

# Canadian Solar Securities Class Action

## Notice of Settlement Approval

Court File No. C-710-10

[www.CanadianSolarSettlement.ca](http://www.CanadianSolarSettlement.ca)

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ CAREFULLY.

### THIS NOTICE IS DIRECTED TO:

All persons, wherever they may reside or be domiciled, who acquired securities of Canadian Solar in the secondary market during the period from the opening of trading on the NASDAQ on October 15, 2009 to the close of trading on the NASDAQ on June 1, 2010, and who continued to hold some or all of those securities at the close of trading on the NASDAQ on June 1, 2010 (this group of individuals is known as the “**Misrepresentation Class**”), other than Excluded Persons, defined below.

-and-

All persons, wherever they may reside or be domiciled, who were registered or beneficial security holders of Canadian Solar at any time during the period from the opening of trading on the NASDAQ on May 26, 2009 to the close of trading on the NASDAQ on June 1, 2010, and who continued to hold securities of Canadian Solar at the close of trading on the NASDAQ on June 1, 2010 (this group of individuals is known as the “**Oppression Class**”), other than Excluded Persons, defined below.

The Misrepresentation Class and the Oppression Class are defined collectively as the “Class.”

\***Excluded Persons** are Canadian Solar, Shawn Xiaohua Qu, Arthur Chien, Canadian Solar’s past and present subsidiaries, affiliates, officers, directors, legal representatives, heirs, predecessors, successors and assigns, any member of the Defendants’ families, any entity in which any of the foregoing persons or entities has or had during the Class Period any legal or *de facto* controlling interest, and any person who validly opted out of the Class.

### IMPORTANT DEADLINE

**Claims Bar Deadline:** To be eligible for compensation, class members **must** submit a duly completed Claim Form to the Administrator **no later than 11:59 pm Toronto (Eastern) time on May 31, 2021.**

Claims Forms may **not** be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.

### PURPOSE OF THIS NOTICE

The purpose of this Notice is to advise Class Members of the approval of the Settlement of the class proceeding brought on behalf of Class Members. The Notice provides Class Members with information about how to apply for compensation from the Settlement. **Class Members who wish to do so must do so no later than 11:59 pm Toronto (Eastern) time on May 31, 2021.**

### COURT APPROVAL OF THE SETTLEMENT

In 2010, a class proceeding was commenced in the Ontario Superior Court of Justice (the “Court”) against the Defendants (the “Action”).

The Action alleged that the Defendants misrepresented, among other things, Canadian Solar’s revenue, losses associated with certain of its long-term contracts, and that its financial results

were prepared and presented in accordance with US generally accepted accounting principles. The Action alleged that the Defendants made such misrepresentations in certain public documents released during the period **from and including May 26, 2009 to June 1, 2010**, as well as in oral statements made during the same period, resulting in Canadian Solar's securities trading at artificially inflated prices during this period.

On September 9, 2014, the Court granted the Plaintiff leave to bring an action for damages under Part XXIII.1 of Ontario's *Securities Act*.

On January 5, 2015, the Court certified the Action as a class action on behalf of the Class Members. Pursuant to this order, Class Members were afforded the right to exclude themselves or "opt out" of the Class no later than January 15, 2016. **This Notice does not affect persons who validly exercised the right to opt out. Persons who opted out are not entitled to participate in the Settlement.**

Since then, the Action has been vigorously litigated. On July 8, 2020, the Plaintiff and the Defendants executed a Settlement Agreement providing for the settlement of the Action ("Settlement"). The Settlement provides for the payment of \$13,000,000.00 USD (the "Settlement Funds") in consideration of the full and final settlement of the claims of Class Members. The Settlement Funds include all legal fees, disbursements, taxes and administration expenses.

In return for the payment of the Settlement Funds, the Settlement provides that the claims of all Class Members asserted or which could have been asserted in the Action will be fully and finally released and the Action will be dismissed. The Settlement is not an admission of liability, wrongdoing or fault on the part of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

On **October 30, 2020**, the Court approved the Settlement and ordered that it be implemented in accordance with its terms.

The Court also awarded Class Counsel total legal fees, expenses and applicable taxes in the amount of \$5,993,755.05 CAD ("Class Counsel Fees"), inclusive of disbursements of \$966,884.46 CAD, plus HST. As is customary in such cases, Class Counsel conducted the class action on a contingency fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. Class Counsel Fees will be deducted from the Settlement Funds before they are distributed to Class Members.

Expenses incurred or payable relating to the approval, notification, implementation and administration of the Settlement ("Administration Expenses") will also be paid from the Settlement Funds before they are distributed to Class Members.

## **CLASS MEMBERS' ENTITLEMENT TO COMPENSATION**

Pursuant to the Court order approving the Settlement, the claims of Class Members which were or could have been asserted in the Action are now released and the Action has been dismissed. Class Members may not pursue individual or class actions for those claims, regardless of whether or not they submit a claim for compensation from the Settlement. **The Settlement therefore represents the only means of compensation available to Class Members in respect of the claims raised in the Action.**

Class Members will be eligible for compensation pursuant to the Settlement if they submit a duly completed Claim Form, including any supporting documentation, to the Administrator, and their claim satisfies the criteria set out in the Distribution Protocol.

To be eligible for compensation under the Settlement, Class Members must submit their duly completed Claim Form and required supplementary documentation **no later than 11:59 pm Toronto (Eastern) time on May 31, 2021** (the “Claims Bar Deadline”). Only Class Members are permitted to recover from the Settlement.

After deduction of Class Counsel Fees and Administration Expenses, the balance of the Settlement Funds (the “Net Settlement Amount”) will be distributed to Class Members in accordance with the Distribution Protocol.

Each Class Member who has submitted a valid claim will receive a portion of the Net Settlement Amount calculated in accordance with the Distribution Protocol. In order to determine the individual entitlements of Class Members who submit claims, the Distribution Protocol provides for the calculation of notional losses of each claimant in accordance with a formula based on the statutory damages provisions contained in the securities legislation of Ontario. Once the notional allocations of all Class Members who have submitted valid claims have been calculated, the Net Settlement Amount will be allocated to those Class Members in proportion to their percentage of the total notional allocations calculated for all valid claims submitted. **Because the Net Settlement Amount will be distributed *pro rata*, it is not possible to estimate individual recovery of any individual Class Member until all the claims have been received and reviewed.**

In the event that any amounts remain undistributed after the distribution of the Net Settlement Amount (whether as a result of a failure to locate claimants, the failure of any Class Member to submit a valid claim, or as a result of any tax refunds or any distributed cheques having become stale-dated or ineligible for redemption), those amounts will be distributed to eligible Class Members in accordance with the Distribution Protocol (if sufficient to warrant a further distribution) or allocated *cy-près* to Pro Bono Ontario.

## **ADMINISTRATOR**

The Court has appointed Epiq Class Action Services Canada Inc. as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) determine Class Members’ eligibility for and entitlement to compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding claims for compensation; (iv) manage and distribute the Settlement Amount in accordance with the Settlement Agreement; and (v) manage and distribute the Settlement Amount in accordance with the Settlement Agreement and the order of the Court. The Administrator can be contacted at the contact information listed below.

## **SUBMITTING A CLAIM**

All claims for compensation from the Settlement must be received by the Administrator **no later than May 31, 2021**.

The most efficient way to submit a claim is to visit the Administrator’s website at **[www.CanadianSolarSettlement.ca](http://www.CanadianSolarSettlement.ca)**. The website provides step by step instructions on how to submit a claim. In order to verify claims, the Administrator will require supporting documentation, including brokerage statements or confirmations evidencing the claimed transactions in Canadian Solar securities. Accordingly, Class Members should visit the Administrator’s website as soon as possible so that they have time to obtain the required documentation prior to the Claims Bar Deadline.

The Claims Administrator will also accept Claim Forms submitted via email, fax or mail. To obtain

a copy of the Claim Form, Class Members may print one from the Administrator's website or contact the Administrator to have one sent by email or regular mail.

### **COPIES OF SETTLEMENT DOCUMENTS**

Copies of the Settlement Agreement, Distribution Protocol, sample calculations demonstrating how the Distribution Protocol works, the Claim Form and the orders of the Court approving the Settlement, the Distribution Protocol, and Class Counsel's Fees may be found on the Administrator's website below, at Class Counsel's website below, or by contacting Class Counsel at the contact information provided below.

### **HOW CAN I GET MORE INFORMATION**

Class Members with questions about how to complete or submit a Claim Form, or the documentation required to support a claim, should contact the **Administrator** at:

Canadian Solar Securities Class Action Settlement Administrator  
c/o Epiq Class Action Services Canada Inc.  
P.O. Box 507 STN B  
Ottawa ON K1P 5P6  
Email: [info@CanadianSolarSettlement.ca](mailto:info@CanadianSolarSettlement.ca)  
Telephone: 1-833-683-5858  
Fax: 1-866-262-0816  
[www.CanadianSolarSettlement.ca](http://www.CanadianSolarSettlement.ca)

The law firm of Siskinds LLP is **Class Counsel**. Questions for Class Counsel should be directed to:

Siskinds LLP  
Canadian Solar Securities Class Action Settlement  
Attention: Daniel E.H. Bach, Stefani Cuberovic or Alex Dimson  
302–100 Lombard Street  
Toronto ON M5C 1M3  
Email: [donna.mcevoy@siskinds.com](mailto:donna.mcevoy@siskinds.com)  
Telephone: 1-800-461-6166  
Fax: 519-672-6065  
<https://www.siskinds.com/class-action/canadian-solar-inc/>

### **INTERPRETATION**

If there is a conflict between the provisions of this Notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

### **PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT.**

All inquiries should be directed to the Administrator or Class Counsel.

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