii) your IKO Organic Shingles were installed after June 30, 1997; (iv) you have an approved warranty claim and (v) you did not receive IKO’s “Iron Clad” warranty benefits. In limited circumstances, you may also be eligible for settlement benefits if your warranty claim was denied. The amount payable to individual class members depends on a number of factors, including: (i) the number and value of valid claims filed in the class action; (ii) your number of approved bundles, (iii) whether you previously received warranty benefits and (iv) whether and when you experienced qualifying damage. See the full legal notice and settlement agreement for more information.

The settlement agreement also sets out the process for applying for settlement funds. Assuming that the settlement is approved by the Ontario Court, a further notice will be sent by email to persons who have registered to receive updates and posted online at www.classaction.ca/iko. If you did not receive this notice by email, you should register to receive updates online at www.classaction.ca/iko. If you do not have email, please contact Siskinds LLP at 1-800-461-6166 ext 2446.



WHO IS COUNSEL FOR THE CLASS AND HOW ARE THEY BEING PAID?

Siskinds LLP, a law firm based in London, Ontario, is counsel for the class. Siskinds will be seeking court approval of legal fees of up to 25% of the settlement funds, plus disbursements and applicable taxes, to be paid out of the settlement funds.

QUESTIONS? For more information or to register for updates about the settlement and process for applying for settlement funds, visit www.classaction.ca/iko.

IKO/CRC/CANROOF ORGANIC ROOFING SHINGLES – CANADIAN

CLASS ACTION

NOTICE OF SETTLEMENT APPROVAL HEARING

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS

This Notice is directed at persons in Canada that own or have owned, lease or have leased buildings in Canada that contain or have ever contained IKO/CRC/CANROOF Organic Shingles (collectively, “IKO Organic Shingles”) (See #3 below).

No additional notice will be published or provided by mail unless specific arrangements are made with Class Counsel if you do not have email or internet access. Important updates – including about the process for applying to receive Settlement Benefits – will be sent by email and posted online at www.classaction.ca/iko. Register online at www.classaction.ca/iko to receive email updates. If you do not have email or internet access, please contact Class Counsel at the address listed at #20.

This Notice contains a summary of the Settlement Agreement. Capitalized terms used in this Notice have the meaning ascribed to them in the Settlement Agreement. To the extent that there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement governs. Please see the full text of the Settlement Agreement at www.classaction.ca/iko.

This Notice addresses the following questions:

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BACKGROUND INFORMATION

1. What is a class action?

A class action is a lawsuit filed by one or more people called “representative plaintiffs” on behalf of other people who are similarly situated. This group of people is referred to as the “class” or “class members.” One court decides all the common issues in the lawsuit for all class members, except for those who have excluded themselves from the class. The deadline to exclude yourself from the class has expired.

2. What is this class action about?

The representative plaintiff, on behalf of himself and the Class, is claiming damages from the defendants (IKO Industries Ltd., Canroof Corporation Inc., and I.G. Machine & Fibers Ltd., collectively, “IKO”) for the alleged negligent design and manufacture of IKO Organic Shingles and alleged breaches of consumer protection legislation. Specifically, the representative plaintiff alleges that IKO Organic Shingles were negligently designed and manufactured in a manner that, under normal conditions and usage, would result in premature failure. This litigation does not pertain to and the settlement does NOT affect owners/lessees of buildings with IKO fiberglass shingles (see #3).

IKO denies all of the allegations in the class action and asserts that IKO Organic Shingles are free of any defect, and in fact, are good quality roofing materials. However, in order to avoid the significant costs of this litigation and to achieve finality in terms of its ongoing obligations, IKO has agreed to a settlement that will resolve the class action. The settlement represents a voluntary resolution of claims. IKO does not admit any wrongdoing or liability.

Based on their analyses of the facts and law applicable to the claims and having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, and having regard to the value of the Settlement Agreement, the Representative Plaintiff

and Class Counsel have concluded that the Settlement Agreement is fair, reasonable, and in the best interests of the class.

3. What are the shingles that are the subject of this class action lawsuit?

This class action relates only to “IKO Organic Shingles”, which means all asphalt organic shingles manufactured by or on behalf of IKO Industries Ltd., Canroof Corporation Inc., or I.G. Machine & Fibers Ltd. whether sold under the names Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Superplus, Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Cambridge Ultra Shadow (laminated organic), Cathedral XL, Crowne 30, or otherwise.

IKO Organic Shingles have not been manufactured since 2008 and have not been sold since 2010.

This litigation does not pertain to and the settlement does NOT affect owners/lessees of buildings with IKO fiberglass shingles (some of which have been sold under the same brand names listed above for IKO Organic Shingles).

4. I provided sample shingles to Class Counsel. What will happen to them?

If you want your sample shingles returned, please contact Class Counsel (see #20). You will be responsible for any related shipping costs.

AFFECTED PERSONS

5. Who is affected by the class action?

You are affected by the class action if you fall within the certified class and have not excluded yourself from the Class (see #6). The certified class is defined as all persons that own or have owned, lease or have leased, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased buildings in Canada that contain or have ever contained IKO Organic Shingles (see #3).

6. Are there any exclusions from the class?

Persons who previously timely and validly opted out (excluded themselves from) the class action are excluded from the Class and therefore not affected by the class action (and cannot apply for benefits under the settlement). If you cannot recall whether you opted out, please contact Class Counsel at the address listed in #20.

7. How do I know if I have IKO Organic Shingles?

There are several ways in which you may be able to determine if you have IKO Organic Shingles:

- (a) Check your receipts, invoices, brochures, etc. from when you purchased your shingles.
- (b) Contact the contractor or company that installed your shingles.
- (c) Ask an experienced roofer.
- (d) If you have already filed a warranty claim with IKO, check your warranty claim documents.

THE SETTLEMENT

8. What are the details about the settlement?

On ●, 2016, the parties executed a settlement agreement (the “Settlement Agreement”) to resolve the litigation in its entirety. The Settlement Agreement requires the defendants to pay CDN \$7.5 million (the “Settlement Amount”) for the benefit of the Class. The full text of the Settlement Agreement can be found at www.classaction.ca/iko.

In return for the Settlement Amount, the defendants will receive releases and the class action will be dismissed. The Settlement Agreement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of the defendants, who have denied, and continue to deny, the allegations made against them.

9. When is the settlement approval hearing?

The Settlement Agreement is subject to the approval of the Ontario Court. A motion to approve the Settlement Agreement will be heard by the Ontario Court on ●, 2017, at ●am/pm at the Brampton Courthouse, 7755 Hurontario Street, Brampton, Ontario. As part of that motion, the Ontario Court will be asked to determine whether the Settlement Agreement is fair, reasonable, and in the best interests of class members.

10. What are my options in relation to the settlement approval hearing?

Class members who do not oppose the proposed settlement need not appear at the settlement approval hearing or take any other action at this time.

Class members are entitled to file written submissions and/or appear and make submissions at the settlement approval hearing. Class members who wish to exercise either of these rights must submit written submissions to Class Counsel at the address listed below (see #20) postmarked no later than ●. The written submissions must state the nature of any comments or objections, and whether the class member intends to appear at the settlement approval hearing. Class Counsel will forward all such submissions to the Ontario Court. All timely written submissions will be considered by the Ontario Court. If you do not file a written submission by the relevant deadline, you might not be entitled to participate, through oral submissions or otherwise, in the settlement approval hearing.

11. Does the settlement affect my warranty claim with IKO?

The settlement does not affect a future claim for benefits (including warranty claims in relation to a problem with IKO Organic Shingles discovered after April 28, 2016 and received by IKO after May 28, 2016) that may be available in accordance with the express strict written terms of any Applicable IKO Limited Warranty. Class members with future claims can apply for warranty benefits pursuant to the Applicable IKO Limited Warranty and for Settlement Benefits.

Any warranty claims related to problems with IKO Organic Shingles received by IKO prior to May 28, 2016 will be released by the settlement.

Any Settlement Benefits available under the Settlement Agreement are completely separate from any benefits that may be available in the IKO Warranty Claims Process. IKO will continue to administer future warranty claims under its warranty program in accordance with the terms of any Applicable IKO Limited Warranty.

DISTRIBUTION OF SETTLEMENT BENEFITS

12. Who is eligible to receive Settlement Benefits?

You may be eligible to receive Settlement Benefits if you satisfy all of the following requirements:

- (a) you are a class member (see #5);
- (b) you file a timely and complete settlement claim form, together with all required supporting documents;
- (c) on or after December 18, 2007¹, you received an IKO Offer/Release or a Canadian court (including a small claims court) finds or has found that you are entitled to benefits under the strict express written terms of the Applicable IKO Limited Warranty in relation to your IKO Organic Shingles. In limited circumstances, you can also apply to receive Settlement Benefits if your warranty claim was denied. See #12(h) for more information;
- (d) your IKO Organic Shingles were installed after June 30, 1997²;
- (e) you have not released your claim as part of a settlement of a legal action or court adjudication. (Note: persons who signed an IKO Offer/Release as part of a resolution of a warranty claim before a legal action was started and who experienced Qualifying Damage (see #13) may still be eligible to receive Settlement Benefits);
- (f) you did not receive warranty benefits from IKO in accordance with the “Iron Clad Protection”, as set out in the Applicable IKO Limited Warranty (typically 3 to 5 years after the application of the IKO Organic Shingles depending on the Applicable IKO Limited Warranty);
- (g) you fall within any of the following scenarios:
 - (A) you received an IKO Offer/Release dated July 9, 2010³ to May 28, 2016⁴, but you did not receive warranty benefits;
 - (B) you received an IKO Offer/Release dated July 9, 2010 to May 28, 2016, you received warranty benefits, and your IKO Organic Shingles required replacement due to “Qualifying Damage” (see #13). The Qualifying Damage must have occurred within the time frame specified in #13; or

¹ December 18, 2007 is two years before the class action was commenced.

² Prior to June 30, 1997, IKO’s limited warranty provided benefits in relation to both material and application costs.

³ July 9, 2010 is when IKO began advising warranty claimants of the class action and advising that warranty claimants who sign the IKO Offer/Release might not be eligible to participate in the class action.

⁴ May 28, 2016 is when a settlement in principle was reached. In accordance with the terms of the settlement, the parties were required to keep the settlement confidential until written terms were finalized and an agreement executed and filed with the Ontario Court.

***Warranty claimants who received but did not accept an IKO Offer/Release after May 28, 2016 and before the Notice of Approval is published will be provided a time limited opportunity to sign the IKO Offer/Release and obtain the warranty benefits offered. Such warranty benefits would be in addition to any Settlement Benefits available through the Settlement Agreement.

- (C) you received or receive an IKO Offer/Release dated on or after May 28, 2016 and your IKO Organic Shingles required or require replacement due to “Qualifying Damage” (see #13). The Qualifying Damage must have occurred within the time frame specified in #13.

You may also be eligible to receive Settlement Benefits if:

- (h) you satisfy all of the following requirements: (i) you made a warranty claim after December 18, 2007, (ii) the warranty claim was denied by IKO before May 28, 2016, (iii) as of [date], you have not commenced a court action based on the denial of the warranty claim; (iv) you satisfy the Claims Administrator that the facts and circumstances surrounding your IKO Warranty Claim were covered by the strict express written terms of the Applicable IKO Limited Warranty; (v) your IKO Organic Shingles required repair or replacement due to: cracking through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter during the time period disclosed in #13; and (v) you satisfy the other eligibility requirements in #12 a, b, d, e, and f above)⁵. Any class member eligible for Settlement Benefits pursuant to #12h will be treated as a Category #2 claimant (see #15b).

13. What constitutes Qualifying Damage?

“Qualifying Damage” means the following conditions:

- (a) cracking through the entire shingle;
- (b) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; or
- (c) a leak of water through the IKO Organic Shingles and Roof Deck.

Not all approved warranty claims relate to Qualifying Damage. Warranty claims are sometimes approved where there is no Qualifying Damage as defined in the Settlement Agreement. For this reason, you might have an approved warranty claim, but not be eligible for Settlement Benefits.

The Qualifying Damage must have occurred after the Iron Clad Protection Period as set out in the Applicable IKO Limited Warranty, and prior to:

- (a) 12 years after installation for shingles with a 20-year Applicable IKO Limited Warranty. The following brands of IKO Organic Shingles have a 20-year limited warranty: AM Armour Seal 20, Superplus 20, Armour Plus 20, Armour Lock 20, Imperial Seal 20, Superlock 20, Superseal 20, Total 20, and Vista 20.

⁵ Class members with ongoing court actions as of [date] (which is the date that court materials were filed in respect of the motion to approve of the Notice of Hearing) based on a denial of warranty benefits prior to May 28, 2016 can continue their claims for the sole purpose of requesting a declaration from the court that the facts and circumstances surrounding their IKO Warranty Claim were covered by the strict express written terms of the Applicable IKO Limited Warranty. Any entitlement to warranty benefits is released by the Settlement Agreement, however, to the extent that the class member is successful in obtaining the declaration, that class member can participate in the settlement (provided the class member satisfies the other eligibility requirements (see #12)) and any such class member will be treated as a Category #2 claimant (see #15b).

- (b) 15 years after installation for shingles with a 25-year or longer Applicable IKO Limited Warranty. The following brands of IKO Organic Shingles have a 25-year or longer limited warranty: Aristocrat 25, Cathedral 25, Harvard 25, New Englander 25, Quantum 25, Renaissance 25, Royal Victorian 25, Seville 25, Skyline 25, Fast Lock 25, Ultralock 25, Chateau 30/35, and Crowne 30.

14. How can I determine if I have Qualifying Damage?

If you filed a warranty claim before the effective date of the settlement (on or around [30 days after approval hearing date]), you should review any documents, photographs and/or removed shingles that you retained and review them for evidence of Qualifying Damage.

If you are uncertain whether you have Qualifying Damage, you can still file a claim for Settlement Benefits and the Claims Administrator will make the determination. You may be asked by the Claims Administrator to provide any documents that establish that you have Qualifying Damage. As part of the settlement claim process, IKO is required to provide specified electronic information regarding your warranty claim. If you do not have documents that establish that you have Qualifying Damage, it is possible that IKO may have additional electronic information that will assist in determining whether you had Qualifying Damage. The Claims Administrator (an independent third party) can consider your submitted information and any electronic information provided by IKO in determining whether you have Qualifying Damage.

If you file a warranty claim after the effective date of the settlement, your IKO Offer/Release may advise that IKO feels it has sufficient information to conclude, based on the information provided, that the IKO Organic Shingles at issue exhibit cracking through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter. Any IKO conclusion (or lack of a conclusion) in this regard is not determinative of your settlement claim. The Claims Administrator (an independent third-party) will be responsible for determining whether you have Qualifying Damage.

15. How will the Settlement Benefits be paid out?

a. What is the general framework for how the settlement funds will be distributed?

The settlement funds will be distributed in the following stages:

- a) an initial payment approximately one year after the settlement becomes effective (settlement will become effective on or around [date]);
- b) a final payment approximately one year after the final claims deadline (final claims deadline is December 31, 2023). (see #16); and
- c) a residual payment at the completion of the claims process (assuming that there are sufficient residual funds available).

You should monitor www.classaction.ca/iko for relevant updates.

The settlement funds (plus interest, net of counsel fees, administration costs, and other expenses) will be divided equally as between the initial payment fund and final payment fund. If there are sufficient funds available after distribution of the initial payment fund and the final payment fund, there will be a further distribution of any residual funds.

The initial payment fund and final payment fund will be distributed proportionally based on the claim value of the individual class member's claim as against the claim value of all approved claims. The exact

amount to be paid to any individual class member will depend on the number of claims filed and the value of the claims, and will not be known until the end of the claims process.

The “claim value” will be based on the number of points assigned to the claim, subject to the maximum amounts disclosed in #15c. Generally speaking, the number of points reflects whether the class member received warranty benefits and/or experienced qualifying damage. See #15b for more information about how the claim value will be calculated.

Once the applicable deadline has passed and all claims have been assigned a point value, the point value will be converted into a dollar value for the purposes of issuing payments. The dollar value of each point will be determined by dividing the total amount of the initial payment fund or final payment fund, as applicable, by the total points awarded to all eligible class members who filed claims before the initial claim filing deadline or final claim filing deadline, as applicable subject to the aggregate maximums for Categories 3 and 4 (See #15(c)). See #18 for more information about filing deadlines.

For example, assuming the total amount of the initial payment fund is \$1 million and the total points awarded to class members who filed claims before the initial deadline is 500,000, each point would be worth \$2. Assuming a class member has 200 points, the related payment would be \$400.

However, in the event that the dollar value of each point in the final payment fund exceeds the dollar value of each point in the initial payment fund, the excess will be allocated to a residual payment fund for distribution to all eligible class members. For the purposes of distributing any residual payment fund, the dollar value of each point will be determined by dividing the total amount of the residual payment fund by the total points awarded to all eligible class members, and subject to a minimum payment of \$20.

For example, assuming the point value is \$2 for the initial payment fund and \$4 for the final payment fund, the final payment will be calculated at \$2 per point, and the excess will be distributed to all eligible class members. At this stage, it is unknown whether there will be a residual payment. This will only be known after the claims process is complete.

Subject to the maximum amounts disclosed in #15c, eligible class members will be paid the dollar value of each point in cash or, where the class member so elects, a coupon for IKO fiberglass shingles (see #15d) (except that any residual payment will be in cash for all class members, including those who elect fiberglass coupons).

If the aggregate maximums disclosed in #15c are exceeded, the value of that aspect of the claim will be reduced on a proportional basis (i.e., based on the value of your claim in proration to the value of all claims).

b. How are class members categorized for the purposes of determining a claim value?

For the purpose of determining claim value (see #15c), class members will be divided into the following categories:

- Category 1: You received an IKO Offer/Release dated before May 28, 2016, you did not receive warranty benefits, and you do not have Qualifying Damage.

- Category 2: You received an IKO Offer/Release dated before May 28, 2016, you did not receive warranty benefits, and you have Qualifying Damage⁶.
- Category 3: You received an IKO Offer/Release dated before May 28, 2016, you received warranty benefits and you have Qualifying Damage.
- Category 4: You received an IKO Offer/Release dated on or after May 28, 2016 and you have Qualifying Damage.
 - Category 4a: You received an IKO Offer/Release dated on or after May 28, 2016, but before the Notice of Approval of the settlement agreement is published.
 - Category 4b: You received an IKO Offer/Release dated on or after the Notice of Approval of the settlement agreement is published.

Category 4a claimants who did not sign a release will be provided with an extended period of time to sign the IKO Offer/Release in order to receive the warranty benefits provided for in the IKO Offer/Release. Any warranty benefits received will be in addition to any Settlement Benefits received. See #18 for the relevant deadline.

Category 4b claimants will not be required to elect between receiving warranty benefits and participating in the class action. Any warranty benefits received will be in addition to any Settlement Benefits received.

c. How will the claim value be calculated?

The “claim value” will be based on the number of points assigned to the claim. Generally speaking, the number of points reflects whether the class member received warranty benefits and/or experienced Qualifying Damage.

For the purposes of determining the claim value, the number of approved bundles will be based on the number of approved bundles provided in the IKO Offer/Release. For most types of IKO Organic Shingles, a bundle will typically cover 33 to 34 square feet of a roof.

The following chart sets out how the claim value will be calculated:

Categorization of Class Members	Point Value	Explanatory Notes
Category 1	15 points per approved bundle	Claims are discounted to reflect that the class member did not experience Qualifying Damage.
Category 2	40 points per approved bundle	

⁶ A class member eligible for settlement benefits pursuant to #12h will also be treated as a Category #2 claimant.

Categorization of Class Members	Point Value	Explanatory Notes
Category 3	2.5 points per approved bundle, to a maximum of \$100 per eligible settlement claimant, to an aggregate maximum of \$250,000	Claims are discounted to reflect the additional litigation risks associated with these claims. Had the action proceeded beyond a common issues trial, such class members would also have needed to establish that the signed release did not preclude their claims in the class action.
Category 4	25 points per approved bundle	The lower claim value relative to category 2 reflects that category 4 class members can receive warranty benefits in addition to their Settlement Benefits.
Interior Damage (see #15e)	Any additional Claim Value will be determined by assigning one-half (½) point for every \$1.00 in repair or replacement costs in connection with Interior Damage to a maximum of \$500 per eligible settlement claimant, and an aggregate maximum of \$50,000 from each of the initial payment fund and final payment fund.	

d. What is the option for electing IKO fiberglass shingles?

Claimants (other than Category 3 Claimants) can elect to receive part or full payment from the initial payment fund or final payment fund, as applicable, in the form of IKO fiberglass shingles. Claimants who make this election will be provided with a coupon for IKO fiberglass shingles, which they can redeem at any IKO distributor. Coupons will be issued based on the timeline disclosed in #16 and must be redeemed within six months of issuance. Any payments from the residual payment fund will be in cash for all class members, including those who elect fiberglass coupons.

The number of bundles contained in the coupon will be calculated by dividing the dollar value of the Settlement Benefits as determined by the Claims Administrator by \$15 (with an adjustment for inflation for claims filed after 2017) and rounding to the nearest whole number. For example, assuming that the Settlement Benefits are valued at \$1,000, the coupon would be for 67 bundles of shingles (\$1000/\$15). The related dollar value of the Settlement Benefits (in this example, \$1,000) will be paid by the Claims Administrator to IKO after the coupon is redeemed.

e. What qualifies as Interior Damage?

Category 2 and 4 Claimants can apply for additional Settlement Benefits in relation to any uncompensated Interior Damage. Interior Damage means water damage requiring repair or replacement of materials below the roof deck (the plywood or similar material installed on the roof trusses), beyond repainting and/or drywall repair, as a result of a leak of water through the IKO Organic Shingles and roof deck.

The total Settlement Benefits available to claims for Interior Damage is capped at \$100,000.

f. What deductions must be made in respect of Quebec class members?

Payments to Quebec Class Members are subject to deductions payable to the Fonds d'aide aux recours collectives, calculated in accordance with the governing regulations.

16. When will Settlement Benefits be paid out?

There will be two rounds of payments (including in respect of the issuance of a coupon for IKO fiberglass shingles), and a possible third round of payments (in cash, including for class members who elected to receive IKO fiberglass shingles):

- (a) an initial payment approximately 12-18 months after the Settlement Agreement is approved. The deadline to apply to receive Settlement Benefits as part of the initial payment will be four months after the notice is provided advising of the claims process. It is expected that this notice will be published in or around [3 months after approval date]. This notice will be posted online at www.classaction.ca/iko and sent by email. To ensure that you receive this notice, please register online at www.classaction.ca/iko.
- (b) a final payment approximately 9-12 months after the final claim deadline (December 31, 2023).
- (c) a residual payment at the completion of the claims process (assuming that there are sufficient residual funds available).

17. How do I apply to receive Settlement Benefits?

Class members who wish to apply for compensation under the settlement must file a claim. In some circumstances, Class members may be assisted by information that was collected by IKO as part of the IKO warranty claims program. However, class members are responsible for ensuring that adequate information is available to adjudicate the claim. Class members are also responsible for responding to requests for additional information from the claims administrator. The failure to respond to such requests could result in the denial of the claim.

The deadline and procedure for applying for Settlement Benefits will be reviewed at the approval hearing and those details will be available in a further notice to be distributed by email and posted online at www.classaction.ca/iko. To ensure that you receive this notice, please register online at www.classaction.ca/iko.

18. What is the deadline for applying to receive Settlement Benefits?

For Category 1-3, and 4a Claimants (see #15b), the deadline for applying for Settlement Benefits will be four months after the notice advising of the claims process is posted online at www.classaction.ca/iko. It is expected that this notice will be posted in or around [3 months after approval]. To receive this notice by email, register online at www.classaction.ca/iko. If you do not have email, please contact Siskinds LLP at 1-800-461-6166 ext 2446 to make arrangements to receive further notice by mail.

Category 4a Claimants will be provided with an extended period of time to sign the IKO Offer/Release in order to receive the warranty benefits provided for in the IKO Offer/Release. The deadline for doing so will be 90 days from the first emailing or mailing of the Notice of Approval.

For Category 4b Claimants, the deadline for applying for Settlement Benefits will be 60 days after the date of the IKO Offer/Release and no later than December 31, 2023.

For Category 2-4 Claimants, you must also have experienced Qualifying Damage within the time period provided for in #13.

19. What should I be doing now to protect my rights?

To protect your rights, you should:

- (a) Register online at www.classaction.ca/iko to receive updates about the class action. If you received notice of the settlement by email, you do not have to register again.
- (b) Consider taking photographs of your roof if you intend to make a claim for Settlement Benefits. The photographs should be labeled to identify the slope or area of the roof shown. The photographs should include photographs of each roof slope showing the slope and the condition of the shingles. Your roofing contractor should be able to assist you with taking the required photographs.
- (c) Retain all related invoices. This includes initial receipts/invoices relating to the installation of your IKO organic shingles and any receipts/invoices establishing expenses incurred as the result of a leak.
- (d) If you are buying or selling a house with IKO Organic Shingles, refer to the Applicable IKO Limited Warranty for instructions regarding transferring the warranty coverage and section 4.1(9) of the settlement agreement regarding the assignment of rights under the settlement.

CLASS COUNSEL

20. Do I have a lawyer in the class action lawsuit?

Siskinds LLP, a law firm based in London, Ontario, acts on behalf of the Class. Siskinds can be reached at:

Siskinds LLP
IKO Class Action
680 Waterloo St
London ON N6A 3V8

ikoclassaction@siskinds.com

1-800-461-6166 ext. 2446.

21. How will Class Counsel be paid?

You do not need to pay out-of-pocket for the lawyers working on the class action. At the settlement approval hearing, Class Counsel will ask the Ontario Court to approve legal fees of up to 25% of the Settlement Amount, plus disbursements and applicable taxes, and that the approved fees be paid out of the Settlement Amount.

No additional notice will be published or provided by mail. Important updates – including about the process for applying to receive Settlement Benefits – will be sent by email and posted online at www.classaction.ca/iko. Register online at www.classaction.ca/iko to receive email updates. If you do not have email or internet access, please contact Class Counsel at the address listed at #20.

SCHEDULE “E” – NOTICE OF APPROVAL

DO YOU HAVE OR DID YOU HAVE IKO/CRC/CANROOF ORGANIC ROOFING SHINGLES IN CANADA?

IF SO, YOU COULD BE AFFECTED BY A PROPOSED CLASS ACTION SETTLEMENT.

WHAT IS THE CLASS ACTION ABOUT?

The class action relates to the alleged negligent design and manufacture of IKO/CRC/Canroof asphalt organic shingles (collectively, “IKO Organic Shingles”). Specifically, the representative plaintiff alleges that IKO Organic Shingles were negligently designed and manufactured in a manner that, under normal conditions and usage, would result in premature failure.

IKO Industries Ltd., Canroof Corporation Inc., or I.G. Machine (collectively “IKO”) are the defendants in the class action. IKO denies all of these allegations and asserts that IKO Organic Shingles are free of any defect, and in fact, are good quality roofing materials. However, in order to avoid the significant costs of this litigation and achieve finality in terms of its ongoing obligations, IKO has agreed to a settlement that will resolve the class action. The settlement represents a voluntary resolution of claims. IKO does not admit any wrongdoing or liability.

The class action relates only to organic shingles. The class action does not relate to fiberglass shingles (some of which have been sold under the same brand names as IKO Organic Shingles). IKO Organic Shingles were sold under the following brand names: Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Super-plus, Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Cambridge Ultra Shadow (laminated organic), Cathedral XL, Crowne 30. IKO Organic Shingles have not been manufactured since 2008 and have not been sold since 2010.

The Ontario Court certified the action as a class proceeding. The certified class includes current or former owners or leasees of buildings located in Canada that contain or contained IKO Organic Shingles. See the full legal notice for the complete class definition.

WHAT ARE THE TERMS OF THE SETTLEMENT?

A settlement has been reached in the class action with the defendants. Under the terms of the settlement agreement, the defendants are required to pay CDN \$7,500,000 for the benefit of the class. The settlement was approved by the Ontario Court as being fair, reasonable and in the best interest of class members.

HOW WILL SETTLEMENT FUNDS BE DISTRIBUTED?

The proposed settlement sets out who is eligible for settlement benefits and how the settlement funds will be distributed. Generally speaking, you are eligible for settlement benefit if you: (i) are a member of the class; (ii) you file a timely claim form; (iii) your IKO Organic Shingles were installed after June 30, 1997; (iv) you have an approved warranty claim and (v) you did not receive IKO’s “Iron Clad” warranty benefits. In limited circumstances, you may also be eligible for settlement benefits if your warranty claim was denied. The amount payable to individual class members depends on a number of factors, including: (i) the number and value of valid claims filed in the class action; (ii) your number of approved bundles, (iii) whether you previously received warranty benefits and (iv) whether and when you experienced qualifying damage. See the full legal notice and settlement agreement for more information.



HOW CAN I APPLY TO RECEIVE SETTLEMENT FUNDS?

Class Members who wish to apply for compensation under the settlement must submit a claim. Claims must be submitted online at [settlement website]. If you do not have Internet access, please contact the Claims Administrator. Claims must be submitted online or postmarked on or before the deadlines set out in #x of the full legal notice.

QUESTIONS? For more information, please review the full legal notice, available online at [settlement website].

If you still have questions, please contact the claims administrator by email at email@emailaddress.com, or toll-free at **1.800.XXX.XXXX**.

IKO/CRC/CANROOF ORGANIC ROOFING SHINGLES – CANADIAN

CLASS ACTION

NOTICE OF SETTLEMENT APPROVAL AND CLAIMS PROCESS

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS

This Notice is directed at persons in Canada that own or have owned, lease or have leased buildings in Canada that contain or have ever contained IKO/CRC/CANROOF Organic Shingles (collectively, “IKO Organic Shingles”) (See #3 below).

The Settlement Agreement has been approved by the Ontario Court and is now effective. This Notice describes who is eligible for Settlement Benefits and how to make a claim. **See #15 for the deadline to apply for Settlement Benefits.**

This Notice contains a summary of the Settlement Agreement. Capitalized terms used in this Notice have the meaning ascribed to them in the Settlement Agreement. To the extent that there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement governs. Please see the full text of the Settlement Agreement at www.classaction.ca/iko.

This Notice addresses the following questions:

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BACKGROUND INFORMATION

1. What is a class action?

A class action is a lawsuit filed by one or more people called “representative plaintiffs” on behalf of other people who are similarly situated. This group of people is referred to as the “class” or “class members.” One court decides all the common issues in the lawsuit for all class members, except for those who have excluded themselves from the class. The deadline to exclude yourself from the class has expired.

2. What is this class action about?

The representative plaintiff, on behalf of himself and the Class, is claiming damages from the defendants (IKO Industries Ltd., Canroof Corporation Inc., and I.G. Machine & Fibers Ltd., collectively, “IKO”) for the alleged negligent design and manufacture of IKO Organic Shingles and alleged breaches of consumer protection legislation. Specifically, the representative plaintiff alleges that IKO Organic Shingles were negligently designed and manufactured in a manner that, under normal conditions and usage, would result in premature failure. This litigation does not pertain to and the settlement does NOT affect owners/lessees of buildings with IKO fiberglass shingles (see #3).

IKO denies all of the allegations in the class action and asserts that IKO Organic Shingles are free of any defect, and in fact, are good quality roofing materials. However, in order to avoid the significant costs of this litigation and to achieve finality in terms of its ongoing obligations, IKO has agreed to a settlement that will resolve the class action. The settlement represents a voluntary resolution of claims. IKO does not admit any wrongdoing or liability.

Based on their analyses of the facts and law applicable to the claims and having regard to the burdens and expense in prosecuting the Proceedings, including the risks and uncertainties associated with trials and appeals, and having regard to the value of the Settlement Agreement, the Representative Plaintiff and Class Counsel have concluded that the Settlement Agreement is fair, reasonable, and in the best interests of the class.

3. What are the shingles that are the subject of this class action lawsuit?

This class action relates only to “IKO Organic Shingles”, which means all asphalt organic shingles manufactured by or on behalf of IKO Industries Ltd., Canroof Corporation Inc., or I.G. Machine & Fibers Ltd. whether sold under the names Chateau, Renaissance XL, Aristocrat, Total, Armour Seal, Superplus,

Armour Lock, Royal Victorian, Cathedral XL, Ultralock 25, Armour Plus 20, Armour Tite, Cambridge Ultra Shadow (laminated organic), Cathedral XL, Crowne 30, or otherwise.

IKO Organic Shingles have not been manufactured since 2008 and have not been sold since 2010.

This litigation does not pertain to and the settlement does NOT affect owners/lessees of buildings with IKO fiberglass shingles (some of which have been sold under the same brand names listed above for IKO Organic Shingles).

AFFECTED PERSONS

4. Who is affected by the class action?

You are affected by the class action if you fall within the certified class and have not excluded yourself from the Class (see #6). The certified class is defined as all persons that own or have owned, lease or have leased, and all those who have or may pursue claims through or in the name or right of those who own or have owned, lease or have leased buildings in Canada that contain or have ever contained IKO Organic Shingles (see #3).

5. Are there any exclusions from the class?

Persons who previously timely and validly opted out (excluded themselves from) the class action are excluded from the Class and therefore not affected by the class action (and cannot apply for benefits under the settlement). If you cannot recall whether you opted out, please contact the claims administrator at the address listed in #17.

6. How do I know if I have IKO Organic Shingles?

There are several ways in which you may be able to determine if you have IKO Organic Shingles:

- (a) Check your receipts, invoices, brochures, etc. from when you purchased your shingles.
- (b) Contact the contractor or company that installed your shingles.
- (c) Ask an experienced roofer.
- (d) If you have already filed a warranty claim with IKO, check your warranty claim documents.

THE SETTLEMENT

7. What are the details about the settlement?

On ●, 2016, the parties executed a settlement agreement (the "Settlement Agreement") to resolve the litigation in its entirety. The Settlement Agreement requires the defendants to pay CDN \$7.5 million (the "Settlement Amount") for the benefit of the Class. The full text of the Settlement Agreement can be found at www.classaction.ca/iko.

In return for the Settlement Amount, the defendants received releases and the class action was dismissed. The Settlement Agreement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of the defendants, who have denied, and continue to deny, the allegations made against them.

The Settlement Agreement was approved by the Ontario Court as being fair, reasonable, and in the best interests of class members.

8. Does the settlement affect my warranty claim with IKO?

The settlement does not affect a future claim for benefits (including warranty claims in relation to a problem with IKO Organic Shingles discovered after April 28, 2016 and received by IKO after May 28, 2016) that may be available in accordance with the express strict written terms of any Applicable IKO Limited Warranty. Class members with future claims can apply for warranty benefits pursuant to the Applicable IKO Limited Warranty and for Settlement Benefits.

Any warranty claims related to problems with IKO Organic Shingles received by IKO prior to May 28, 2016 will be released by the settlement.

Any Settlement Benefits available under the Settlement Agreement are completely separate from any benefits that may be available in the IKO Warranty Claims Process. IKO will continue to administer future warranty claims under its warranty program in accordance with the terms of any Applicable IKO Limited Warranty.

DISTRIBUTION OF SETTLEMENT BENEFITS

9. Who is eligible to receive Settlement Benefits?

You may be eligible to receive Settlement Benefits if you satisfy all of the following requirements:

- (a) you are a class member (see #4);
- (b) you file a timely and complete settlement claim form, together with all required supporting documents;
- (c) on or after December 18, 2007¹, you received an IKO Offer/Release or a Canadian court (including a small claims court) finds or has found that you are entitled to benefits under the strict express written terms of the Applicable IKO Limited Warranty in relation to your IKO Organic Shingles. In limited circumstances, you can also apply to receive Settlement Benefits if your warranty claim was denied. See #9(h) for more information;
- (d) your IKO Organic Shingles were installed after June 30, 1997²;
- (e) you have not released your claim as part of a settlement of a legal action or court adjudication. (Note: persons who signed an IKO Offer/Release as part of a resolution of a warranty claim before a legal action was started and who experienced Qualifying Damage (see #10) may still be eligible to receive Settlement Benefits);
- (f) you did not receive warranty benefits from IKO in accordance with the “Iron Clad Protection”, as set out in the Applicable IKO Limited Warranty (typically 3 to 5 years after the application of the IKO Organic Shingles depending on the Applicable IKO Limited Warranty);

¹ December 18, 2007 is two years before the class action was commenced.

² Prior to June 30, 1997, IKO’s limited warranty provided benefits in relation to both material and application costs.

(g) you fall within any of the following scenarios:

- (A) you received an IKO Offer/Release dated July 9, 2010³ to May 28, 2016⁴, but you did not receive warranty benefits;
- (B) you received an IKO Offer/Release dated July 9, 2010 to May 28, 2016, you received warranty benefits, and your IKO Organic Shingles required replacement due to “Qualifying Damage” (see #10); or
- (C) you received or receive an IKO Offer/Release dated on or after May 28, 2016 and your IKO Organic Shingles required or require replacement due to “Qualifying Damage” (see #10).

You may also be eligible to receive Settlement Benefits if:

- (h) you satisfy all of the following requirements: (i) you made a warranty claim after December 18, 2007, (ii) the warranty claim was denied by IKO before May 28, 2016, (iii) as of [date], you have not commenced a court action based on the denial of the warranty claim; (iv) you satisfy the Claims Administrator that the facts and circumstances surrounding your IKO Warranty Claim were covered by the strict express written terms of the Applicable IKO Limited Warranty; (v) your IKO Organic Shingles required repair or replacement due to: cracking through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter during the time period disclosed in #13; and (v) you satisfy the other eligibility requirements in #12 a, b, d, e. and f above)⁵. Any class member eligible for Settlement Benefits pursuant to #12h will be treated as a Category #2 claimant (see #15b).

³ July 9, 2010 is when IKO began advising warranty claimants of the class action and advising that warranty claimants who sign the IKO Offer/Release might not be eligible to participate in the class action.

⁴ May 28, 2016 is when a settlement in principle was reached. In accordance with the terms of the settlement, the parties were required to keep the settlement confidential until written terms were finalized and an agreement executed and filed with the Ontario Court.

***Warranty claimants who received but did not accept an IKO Offer/Release after May 28, 2016 and before [date] will be provided a time limited opportunity to sign the IKO Offer/Release and obtain the warranty benefits offered. Such warranty benefits would be in addition to any Settlement Benefits available through the Settlement Agreement.

⁵ Class members with ongoing court actions as of [date] (which is the date that court materials were filed in respect of the motion to approve of the Notice of Hearing) based on a denial of warranty benefits prior to May 28, 2016 can continue their claims for the sole purpose of requesting a declaration from the court that the facts and circumstances surrounding their IKO Warranty Claim were covered by the strict express written terms of the Applicable IKO Limited Warranty. Any entitlement to warranty benefits is released by the Settlement Agreement, however, to the extent that the class member is successful in obtaining the declaration, that class member can participate in the settlement (provided the class member satisfies the other eligibility requirements (see #12)) and any such class member will be treated as a Category #2 claimant (see #15b).

10. What constitutes Qualifying Damage?

“Qualifying Damage” means the following conditions:

- (a) cracking through the entire shingle;
- (b) an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter; or
- (c) a leak of water through the IKO Organic Shingles and Roof Deck.

Not all approved warranty claims relate to Qualifying Damage. Warranty claims are sometimes approved where there is no Qualifying Damage as defined in the Settlement Agreement. For this reason, you might have an approved warranty claim, but not be eligible for Settlement Benefits.

The Qualifying Damage must have occurred after the Iron Clad Protection Period as set out in the Applicable IKO Limited Warranty, and prior to:

- (a) 12 years after installation for shingles with a 20-year Applicable IKO Limited Warranty. The following brands of IKO Organic Shingles have a 20-year limited warranty: AM Armour Seal 20, Superplus 20, Armour Plus 20, Armour Lock 20, Imperial Seal 20, Superlock 20, Superseal 20, Total 20, and Vista 20.
- (b) 15 years after installation for shingles with a 25-year or longer Applicable IKO Limited Warranty. The following brands of IKO Organic Shingles have a 25-year or longer limited warranty: Aristocrat 25, Cathedral 25, Harvard 25, New Englander 25, Quantum 25, Renaissance 25, Royal Victorian 25, Seville 25, Skyline 25, Fast Lock 25, Ultralock 25, Chateau 30/35, and Crowne 30.

11. How can I determine if I have Qualifying Damage?

If you filed a warranty claim before the effective date of the settlement ([date]), you should review any documents, photographs and/or removed shingles that you retained and review them for evidence of Qualifying Damage.

If you are uncertain whether you have Qualifying Damage, you can still file a claim for Settlement Benefits and the Claims Administrator will make the determination. You may be asked by the Claims Administrator to provide any documents that establish that you have Qualifying Damage. As part of the settlement claim process, IKO is required to provide specified electronic information regarding your warranty claim. If you do not have documents that establish that you have Qualifying Damage, it is possible that IKO may have additional electronic information that will assist in determining whether you had Qualifying Damage. The Claims Administrator (an independent third party) can consider your submitted information and any electronic information provided by IKO in determining whether you have Qualifying Damage.

If you file a warranty claim after the effective date of the settlement ([date]), your IKO Offer/Release may advise that IKO feels it has sufficient information to conclude, based on the information provided, that the IKO Organic Shingles at issue exhibit cracking through the entire shingle or an area of complete loss of topcoat exposing the underlying felt greater in size than a Quarter. Any IKO conclusion (or lack of a conclusion) in this regard is not determinative of your settlement claim. The Claims Administrator (an independent third-party) will be responsible for determining whether you have Qualifying Damage.

12. How will the Settlement Benefits be paid out?

a. What is the general framework for how the settlement funds will be distributed?

The settlement funds will be distributed in the following stages:

- a) an initial payment approximately one year after the settlement becomes effective (the settlement became effective on[date]);
- b) a final payment approximately one year after the final claims deadline (final claims deadline is December 31, 2023). (see #13); and
- c) a residual payment at the completion of the claims process (assuming that there are sufficient residual funds available).

You should monitor www.classaction.ca/iko for relevant updates.

The settlement funds (plus interest, net of counsel fees, administration costs, and other expenses) will be divided equally as between the initial payment fund and final payment fund. If there are sufficient funds available after distribution of the initial payment fund and the final payment fund, there will be a further distribution of any residual funds.

The initial payment fund and final payment fund will be distributed proportionally based on the claim value of the individual class member's claim as against the claim value of all approved claims. The exact amount to be paid to any individual class member will depend on the number of claims filed and the value of the claims, and will not be known until the end of the claims process.

The "claim value" will be based on the number of points assigned to the claim, subject to the maximum amounts disclosed in #12c. Generally speaking, the number of points reflects whether the class member received warranty benefits and/or experienced qualifying damage. See #12b for more information about how the claim value will be calculated.

Once the applicable deadline has passed and all claims have been assigned a point value, the point value will be converted into a dollar value for the purposes of issuing payments. The dollar value of each point will be determined by dividing the total amount of the initial payment fund or final payment fund, as applicable, by the total points awarded to all eligible class members who filed claims before the initial claim filing deadline or final claim filing deadline, as applicable, subject to the aggregate maximums for Categories 3 and 4 (see #12c). See #15 for more information about filing deadlines.

For example, assuming the total amount of the initial payment fund is \$1 million and the total points awarded to class members who filed claims before the initial deadline is 500,000, each point would be worth \$2. Assuming a class member has 200 points, the related payment would be \$400.

However, in the event that the dollar value of each point in the final payment fund exceeds the dollar value of each point in the initial payment fund, the excess will be allocated to a residual payment fund for distribution to all eligible class members. For the purposes of distributing any residual payment fund, the dollar value of each point will be determined by dividing the total amount of the residual payment fund by the total points awarded to all eligible class members, and subject to a minimum payment of \$20.

For example, assuming the point value is \$2 for the initial payment fund and \$4 for the final payment fund, the final payment will be calculated at \$2 per point, and the excess will be distributed to all eligible

class members. At this stage, it is unknown whether there will be a residual payment. This will only be known after the claims process is complete.

Subject to the maximum amounts disclosed in #12c, eligible class members will be paid the dollar value of each point in cash or, where the class member so elects, a coupon for IKO fiberglass shingles (see #12d) (except that any residual payment will be in cash for all class members, including those who elect fiberglass coupons).

If the aggregate maximums disclosed in #12c are exceeded, the value of that aspect of the claim will be reduced on a proportional basis (i.e., based on the value of your claim in proration to the value of all claims).

b. How are class members categorized for the purposes of determining a claim value?

For the purpose of determining claim value (see #12c), class members will be divided into the following categories:

- Category 1: You received an IKO Offer/Release dated before May 28, 2016, you did not receive warranty benefits, and you do not have Qualifying Damage.
- Category 2: You received an IKO Offer/Release dated before May 28, 2016, you did not receive warranty benefits, and you have Qualifying Damage.⁶
- Category 3: You received an IKO Offer/Release dated before May 28, 2016, you received warranty benefits and you have Qualifying Damage.
- Category 4: You received an IKO Offer/Release dated on or after May 28, 2016 and you have Qualifying Damage.
 - Category 4a: You received an IKO Offer/Release dated on or after May 28, 2016, but before [date]⁷
 - Category 4b: You received an IKO Offer/Release dated on or after [date].

Category 4a claimants who did not sign a release will be provided with an extended period of time to sign the IKO Offer/Release in order to receive the warranty benefits provided for in the IKO Offer/Release. Any warranty benefits received will be in addition to any Settlement Benefits received. See #15 for the relevant deadline.

Category 4b claimants will not be required to elect between receiving warranty benefits and participating in the class action. Any warranty benefits received will be in addition to any Settlement Benefits received.

c. How will the claim value be calculated?

The “claim value” will be based on the number of points assigned to the claim. Generally speaking, the number of points reflects whether the class member received warranty benefits and/or experienced qualifying damage.

For the purposes of determining the claim value, the number of approved bundles will be based on the number of approved bundles provided in the IKO Offer/Release. For most types of IKO Organic Shingles, a bundle will typically cover 33 to 34 square feet of a roof.

⁶ A class member eligible for settlement benefits pursuant to #9h will also be treated as a Category #2 claimant.

⁷ [Date] is when the settlement agreement became effective.

The following chart sets out how the claim value will be calculated:

Categorization of Class Members	Point Value	Explanatory Notes
Category 1	15 points per approved bundle	Claims are discounted to reflect that the class member did not experience Qualifying Damage.
Category 2	40 points per approved bundle	
Category 3	2.5 points per approved bundle, to a maximum of \$100 per eligible settlement claimant, to an aggregate maximum of \$250,000	Claims are discounted to reflect the additional litigation risks associated with these claims. Had the action proceeded beyond a common issues trial, such class members would also have needed to establish that the signed release did not preclude their claims in the class action.
Category 4	25 points per approved bundle	The lower claim value relative to category 2 reflects that category 4 class members can receive warranty benefits in addition to their Settlement Benefits.
Interior Damage (see #12e)	Any additional Claim Value will be determined by assigning one-half (½) point for every \$1.00 in repair or replacement costs in connection with Interior Damage to a maximum of \$500 per eligible settlement claimant, and an aggregate maximum of \$50,000 from each of the initial payment fund and final payment fund.	

d. What is the option for electing IKO fiberglass shingles?

Claimants (other than Category 3 Claimants) can elect to receive part or full payment from the initial payment fund or final payment fund, as applicable, in the form of IKO fiberglass shingles. Claimants who make this election will be provided with a coupon for IKO fiberglass shingles, which they can redeem at any IKO distributor. Coupons will be issued based on the timeline disclosed in #13 and must be redeemed within six months of issuance. Any payments from the residual payment fund will be in cash for all class members, including those who elect fiberglass coupons.

The number of bundles contained in the coupon will be calculated by dividing the dollar value of the Settlement Benefits as determined by the Claims Administrator by \$15 (with an adjustment for inflation for claims filed after 2017) and rounding to the nearest whole number. For example, assuming that the Settlement Benefits are valued at \$1,000, the coupon would be for 67 bundles of shingles (\$1000/\$15). The related dollar value of the Settlement Benefits (in this example, \$1,000) will be paid by the Claims Administrator to IKO after the coupon is redeemed.

e. What qualifies as Interior Damage?

Category 2 and 4 Claimants can apply for additional Settlement Benefits in relation to any uncompensated Interior Damage. Interior Damage means water damage requiring repair or replacement of materials below the roof deck (the plywood or similar material installed on the roof trusses), beyond repainting and/or drywall repair, as a result of a leak of water through the IKO Organic Shingles and roof deck.

The total Settlement Benefits available to claims for Interior Damage is capped at \$100,000.

f. What deductions must be made in respect of Quebec class members?

Payments to Quebec Class Members are subject to deductions payable to the Fonds d'aide aux recours collectives, calculated in accordance with the governing regulations.

13. When will Settlement Benefits be paid out?

There will be two rounds of payments (including in respect of the issuance of a coupon for IKO fiberglass shingles), and a possible third round of payments (in cash, including for class members who elected to receive IKO fiberglass shingles):

- (a) an initial payment approximately 12-18 months after the Settlement Agreement is approved. The deadline to apply to receive Settlement Benefits as part of the initial payment is [date].
- (b) a final payment approximately 9-12 months after the final claim deadline (December 31, 2023).
- (c) a residual payment at the completion of the claims process (assuming that there are sufficient residual funds available).

14. How do I apply to receive Settlement Benefits?

Class members who wish to apply to receive Settlement Benefits must submit a claim. Claims must be submitted online at [settlement website]. If you do not have Internet access, please contact the Claims Administrator at 1-800-... Claims must be submitted online or postmarked on or before the deadlines set out in #15.

In some circumstances, Class Members may be assisted by information that was collected by IKO as part of the IKO warranty claims program. However, class members are responsible for ensuring that adequate information is available to adjudicate the claim. Class members are also responsible for responding to requests for additional information from the claims administrator. The failure to respond to such requests could result in the denial of the claim.

15. What is the deadline for applying to receive Settlement Benefits?

For Category 1-3, and 4a Claimants (see #12b), the deadline for applying for Settlement Benefits is [date].

Category 4a Claimants will be provided with an extended period of time to sign the IKO Offer/Release in order to receive the warranty benefits provided for in the IKO Offer/Release. The deadline for doing so is [date].

For Category 4b Claimants, the deadline for applying for Settlement Benefits is 60 days after the date of the IKO Offer/Release, and no later than December 31, 2023.

For Category 2-4 Claimants, you must also have experienced Qualifying Damage within the time period provided for in #10.

16. Who is responsible for reviewing applications for Settlement Benefits and making decisions regarding eligibility?

The claims administrator (an independent third-party) is responsible for reviewing applications for Settlement Benefits and making decisions regarding eligibility for Settlement Benefits. [name] was appointed by the Ontario Court as the claims administrator.

QUESTIONS

17. What if I still have questions?

Please visit [settlement website] for additional information. If you still have questions, please contact the claims administrator by email at [email] or toll-free at 1-800-...

SCHEDULE “F” – NOTICE DISSEMINATION PLAN

**PLAN OF NOTICE DISSEMINATION
IKO ORGANIC SHINGLES CLASS ACTION**

A. The Notice of Settlement Approval Hearing shall be distributed in the following manner:

Newspaper Publication Notice:

1. published once in a weekday edition (with the exception of La Presse, in which case the publication will be in the Saturday edition) in a 1/8 page advertisement in the following newspapers, in either English or French, as is appropriate for each newspaper:
 - (a) The Globe and Mail (National Edition)
 - (b) The Vancouver Sun
 - (c) Calgary Herald
 - (d) Edmonton Journal
 - (e) The StarPhoenix (Saskatoon)
 - (f) The Leader Post (Regina)
 - (g) Winnipeg Free Press
 - (h) Journal de Montreal
 - (i) Montreal Gazette
 - (j) La Presse (Montreal)
 - (k) Le Soleil (Quebec City)
 - (l) The Telegraph-Journal (Saint John, New Brunswick)
 - (m) The Chronicle Herald (Halifax)
 - (n) The Guardian (Charlottetown)
 - (o) The Telegram (St. John's, Newfoundland)

2. published once in a 1/6 page black and white advertisement in the following industry magazines (but only if the magazine issue will be released at least one month before the settlement approval hearing), in either English or French, as is appropriate for each magazine, subject to each having reasonable publication deadlines and costs:

- (a) Canadian Contractor Magazine
- (b) Homes Magazine (Toronto Star insert)
- (c) Condo Life Magazine (Toronto Star insert)

3. Published once in a Big Box Ad in the following online newsletter in English and/or French, as is appropriate:

- (a) Canadian Contractor.

Short-Form Notice:

4. posted in English and French by class counsel on class counsel's website www.ikoclassaction@siskinds.com
5. sent by direct mail or by email (where a class member or warranty claimant has provided an email address to Class Counsel or the Defendants) to the following persons in Canada who can be identified by Class Counsel or the Defendants through their respective electronic records:
 - (a) any person who received the Long-Form Notice of Certification in the December 6, 2013 mailing conducted pursuant to the Notice Order;
 - (b) any person who has filed a warranty claim between October 21, 2013 and January 4, 2017 and IKO's Electronic Field Data identifies the claim as being in respect of IKO Organic Shingles;
 - (c) any person who has inquired with the Defendants' warranty claims department between October 21, 2013 and January 4, 2017 and IKO's Electronic Field Data identifies the inquiry as being in respect of IKO Organic Shingles
 - (d) any person who has commenced individual litigation against the Defendants between October 21, 2013 and January 4, 2017 and IKO's Electronic Field Data identifies the litigation as being in respect of IKO Organic Shingles and whose litigation has not been finally resolved since October 21, 2013; and
 - (e) the distributors of IKO Organic Shingles who received the Long-Form Notice of Certification in the December 6, 2013 mailing conducted pursuant to the Notice

Order, along with a request that the notice be forwarded to their customers (retailers) who received IKO Organic Shingles.

6. sent by direct mail or email to any person who has inquired with Class Counsel or counsel in the related Alberta or Quebec litigation.

Where a person is located in Quebec, the notice shall be sent in French and shall include a statement in English that the notice is available in English online at www.classaction.ca/iko.

The direct emailing and mailing will occur in stages over a four week period, commencing two weeks before the first newspaper publication of the publication notice.

If an email is returned as undeliverable, a copy of the notice shall be sent by direct mail.

Long-Form Notice:

7. posted in English and French by class counsel on class counsel's website www.ikoclassaction@siskinds.com
8. sent to any person who requests a copy.

Press Release:

9. A press release will be issued in English and French through Canada News Wire.

B. The Notice of Settlement Approval shall be distributed to the following persons in Canada and in the following manner:

Short-Form Notice:

1. Sent by email to all persons who:
 - a. were sent the Notice of Settlement Approval Hearing by email and whose email was not returned as undeliverable;
 - b. registered online at www.classaction.ca/iko to receive updates about the class action;
2. Sent by regular mail to all persons who do not have email or internet access and who contacted class counsel to make specific arrangements to be notified by mail;

3. Posted in English and French by the Claims Administrator on the Settlement Website to be created and maintained pursuant to Section 5.4(3)(g) of the Settlement Agreement;

Long-Form Notice:

4. Posted in English and French by the Claims Administrator on the Settlement Website to be created and maintained pursuant to Section 5.4(3)(g) of the Settlement Agreement;
5. Sent to any person who requests a copy.

C. Continuing notice shall be distributed in the following manner:

1. The Defendants will amend the "Notice to Class Members" in the standard IKO Offer/Release in accordance with Sections 5.1(2)(i) and (j), as applicable, of the Settlement Agreement.