

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
In re ROYAL GROUP TECHNOLOGIES :
SECURITIES LITIGATION :
----- X

Master File No. 06 Civ. 0822 (RJH)

Court File No. 965/06

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN

Plaintiff

- and -

ROYAL GROUP TECHNOLOGIES LTD., VIC DE ZEN,
DOUGLAS DUNSMUIR, GARY BROWN, RON GOEGAN, DOMINIC D'AMICO,
GREGORY SORBARA, RONALD SLAGHT and RALPH BREHN

Defendants

Proceeding under the *Class Proceedings Act*, 1992

**NOTICE OF PENDENCY AND CERTIFICATION OF CLASS ACTIONS, PROPOSED
SETTLEMENT AND SETTLEMENT APPROVAL/FAIRNESS HEARINGS**

This Notice provides you with important information concerning the proposed settlement (the "Settlement") of two class action lawsuits (the "Actions") separately brought by the Canadian Commercial Workers Industry Pension Plan ("CCWIPP") in Canada and Lewis B. Messinger, Philip B. Zipin, and Marcia B. Snow (the "U.S. Lead Plaintiffs") in the United States, on behalf of themselves and the classes described herein, against Royal Group Technologies Limited (now Royal Group Inc. and referred to herein as "Royal Group"), Vic De Zen, Douglas Dunsmuir, Gary Brown, Ron Goegan, Dominic D'Amico, Gregory Sorbara, Ronald Slaght, and Ralph Brehn (collectively, the "Defendants").

***IF YOU PURCHASED OR OTHERWISE ACQUIRED ROYAL GROUP SHARES
BETWEEN FEBRUARY 26, 1998 AND OCTOBER 18, 2004, INCLUSIVE,***

Le présent avis est aussi disponible en français. Vous pouvez l'obtenir sans frais en vous adressant à Royal Group Securities Class Action, c/o RGT Claims Administrator, Suite 3 - 505 133, Weber St N., Waterloo ON N2J 3G9 ou à www.rgtsettlement.ca.

YOUR RIGHTS MAY BE AFFECTED BY THESE CLASS ACTIONS AND YOU MAY BE ENTITLED TO A PAYMENT FROM THIS PROPOSED CLASS ACTION SETTLEMENT.

This Notice was authorized and approved by the U.S. and Canadian courts in charge of the Actions. This is not a solicitation from a lawyer.

- The Settlement described herein will provide a gross settlement fund of Nine Million Canadian Dollars (CAD \$9,000,000), plus interest accumulating since March 19, 2007 (the “Gross Settlement Fund”), for the benefit of investors who purchased or otherwise acquired shares of Royal Group between February 26, 1998 and October 18, 2004, inclusive (the “Class Period”).
- The Settlement resolves both Actions before the (Ontario) Superior Court of Justice (the “Canadian Court”) and the United States District Court for the Southern District of New York (the “U.S. Court”) against the Defendants alleging, among other things, false and misleading public statements concerning Royal Group and the issuance of financial statements that were not in accordance with generally accepted accounting principles.
- The Settlement also includes full and final releases of known and unknown claims that are or could have been asserted in the Actions against the Defendants and others described herein (the “Released Parties”).
- The Settlement is subject to approval by both Courts to become effective.
- For purposes only of implementing the Settlement, the Canadian Court has certified the Canadian Action as a class proceeding, and approved the form and method of disseminating this Notice to members of the certified class. The Canadian Court will conduct a hearing to consider whether to finally approve the Settlement on December 17, 2007. The class certified by the Canadian Court (the “Canadian Class”) is described below.
- For purposes only of implementing the Settlement, the U.S. Court has granted preliminary approval of the Settlement, and certified a class (the “U.S. Class”), and approved the form and method of disseminating this Notice to members of the U.S. Class. The U.S. Court will conduct a fairness hearing on January 11, 2008. The U.S. Class is described below.
- If the Settlement is not approved by both of the Courts and does not become effective, the certification of the Canadian Class and U.S. Class respectively by each of the Canadian Court and the U.S. Court will be set aside.
- **If the Courts approve the Settlement, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM	The only way to get a payment. A Proof of Claim form must be submitted by <u>January 31, 2008</u> to the Claims Administrator (defined below).
EXCLUDE YOURSELF (Opt-out of the Canadian Class/U.S. Class)	Get no payment. This is the only option that allows you to ever participate in another lawsuit against the Defendants and the other Released Parties relating to the known and unknown claims raised or which could have been raised in the Actions. If you wish to exclude yourself, you must do so by <u>December 3, 2007</u> .
OBJECT	Write to either the U.S. Class Counsel or to Canadian Class Counsel (as defined below) (collectively, "Plaintiffs' Counsel") about why you do not like the Settlement. Plaintiffs' Counsel will file your objection with the appropriate court but if you are a U.S. Class member you should also send your objection directly to the U.S. Court. If you wish to object, you must do so by <u>December 3, 2007</u> .
GO TO THE COURT SETTLEMENT HEARINGS	If you have submitted an objection, you may also ask to speak to the U.S. Court or the Canadian Court about your objection to the Settlement. You must provide notice of your desire to do so within your written objection by <u>December 3, 2007</u> .
DO NOTHING	Get no payment. Give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Courts still have to decide whether to approve the Settlement. Payments will be made only if both Courts approve the Settlement and after any appeals are resolved and all Proof of Claim forms have been reviewed and processed. Please be patient.

SUMMARY NOTICE

Statement of Plaintiff Recovery:

Pursuant to the Settlement, a Gross Settlement Fund consisting of Nine Million Canadian Dollars (CAD \$9,000,000.00) in cash, plus interest thereon from March 19, 2007, has been established. Plaintiffs estimate that there were approximately 59.5 million Royal Group shares that traded on the Toronto Stock Exchange ("TSX"), Montreal Stock Exchange ("MSE") and New York Stock Exchange ("NYSE") during the Class Period that may have been damaged. Plaintiffs estimate that

the average recovery per damaged Royal Group share is approximately CAD \$0.15 before deduction of Court-approved attorneys' fees and expenses.

A Canadian Class Member's and/or U.S. Class Member's ("Class Member") actual recovery under the Settlement will be a proportion of the Net Settlement Fund (as defined under Question 8 below) determined by that claimant's recognized loss as compared to the total recognized losses of all Class Members who submit acceptable Proofs of Claim. Depending on the number of claims submitted, the number of shares purchased, the exchange on which those shares were purchased, and the timing of his, her or its purchases and sales (if any), an individual Class Member may receive more or less than this average amount. See the Plan of Allocation of the Net Settlement Fund on page 23 of this Notice for more information about the determination of each Class Member's potential recovery under this Settlement.

Statement of Potential Outcome of Case:

The parties in both Actions vigorously disagree on all elements of liability and damages, and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each claim alleged in the two Actions. The Defendants in both Actions deny that they are liable to plaintiffs or to Class Members and deny that the plaintiffs or Class Members have suffered any damages.

The issues on which the parties disagree include, among other things: (i) whether the Defendants made any materially false or misleading statements or otherwise failed to meet any disclosure obligations during the Class Period; (ii) whether any of the alleged materially false or misleading statements or omissions were made with the requisite level of intent or are otherwise actionable under the U.S. Securities Exchange Act of 1934, the Canada Business Corporations Act or Canadian common law; (iii) whether the various matters alleged in the Actions influenced the trading price of Royal Group shares at various times during the Class Period; (iv) the extent to which other factors beyond those alleged in the Actions influenced the trading price of Royal Group shares at various times during the Class Period; and (v) the appropriate model for determining whether the prices of Royal Group shares were artificially inflated during the Class Period by reason of the alleged materially false or misleading statements or omissions and the extent, if any, of such inflation.

Statement of Attorneys' Fees and Expenses Sought:

Counsel for the Canadian Class in the Canadian Action ("Canadian Class Counsel") will ask the Canadian Court for an award of legal fees, including reimbursement of expenses, not to exceed 15% of the Gross Settlement Fund. The expenses incurred in connection with the prosecution of the Canadian Action for which Canadian Class Counsel will seek reimbursement from the Canadian Court total up to approximately CAD \$70,000.

Counsel for the U.S. Class in the U.S. Action ("U.S. Lead Plaintiffs' Counsel") will ask the U.S. Court for an award of attorneys' fees not to exceed 10% of the Gross Settlement Fund, plus an additional amount to be paid from the Gross Settlement Fund for reimbursement of expenses. U.S. Lead Plaintiffs' Counsel will ask the U.S. Court for reimbursement of out-of-pocket expenses

incurred in connection with the prosecution of the U.S. Action in the approximate amount of USD \$115,000.

In the aggregate, the total amount of fees and reimbursement of expenses requested by Plaintiffs' Counsel in the Actions will not exceed twenty five percent (25%) of the Gross Settlement Fund, plus an additional amount from the Gross Settlement Fund for reimbursement of expenses to U.S. Plaintiffs' Counsel. These requested attorneys' fees and expenses, if approved in full by the Courts, would amount to an average of approximately CAD \$0.04 (USD \$0.038) per damaged share.

The attorneys representing plaintiffs and Class Members in both Actions have expended considerable time and effort conducting the Actions on a contingent fee basis, and have advanced the expenses of each of the Actions, in the expectation that, if they were successful in obtaining a recovery for Class Members, they would be paid from such recovery. In this type of litigation, it is customary for plaintiffs' counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

Reasons for the Settlement:

Based upon their investigation and evaluation of the facts and law relating to the claims asserted in the Actions, Canadian Class Counsel, CCWIPP, U.S. Lead Plaintiffs' Counsel, and the U.S. Lead Plaintiffs agreed to the Settlement after considering, among other things: (i) the substantial cash benefits to Class Members of the Settlement; (ii) the uncertainty of being able to prove the allegations asserted in the Actions; (iii) the attendant risks of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation (including any appeals); (iv) the risk that the U.S. Court may grant Defendants' pending motion to dismiss the U.S. Action; (v) the risk that the U.S. Court would abstain from hearing the U.S. Action in favor of the Canadian Action; (vi) the risk that one or both of the Actions would not be certified to proceed as a class action; (vii) the uncertainty, even if Plaintiffs were to establish liability at trial, inherent to the parties' competing theories of damages; (viii) their awareness of Defendants' likely positions on various liability and damages issues; (ix) the desirability of consummating the Settlement in order to provide certain and effective relief to Class Members without further delay; and (x) their belief that the Settlement is fair, reasonable and adequate, and in the best interests of all Class Members.

Defendants' reasons for entering into the Settlement are bring to an end the substantial expense, burdens, risks and uncertainties associated with continued litigation; to finally put to rest the claims and the underlying matters raised in the Actions; and to avoid further expense and disruption of the management and operation of Defendants' business and affairs due to the prosecution and defense of the Actions. The Settlement shall not be construed as, and is not, an admission of any liability, wrongdoing or damages whatsoever by any of the Defendants.

Further information:

Further information regarding the Canadian Action and this Notice may be obtained by contacting Canadian Class Counsel: Michael G. Robb, Siskinds LLP, 680 Waterloo Street, P.O. Box 2520, London, Ontario N6A 3V8, Toll-free telephone (800) 461-6166, ext 7872, or by visiting Canadian Class Counsel's website at www.classaction.ca.

Further information regarding the U.S. Action and this Notice may be obtained by contacting one of the U.S. Lead Plaintiffs' Counsel: Rick Nelson, Esq., Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, California 92101, Toll-free telephone (800) 449-4900; or David J. Goldsmith, Esq., Labaton Sucharow LLP, 140 Broadway, New York, New York 10005, Toll free telephone (800) 321-0476.

Long Form Notice

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BASIC INFORMATION

1. Why Did I Get This Notice Package?

The U.S. Court or Canadian Court authorized this Notice to be sent to you because you or someone in your family may have purchased or otherwise acquired Royal Group shares between February 26, 1998 and October 18, 2004, inclusive. Such purchasers may be members of the respective classes certified by the U.S. and/or Canadian Courts in the Actions.

If this description applies to you or someone in your family, then you have a right to know about the Settlement of the Actions, and about all of your options, before the Courts decide whether to approve the Settlement. If the Courts approve the Settlement, and after any appeals are resolved in favor of approval of the Settlement, an administrator appointed by the Courts (the "Claims Administrator") will make the payments that the Settlement allows.

This Notice explains the Actions and classes certified for settlement purposes therein, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Courts in charge of the Actions and consideration of whether the Settlement should be approved are as follows:

Court (Address)	Action
(Ontario) Superior Court of Justice 491 Steeles Avenue East Milton, ON L9T 1Y7	<i>Canadian Commercial Workers Industry Pension Plan v. Royal Group Technologies Limited, et al.</i> , Court File No. 965/06 (the "Canadian Action")
United States District Court for the Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 The Honorable Richard J. Holwell, United States District Judge	<i>In re Royal Group Technologies Limited Securities Litigation</i> , Master File No. 06 Civ. 0822 (RJH) (S.D.N.Y.) (the "U.S. Action")

The individuals and pension fund who sued are called the plaintiffs, and the company and the individuals they sued, *i.e.*, Royal Group and certain of its former officers and directors, are called the defendants.

The Canadian Court will resolve the issues for all members of the Canadian Class, except for those who exclude themselves from the Canadian Class. The U.S. Court will resolve the issues for all members of the U.S. Class, except for those who exclude themselves from the U.S. Class.

2. What Is This Lawsuit About?

Royal Group is a Canadian company with its head office located in Vaughan, Ontario and is a global building-products manufacturer with operations in Canada, the United States and elsewhere. During the Class Period, Royal Group's subordinate voting shares traded on the Toronto Stock Exchange and the New York Stock Exchange. During part of the Class Period, Royal Group's subordinate voting shares also traded on the Montreal Stock Exchange.

The U.S. Action alleges, among other things, that Royal Group, Vic De Zen ("De Zen"), Douglas Dunsmuir ("Dunsmuir"), Gary Brown ("Brown") and Ron Goegan ("Goegan") violated Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission ("SEC"), by issuing public false and misleading statements, including omission of the existence and extent of certain related-party transactions and investigations by securities and law enforcement agencies. Moreover, the U.S. Action alleges that the related-party transactions were not disclosed to the public on a timely basis, in contravention of SEC regulations and generally accepted accounting principles.

The Canadian Action against Royal Group, De Zen, Dunsmuir, Brown, Goegan, Dominic D'Amico, Gregory Sorbara, Ronald Slaght, and Ralph Brehn alleges, among other things, that Royal Group failed to meet its disclosure obligations in respect of related-party transactions and investigations undertaken by securities, tax and law enforcement agencies; that Royal Group's financial statements were not presented in conformity with generally accepted accounting principles in Canada and misrepresented Royal Group's participation in related-party transactions; and that Royal Group's corporate governance structures and the oversight of its Audit Committee of the Board of Directors were inadequate. The Canadian Action further seeks to incorporate allegations, included in the U.S. Action, relating to monthly and quarterly accounting and reporting issues of Royal Group. The Canadian Action pleads oppression under the *Canada Business Corporation Act* and common law negligent misrepresentation and negligence.

The Canadian and U.S. Actions both seek money damages. The Defendants deny that they violated any laws or did anything wrong, are liable to Class Members or that Class Members have suffered damages.

3. What Is a Class Action?

In a class action, one or more people called class representatives (in this case, CCWIPP in the Canadian Action and the U.S. Lead Plaintiffs in the U.S. Action) sue on behalf of people who have similar claims. All these people are collectively called a "Class" or "Class Members." Bringing a case as a class action allows the adjudication of many similar claims of persons or entities that might be economically too small to bring as individual actions.

4. Why Is There a Settlement?

The Courts did not decide in favor of Plaintiffs or Defendants. Instead, these parties agreed to the Settlement. The Settlement avoids the risks and costs of a trial, and eligible Class Members who make a valid claim receive compensation sooner. See "Reasons for the Settlement" above. The

plaintiffs and their attorneys in both the U.S. Action and Canadian Action think the Settlement is fair, reasonable and adequate and in the best interests of all Class Members.

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

WHO IS IN THE SETTLEMENT

5. How Do I Know If I Am Eligible To Take Part In The Settlement?

The Canadian Court has directed, solely for purposes of the proposed Settlement, that everyone who fits this description is a member of the Canadian Class: *All persons who purchased or otherwise acquired shares of Royal Group between February 26, 1998 and October 18, 2004, inclusive, other than members of the U.S. Class (as defined below) and the Excluded Persons (as described below).*

The U.S. Court has directed, solely for purposes of the proposed Settlement, that everyone who fits this description is a member of the U.S. Class: *All United States citizens and entities that purchased or otherwise acquired the common stock of Royal Group on the New York Stock Exchange or the Toronto Stock Exchange between February 24, 2000 and October 18, 2004, inclusive, other than the Excluded Persons (as defined below).*

United States citizens and entities who purchased or otherwise acquired Royal Group shares between February 26, 1998 and February 23, 2000, inclusive, other than Excluded Persons, are members of the Canadian Class, and are also members of the U.S. Class if they also purchased or otherwise acquired Royal Group shares between February 24, 2000 and October 18, 2004, inclusive, over the TSX or NYSE (“Dual Class Members”).

6. What Are The Exceptions To Being Included?

You are not a member of the Canadian Class if you are a member of the U.S. Class or any of the following "Excluded Persons": (a) a Defendant; (b) a person or entity directly related to or controlled by Royal Group or any other Defendant; (c) Georgia Gulf Corporation or a subsidiary or affiliate thereof; or (d) Fortunato Bordin, Lu Galasso, Gord Brocklehurst, Angelo Bitondo, Gwain Cornish or Tony Di Giorgio. In addition, any Class Member who timely submits a valid request for exclusion from the Canadian Class to the Claims Administrator in accordance with the requirements and procedures set forth in this Notice is not a member of the Canadian Class and cannot participate in the Settlement.

Similarly, you are not a member of the U.S. Class if you are an “Excluded Person,” or if you timely submit a valid request for exclusion from the U.S. Class to the Claims Administrator in accordance with the requirements and procedures set forth in this Notice and cannot participate in the Settlement.

If one of your mutual funds purchased Royal Group shares during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you, your broker or someone else purchased or acquired Royal Group shares on your behalf during the Class Period. Check your

investment records or contact your broker to see if you purchased Royal Group shares during the Class Period.

If you **sold** Royal Group shares during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased or acquired** Royal Group shares during the Class Period.

7. I Am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-866-640-9997 toll-free, or send an e-mail to rgtadmin@crawco.ca for more information. You can also write to Royal Group Securities Class Action, c/o Crawford Class Action Services, Claims Administrator, at:

Canadian Address
Suite 3 – 505 133, Weber Street N.
Waterloo, Ontario N2J 3G9

US Address
2813 Wehrle Drive
Williamsville, New York 14221

Alternatively, you can fill out and return the Proof of Claim form described in Question 10 below to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

In exchange for the Settlement, inclusive of the releases therein, and dismissal of both Actions, the Defendants have agreed to pay Nine Million Canadian Dollars (CAD \$9,000,000.00) in cash, plus interest earned on that sum while held in escrow by the Canadian Class Counsel since March 19, 2007, to be divided among all eligible Class Members who send in valid Proof of Claim forms, after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notices (the "Net Settlement Amount").

9. How Much Will My Payment Be?

If you are entitled to a payment under the Settlement, your share of the Net Settlement Fund will depend on how many Class Members send in valid Proof of Claim forms, the total recognized losses for settlement purposes ("Recognized Loss") represented by those valid Proof of Claim forms that Class Members send in, how many Royal Group shares you purchased, when you purchased them, on what exchange you purchased them, how much you paid for them, when you sold them, and the price for which you sold them.

You can calculate your Recognized Loss in accordance with the formula shown below in the Plan of Allocation of the Net Settlement Fund. It is unlikely that you will get a payment for your entire Recognized Loss. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total

of all Class Members' Recognized Losses. See the Plan of Allocation on page 23 for more information on your Recognized Loss.

HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Get a Payment?

To qualify for a payment, you must be a member of the Canadian Class or the U.S. Class and you must send in a timely and valid Proof of Claim form. A Proof of Claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it to the Claims Administrator at the P.O. Box address on the form by first-class mail, postmarked no later than January 31, 2008.

If you did not receive a Proof of Claim form, you can get one on the Internet at www.rgtsettlement.ca, or www.classaction.ca, or www.csgrr.com, or www.labaton.com. You can also ask for a Proof of Claim form by calling 1-866-640-9997 toll-free, or sending an e-mail to rgtadmin@crawco.ca.

11. When Will I Get My Payment?

The U.S. Court will hold a hearing on January 11, 2008 to decide whether to approve the Settlement. The Canadian Court will hold a hearing on December 17, 2007 to decide whether to approve the Settlement. Both Courts must approve the Settlement for the Settlement to become effective. However the Courts decide these issues, there may be appeals. It is always uncertain whether these appeals can be resolved favorably in support of the Settlement, and resolving them can take time, perhaps more than a year. It also takes a long time, often as much as a year, for all the Proofs of Claim to be accurately reviewed and processed. Please be patient.

12. What Am I Giving Up to Get a Payment and Stay in the Class?

Unless you exclude yourself ("opt out"), you are staying in the Class. That means that, upon the Effective Date, you (and your personal representatives, heirs, executors, administrators, trustees, beneficiaries, current and former plan members and contributors, successors and assigns) will be held to have released and forever discharged the "Released Parties" in respect of "Settled Claims" (as defined below) and will be barred and enjoined from suing, continuing to sue or being part of any other lawsuit against the Released Parties relating to the Settled Claims.

It also means that if you are a member of the Canadian Class, all of the Canadian Court's orders will apply to you and legally bind you, and if you are a member of the U.S. Class, all of the U.S. Court's orders will apply to you and legally bind you, both of which include terms providing for such release of and bar against further suits by Class Members relating to Settled Claims against the Released Parties.

"Released Parties" means any and all of the Defendants, their past or present subsidiaries, parents, principals, affiliates, general or limited partners or partnerships, successors and predecessors, heirs, assigns, officers, directors, agents, employees, attorneys, advisors, investment advisors, investment bankers, underwriters, insurers, co-insurers, re-insurers, accountants, auditors, consultants,

administrators, executors, trustees, personal representatives, immediate family members and any person, firm, trust, partnership, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, executors, administrators, trustees, successors in interest or assigns of the Defendants. Some of the Released Parties have not provided consideration for a release, but the Defendants have negotiated a release for them in order to fully and finally resolve the issues raised by the Actions to avoid further litigation over Settled Claims involving the Defendants.

“Settled Claims” means any and all of the claims, debts, demands, rights, actions, causes of action, suits, matters, issues, damages, losses or liabilities whatsoever (including, but not limited to, any claims for interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on United States or Canadian federal, state, provincial, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted (or proposed as amendments) in any of the Actions against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters, breaches, occurrences, financial statements, statements, representations or omissions involved, set forth, or referred to in the Actions or in proposed amendments.

“Unknown Claims” means any and all Settled Claims which any of the U.S. Lead Plaintiffs, Canadian Representative Plaintiff or Class Members does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement and releases therein. With respect to any and all Settled Claims, upon the Effective Date, each Class Member shall be deemed to have waived, and by operation of Court orders being sought as part of the Settlement shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state, province or territory of the United States or Canada, or principle of common law or otherwise, which provides that a general release does not extend to claims which a creditor or releasor does not know or suspect to exist in his, her or its favor at the time of executing the release, which if known, might have materially affected his, her or its settlement and release of individuals and persons.

The “Effective Date” will occur upon both Courts approving the Settlement and the Court orders provided for under the terms of the Settlement becoming final and not subject to appeal and when all other conditions of the Settlement have been met.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties on your own in respect of Settled Claims, then you must take steps to get out of the Class of which you are a member. This is called excluding yourself from, or “opting out” of the Class.

Royal Group may withdraw from and terminate the Settlement if Class Members who purchased in excess of a certain aggregate number of Royal Group shares exclude themselves from the Class.

13. How Do I Opt Out of the Class?

To exclude yourself from your applicable Class, you must mail a letter to the Claims Administrator stating that you want to be excluded from your Class to the Claims Administrator. You must include your name, address, telephone number, your signature, and the number of Royal Group shares you purchased or acquired between February 26, 1998 and October 18, 2004, on which stock exchange they were purchased, the number of shares sold during this time period, if any, and the dates of all such purchases and sales. If you send a letter containing all of the information described above on a timely basis to the Claims Administrator at either one of the addresses below, you will be deemed to have opted out of the Class of which you would otherwise have been a member. All requests for exclusion must be postmarked no later than December 3, 2007.

If you are a **Canadian** Class member,
mail your exclusion request to:

Royal Group Canadian Class Action Exclusions
Suite 3 – 505 133, Weber Street N.
Waterloo, Ontario N2J 3G9

If you are a **U.S.** Class member,
or **Dual Class Member** mail your exclusion
request to:

Royal Group U.S. Class Action Exclusions
2813 Wehrle Drive
Williamsville, New York 14221

You cannot exclude yourself by telephone or e-mail. If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in these lawsuits.

14. If I Do Not Opt Out, Can I Sue the Defendants for the Same Thing Later?

No. Unless you opt-out, you give up any right to sue the Defendants and the other Released Parties for the Settled Claims resolved by this Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is December 3, 2007.

15. If I Opt Out, Can I Get Money from This Settlement?

No. If you opt out, do not send in a Proof of Claim form, because you will be ineligible for compensation from the Settlement and will be required to release Settled Claims against the Released Parties as part of the Proof of Claim. However, if you exclude yourself and do not send in a Proof of Claim, you may sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The law firms of Siskinds LLP, in London, Ontario, and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish LLP in Toronto, Ontario (“Canadian Class Counsel”), represent members of the Canadian Class in the Canadian Action. The U.S. Court ordered that the law firms of Coughlin Stoia Geller Rudman & Robbins LLP, in Melville, New York and San Diego, California, and Labaton Sucharow LLP, in New York, New York (“U.S. Lead Plaintiffs’ Counsel”), will represent all members of the U.S. Class in the U.S. Action.

You will not be personally charged for any of these lawyers. The Courts will determine the amount of attorneys’ fees and expenses the lawyers will receive, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Canadian Class Counsel will ask the Canadian Court, at the settlement approval hearing, for an order awarding them legal fees from the Gross Settlement Fund in a total amount not to exceed 15% of the Gross Settlement Fund inclusive of out-of-pocket expenses incurred in the litigation of the Canadian Action in the amount of up to CAD \$70,000, plus interest on such fees at the same rate earned by the Gross Settlement Fund. This request is consistent with the retainer agreement between Canadian Class Counsel and CCWIPP, which provides that Canadian Class Counsel is to be paid only in the event that a recovery is obtained for the Canadian Class, and that Canadian Class Counsel may seek an order from the Canadian Court awarding fees and disbursements not exceeding 25% of the Gross Settlement Fund.

U.S. Lead Plaintiffs’ Counsel will ask the U.S. Court, at the U.S. fairness hearing, to award attorneys’ fees from the Gross Settlement Fund in a total amount not to exceed 10% of the Gross Settlement Fund, plus interest on such fees at the same rate earned by the Gross Settlement Fund. In addition, U.S. Lead Plaintiffs’ Counsel will ask the U.S. Court for reimbursement of out-of-pocket expenses in the approximate amount of USD \$115,000 to be paid out of the Gross Settlement Fund plus interest on such expenses at the same rate earned by the Gross Settlement Fund. Class Members are not personally liable for any such attorneys’ fees or expenses.

The combined amount of all requests by Plaintiffs’ Counsel for attorneys’ fees and out-of-pocket expenses will not exceed 25% of the Gross Settlement Fund plus the reimbursement of expenses incurred by U.S. Lead Plaintiffs’ Counsel.

The attorneys’ fees and expenses requested will be the only payment to Plaintiffs’ Counsel for their efforts in achieving this Settlement, for their risk in undertaking this representation on a wholly contingent basis, and for any work performed subsequent to the Courts’ awards of fees for the purpose of completing the administration of the Settlement. To date, Plaintiffs’ Counsel have not been paid for their services for pursuing the Actions on behalf of the Plaintiffs and Class Members, and they have not been reimbursed for their out-of-pocket expenses. The fees requested will

compensate Plaintiffs' Counsel for their work in creating the Gross Settlement Fund. The Courts may award less than this amount.

Plaintiffs' Counsel, without further notice to the Class, may subsequently apply to one or both of the Courts for additional expenses incurred in connection with administering and distributing the Settlement proceeds to the members of the Class and any proceedings subsequent to the Fairness Hearings.

OBJECTING TO THE SETTLEMENT, PLAN OF ALLOCATION AND APPLICATIONS FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

If you are a Class Member, you can tell the Courts that you do not agree with the Settlement or some part of it, the proposed Plan of Allocation, and/or any of the applications for attorneys' fees and reimbursement of litigation expenses.

18. How Do I Tell the Court That I Do Not Like the Settlement, the Proposed Plan of Allocation and/or Applications for Attorneys' Fees and Reimbursement of Litigation Expenses?

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, or the applications by Plaintiffs' Counsel for awards of attorneys' fees and expenses. You may write to Canadian Class Counsel, if you are member of the Canadian Class, or the U.S. Lead Plaintiffs' Counsel, if you are a member of the U.S. Class, setting out your objection and giving reasons why you think the Court should not approve the Settlement, Plan of Allocation, or applications for fees and expenses. The appropriate Court will consider your views if you file a proper objection according to the following procedures.

If you are a Canadian Class Member or Dual Class Member, you may object in the Canadian Action. If you wish to do so, you must send a signed letter saying that you object to the proposed Settlement, the Plan of Allocation and/or application for attorney fees and reimbursement of litigation expenses in *Canadian Commercial Workers Industry Pension Plan v. Royal Group Technologies Ltd. et al.*, Court File No. 965/06. Be sure to include your name, address, telephone number and your signature, and identify and supply copies of documentation showing the date(s), price(s), and number(s) of Royal Group shares purchased and sold between February 26, 1998 and October 18, 2004, inclusive, and on which exchange they were purchased and/or sold. In addition, state the reason(s) why you object to the Settlement, Plan of Allocation and/or application for attorney fees and reimbursement of litigation expenses. Your objection must be delivered to Canadian Class Counsel at the following addresses, on or before December 3, 2007:

Canadian Class Counsel:

Michael G. Robb
Siskinds LLP
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Canadian Class Counsel will ensure that your objection is filed with the Canadian Court and provided to counsel for the Defendants.

If you are a U.S. Class Member or Dual Class Member, you may object in the U.S. Action. To do so, you must send a signed letter saying that you object to the proposed Settlement, the Plan of Allocation and/or application for attorneys' fees and reimbursement of litigation expenses in *In re Royal Group Technologies Limited Securities Litigation*, Master File No. 06 Civ. 822 (RJH) (S.D.N.Y.). Be sure to include your name, address, telephone number and your signature, and identify and supply copies of documentation showing the date(s), price(s), and number(s) of Royal Group shares purchased and sold between February 24, 2000 and October 18, 2004, inclusive, and on which exchange they were purchased and/or sold. In addition, state the reasons why you object to the Settlement, Plan of Allocation and/or application for attorney fees and reimbursement of litigation expenses. Your objection must be filed with each of the U.S. Lead Plaintiffs' Counsel, counsel for Royal Group, and the U.S. Court at the following addresses, on or before December 3, 2007:

U.S. Lead Plaintiffs' Counsel:

Samuel H. Rudman, Esq.
Coughlin Stoia Geller Rudman & Robbins LLP
58 South Service Road, Suite 200
Melville, NY 11747

David J. Goldsmith, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005

Royal Group's Counsel:

Brian H. Polovoy, Esq.
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022

The U.S. Court:

Clerk of the Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

You do not need to attend any hearing of the Courts to have your objection considered. However, if you wish to attend or to have a lawyer attend on your behalf at a hearing to address your objection,

you must indicate this intention in your objection letter and, if you intend to also seek to introduce evidence, provide the identity and an outline of the evidence of any witness you may seek to call to testify and documents you may seek to introduce. At the hearings conducted by the respective Courts to consider the Settlement, any Class Member for the respective class certified by that Court who has not previously submitted a request for exclusion from the applicable Class and who has complied with the procedures set out in this Question 18 may also appear and be heard, to the extent allowed by the applicable Court, to state any objection to the Settlement, the Plan of Allocation, or application for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at his or her own expense, for a lawyer to represent him or her at any such hearing. A lawyer attending on behalf of an objector in the U.S. Action must timely file a Notice of Appearance.

19. What Is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in your respective Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE SETTLEMENT APPROVAL AND FAIRNESS HEARINGS IN THE CANADIAN AND U.S. COURTS

The Canadian and U.S. Courts will each hold a separate hearing to consider whether to approve the Settlement. At or after those hearings, each Court will also decide whether to approve the Plan of Allocation of the Net Settlement Fund and the application for attorneys' fees and expense reimbursement made by each Plaintiffs' Counsel. You may attend the hearing held by the Court presiding over the Class of which you are a member, and you may ask to speak (as discussed in Question 18), but you do not have to.

20. When and Where Will the Canadian and U.S. Courts Decide Whether to Approve the Settlement?

The Canadian Court will hear CCWIPP's motion for approval of the Settlement and the Plan of Allocation of the Net Settlement Fund, as well as a motion for an order awarding Canadian Class Counsel's fees and expenses, on **December 17, 2007**, at **10:00 a.m.**, at the (Ontario) Superior Court of Justice, 491 Steeles Avenue East, Milton, Ontario L9T 1Y7.

The U.S. Court will hold a Fairness Hearing on **January 11, 2008**, at **2:00 p.m.**, in Courtroom 17B of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007.

At these respective hearings, the applicable Court will consider whether the Settlement is fair, reasonable and adequate and in the best interests of Class Members. Each Court will also consider at that time whether to approve the proposed Plan of Allocation of the Net Settlement Fund. The Canadian Court will further consider the fee and expense application by Canadian Class Counsel and the U.S. Court will consider the fee and expense application of the U.S. Lead Plaintiffs' Counsel. If there are objections, the Court will consider them, and the presiding judge may listen to

people who have properly indicated, within the deadline identified in Question 18 above, an intention to speak at the hearing; however, all decisions regarding the conduct of the hearing(s) will be made by the appropriate presiding judge. The Courts may decide some or all of these issues at their respective hearings, or take them under consideration. We do not know how long these decisions will take.

Within 3 days of the making of any such order, the orders made by the Courts granting or refusing approval of the Settlement will be posted by the Claims Administrator at www.rgtsettlement.ca, by Canadian Class Counsel at www.classaction.ca and by U.S. Lead Plaintiffs' Counsel at www.csgr.com and www.labaton.com. You may also contact the Claims Administrator by telephone to obtain a copy of any orders made following the hearings of the motions.

21. Do I Have to Come to the Hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. You are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the appropriate Court will consider it.

Please be aware that the Courts may change the date and/or the time of the hearings without further notice to Class Members. If you want to come to a hearing, you should check with the appropriate Plaintiffs' Counsel beforehand to be sure that the date and/or time has not changed.

Class Members do not need to appear at a hearing or take any other action to indicate their approval of the matters being considered at the hearing.

22. May I Speak at the Hearing?

You may ask the applicable Court for permission to speak at the applicable hearing. If you wish to talk about your own objection, you must indicate this in the letter you send describing your objection pursuant to Question 18 above. If you intend to also introduce evidence at the hearing, you must also identify in your letter the information described in Question 18 above.

If you have hired or will hire a lawyer to attend on your behalf to address your objection, that lawyer must notify the parties indicated at Question 18 of his or her intention to appear to address your objection, and if you are a U.S. Class Member, serve and file a Notice of Appearance with the U.S. Court.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the Released Parties about the Settled Claims, ever again. To share in the Net Settlement Fund, you must submit a Proof of Claim form (see Question 10). To start, continue or be part of any other lawsuit against the Defendants and the other Released Parties concerning the

Settled Claims you must have properly excluded yourself from the appropriate Class in accordance with the procedures set forth in this Notice (see Question 13).

GETTING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation and Settlement Agreement dated as of March 30, 2007, as amended as of August 31, 2007 (the “Stipulation”). You can get a copy of the Stipulation by writing to Rick Nelson, Esq., Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or Michael G. Robb, Siskinds LLP, 680 Waterloo Street, P.O. Box 2520, London, ON N6A 3V8.

You can also call the Claims Administrator toll-free at 1-866-640-9997, send an e-mail to rgtadmin@crawco.ca, or write to Royal Group Securities Class Action, c/o Crawford Class Action Services at:

Canadian Address
Suite 3 – 505 133, Weber Street N.
Waterloo, Ontario N2J 3G9

US Address
2813 Wehrle Drive
Williamsville, New York 14221

25. How Do I Get More Information?

The pleadings in the Canadian Action are available for inspection in Court File No. 965/06 at the Ontario Superior Court of Justice, 491 Steeles Avenue East, Milton, Ontario L9T 1Y7. The materials in the court file are available to be inspected on weekdays (other than holidays) between 8:30 a.m. and 5:00 p.m. By no later than December 10, 2007, Canadian Class Counsel will file an affidavit from CCWIPP and an affidavit from one of the lawyers who participated in the carriage of this matter in support of the motion for approval of the Settlement. At that time, those materials will also be available for inspection in the court file.

The pleadings in the Canadian Action are also currently available on Canadian Class Counsel's website at www.classaction.ca. The affidavits to be filed in support of the motion for approval of the Settlement will be posted on Canadian Class Counsel's website when they are filed.

For more detailed information concerning the matters involved in the U.S. Action, reference is made to the various pleadings, papers and orders filed in the U.S. Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007, on weekdays (other than court holidays) between 8:30 a.m. and 5:00 p.m.

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

The Net Settlement Fund will be distributed in accordance with the Plan of Allocation described below to Class Members who submit valid, timely Proof of Claim forms to the Claims Administrator (“Authorized Claimants”). An Authorized Claimant will be eligible to participate in the distribution of the Net Settlement Fund only if he, she or it has a net loss on all transactions in Royal Group shares during the Class Period.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant (the more likely scenario), then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, this Plan of Allocation reflects the plaintiffs’ damages theory advanced in the Actions (namely, that the price of Royal Group shares was artificially inflated by the non-disclosure of various related-party transactions and other matters, including investigations of Royal Group by securities, tax and law enforcement agencies). The Actions contend that the artificial price inflation in Royal Group shares is properly measured based on the declines in the closing prices of Royal Group shares on the Toronto Stock Exchange (“TSX”) and New York Stock Exchange (“NYSE”), from the preceding trading day’s closing price on January 24, 2003, January 27, 2003, February 26, 2004 and October 18, 2004.

The Plan of Allocation described below is based on the following price declines:

	<u>NYSE (\$USD)</u>	<u>TSX (\$CAD)</u>
1/23/03 Closing Price:	\$10.07	\$15.29
1/24/03 Closing Price:	\$ 8.60	\$13.01
1/24/03 Price Decline:	\$ 1.47	\$ 2.28
1/24/03 Closing Price:	\$ 8.60	\$13.01
1/27/03 Closing Price:	\$ 7.95	\$12.01
1/27/03 Price Decline:	\$ 0.65	\$ 1.00

2/24/04 Closing Price:	\$13.03	\$17.36
2/26/04 Closing Price:	\$10.39	\$13.98
2/26/04 Price Decline:	\$ 2.64	\$ 3.38
10/13/04 Closing Price:	\$ 8.97	\$11.28
10/18/04 Closing Price:	\$ 7.85	\$ 9.85
10/18/04 Price Decline:	\$ 1.12	\$ 1.43

If the Actions had proceeded to trial, the Defendants would have vigorously disputed CCWIPP's and U.S. Lead Plaintiffs' damages theories including, among other things: whether the price of Royal Group shares was artificially inflated at all during the Class Period; the economic model applied by Plaintiffs' Counsel for determining whether the price of Royal Group shares were artificially inflated during the Class Period; the amount of any such artificial inflation; whether any artificial inflation found to exist was caused by the omissions and misrepresentations alleged in the Actions; and the extent to which external factors, such as general market and industry conditions, were the cause of the decline in the price in Royal Group shares being relied upon by Plaintiffs' Counsel to establish damages. The Actions have settled, in part, because of the uncertainty and risk associated with what damages would be awarded at trial to any individual Class Member or otherwise if the plaintiffs were successful in establishing liability. The Plan of Allocation is intended to reflect the maximum level of damages that would be asserted by CCWIPP and the U.S. Lead Plaintiffs in the Actions. It does not necessarily reflect the actual damages that would have been awarded if the Actions went to trial and the plaintiffs were successful in establishing liability.

The Plan allocates damages to Class Members based on their ownership of shares purchased during the Class Period on the dates of the price declines identified above. The formulas below therefore are intended to calculate Class Members' damages as a function of the total deemed value of the price declines described above through which the Class Member held his/her/its shares multiplied by the number of shares held by the Class Member through each decline.

I. PROPOSED ALLOCATION FOR ROYAL GROUP SHARES PURCHASED ON NYSE

1. For Royal Group shares purchased on the NYSE between February 26, 1998 and January 23, 2003, inclusive, and

(a) sold prior to January 24, 2003, the claim per share is one percent (1%) of the difference between the purchase price paid per share (excluding commissions and fees) ("PPP") and the sales proceeds received per share (net of commissions and fees) ("SPR");

(b) sold on January 24, 2003, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$1.47 USD;

(c) sold between January 25, 2003 and February 24, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$2.12 USD;

(d) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$4.76 USD;

(e) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$8.63 USD (the 90-day mean trading price following the Class Period),¹ or (ii) \$5.88 USD;

(f) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$7.85 USD (the October 18, 2004 NYSE closing price for Royal Group shares), or (ii) \$5.88 USD.

2. For Royal Group shares purchased on the NYSE on January 24, 2003, and

(a) sold prior to January 25, 2003, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) sold between January 25, 2003 and February 24, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$0.65 USD;

(c) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$3.29 USD;

(d) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$8.63 USD, or (ii) \$4.41 USD;

(e) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$7.85 USD, or (ii) \$4.41 USD.

3. For Royal Group shares purchased on the NYSE between January 25, 2003 and February 24, 2004, inclusive, and

¹ Pursuant to the requirements of the U.S. Private Securities Litigation Reform Act of 1995, to the extent, if any, that sales made during the ninety (90) days following the end of the Class Period reduced a U.S. Class member's losses, his, her or its claim per share is reduced accordingly as reflected in these formulas. This limitation applies to U.S. Class Members only.

(a) sold prior to February 25, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$2.64 USD;

(c) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$8.63 USD, or (ii) \$3.76 USD;

(d) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$7.85 USD, or (ii) \$3.76 USD.

4. For Royal Group shares purchased on the NYSE between February 26, 2004 and October 13, 2004, inclusive, and

(a) sold prior to the close of trading on October 13, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) *(for U.S. Class Members only)* retained at of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$8.63 USD, or (ii) \$1.12 USD; and

(c) *(for Canadian Class Members only)* retained at of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$7.85 USD, or (ii) \$1.12 USD.

5. For Royal Group shares purchased on the NYSE between October 14, 2004 and October 18, 2004, inclusive, and

(a) sold prior to the close of trading on October 18, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) *(for U.S. Class Members only)* retained at of the close of trading on October 18, 2004, the claim per share is one percent (1%) of the difference between the PPP and \$8.63 USD.

(c) *(for Canadian Class Members only)* retained as of the close of trading on October 18, 2004, the claim per share is one percent (1%) of the difference between the PPP and \$7.85 USD.

II. PROPOSED ALLOCATION FOR NON-NYSE PURCHASES OF ROYAL GROUP SHARES

1. For Royal Group shares purchased other than on the NYSE between February 26, 1998 and January 23, 2003, inclusive, and

(a) sold prior to January 24, 2003, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) sold on January 24, 2003, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$2.28 CAD;

(c) sold between January 25, 2003 and February 24, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$3.28 CAD;

(d) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$6.66 CAD;

(e) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$10.38 CAD (the 90 day mean trading price on the TSX following the Class Period), or (ii) \$8.09 CAD;

(f) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$9.85 CAD (the October 18, 2004 TSX closing price for Royal Group shares), or (ii) \$8.09 CAD.

2. For Royal Group shares purchased other than on the NYSE on January 24, 2003, and

(a) sold prior to January 25, 2003, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) sold between January 25, 2003 and February 24, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$1.00 CAD;

(c) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$4.38 CAD;

(d) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$10.38 CAD, or (ii) \$5.81 CAD.

(e) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$9.85 CAD, or (ii) \$5.81 CAD.

3. For Royal Group shares purchased other than on the NYSE between January 25, 2003 and February 24, 2004, inclusive, and

(a) sold prior to February 25, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) sold between February 25, 2004 and October 13, 2004, inclusive, the claim per share is the lesser of (i) the PPP minus the SPR, or (ii) \$3.38 CAD;

(c) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$10.38 CAD, or (ii) \$4.81 CAD;

(d) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$9.85 CAD, or (ii) \$4.81 CAD.

4. For Royal Group shares purchased other than on the NYSE between February 26, 2004 and October 13, 2004, inclusive, and

(a) sold prior to the close of trading on October 13, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) *(for U.S. Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$10.38 CAD, or (ii) \$1.43 CAD.

(c) *(for Canadian Class Members only)* retained as of the close of trading on October 13, 2004, the claim per share is the lesser of (i) the PPP minus \$9.85 CAD, or (ii) \$1.43 CAD.

5. For Royal Group shares purchased other than on the NYSE between October 14, 2004 and October 18, 2004, inclusive, and

(a) sold prior to October 19, 2004, the claim per share is one percent (1%) of the difference between the PPP and the SPR;

(b) *(for U.S. Class Members only)* retained as of the close of trading on October 18, 2004, the claim per share is one percent (1%) of the difference between the PPP and \$10.38 CAD;

(c) *(for Canadian Class Members only)* retained as of the close of trading on October 18, 2004, the claim per share is one percent (1%) of the difference between the PPP and \$9.85 CAD.

Once the values of the approved claims of all Authorized Claimants have been calculated, the Claims Administrator will determine what percentage of the total value of the approved claims submitted by all Authorized Claimants is allocable to approved claims of U.S. Class Members. The Claims Administrator will then convert that percentage of the Net Settlement Fund to U.S. currency. The amount converted by the Claims Administrator to U.S. currency will be distributed to Authorized Claimants who are U.S. Class Members proportionately based on the value of his/her/its approved claim.

For Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares

held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in Royal Group shares during the Class Period are subtracted from all losses. A purchase or sale of Royal Group shares shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. “Short” sales of Royal Group shares shall not be recognized for any amount of loss on the cover, purchase or closing transaction.

No distributions will be made to Authorized Claimants who would otherwise receive less than \$10.00.

The Courts have jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds. The Courts may also modify this Plan of Allocation in the interests of justice without further notice to Class Members. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim or cause of action against Plaintiffs’ Counsel, the Defendants, the Claims Administrator, or other person designated by the Courts, based on distributions made substantially in accordance with this Plan of Allocation, or such alternative plan of allocation in respect of the Settlement that may be approved by the Courts.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you held any Royal Group shares (TSX: “RYG”, MSE: “RYG”, NYSE: “RYG”, CUSIP Number 779915107) purchased or acquired between February 26, 1998 and October 18, 2004, inclusive, as nominee for a beneficial owner, then, **WITHIN 7 (SEVEN) BUSINESS DAYS OF YOUR RECEIPT OF THIS NOTICE**, you must either: (1) send a copy of this Notice and Proof of Claim form by first class mail to all such persons; or (2) provide a list of the names and addresses of such persons to the Claims Administrator, Royal Group Securities Class Action, c/o Crawford Class Action Services at:

Canadian Address
Suite 3 – 505 133, Weber Street North
Waterloo, Ontario N2J 3G9

US Address
2813 Wehrle Drive
Williamsville, New York 14221

Email address: rgtadmin@crowco.ca, toll-free number: 1-866-640-9997.

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

***PLEASE DO NOT CONTACT EITHER OF THE
COURTS REGARDING THIS NOTICE. DIRECT ALL OF YOUR
QUESTIONS TO THE CLAIMS ADMINISTRATOR OR PLAINTIFFS' COUNSEL.***

Dated: October 3, 2007

BY ORDER OF THE ONTARIO SUPERIOR
COURT OF JUSTICE AND BY ORDER OF THE
UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK