

ZUNGUI HAIXI CORPORATION
CLASS ACTION SETTLEMENT AGREEMENT

Made as of August 19, 2013

B E T W E E N:

**Jerzy Robert Zaniewicz and Edward C. Clarke, plaintiffs in
Ontario Superior Court Action No. CV-11-436360-00CP
in their personal and proposed representative capacities**

("Plaintiffs")

-and-

**CIBC World Markets Inc.,
Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd.,
GMP Securities L.P., and
Mackie Research Capital Corporation, f.k.a. Research Capital Corporation**

("Settling Defendants")

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SETTLEMENT AGREEMENT

Subject to the approval of the Court as provided herein, the Plaintiffs and the Settling Defendants hereby stipulate and agree that, in consideration of the promises and covenants set forth in this Agreement and upon the Certification and Settlement Approval Order approving the Settlement and directing the implementation of the terms and conditions of the Settlement as set forth in this Agreement becoming final, this Action will be settled and compromised on the terms and conditions contained herein.

SECTION 1 - RECITALS

1.1 WHEREAS:

A. The Plaintiffs commenced the Action in Ontario alleging, among other things, that Zungui's IPO Prospectus dated December 11, 2009 contained one or more material misrepresentations and that the Settling Defendants were unjustly enriched.

B. The Settling Defendants have denied and continue to deny all of the Plaintiffs' claims in the Action, have vigorously denied any wrongdoing or liability of any kind, or whatsoever, and would have actively and diligently pursued affirmative defences and all other defences had the Action not been settled.

C. The Parties and Class Counsel agree that neither this Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the Settling Defendants or evidence of the truth of any of the allegations made by the Plaintiffs against the Settling Defendants, which allegations are expressly and vigorously denied by the Settling Defendants.

D. Protracted, arm's length settlement negotiations have occurred between Class Counsel, on behalf of the Class, and counsel for the Settling Defendants, resulting in this Agreement.

E. Pursuant to the Existing Certification Orders, class certification of the Action was obtained for settlement purposes in the context of settlements with Zungui, Michelle Gobin, Michael W. Manley, Patrick A. Ryan, Elliott Wahle, Margaret Cornish and Ernst & Young LLP with respect to the following Class:

*All persons, wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired Eligible Shares.**

* The terms "Eligible Shares", "Excluded Persons" and "Opt-Out Parties" are defined herein identically to those terms incorporated by reference in the aforementioned orders.

F. Pursuant to the Existing Certification Orders, each Class Member was permitted an opportunity to opt out of the Action (the notice advising of this opportunity to opt out was published on June 8, 2013 and the deadline for opting out was August 7, 2013). Class Counsel has confirmed to the Settling Defendants that as of the date of this Agreement, no person who would otherwise be a Class Member has opted out of the Action.

G. The Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Agreement and, based on their analyses of the facts and law applicable to the claims, demands and causes of action of the Plaintiffs, both asserted and unasserted, whether pleaded in the Action or not, and having regard to the extensive burdens, risks and expense of litigation, including the risks and uncertainties associated with trials and appeals, the Plaintiffs, with the

benefit of advice from Class Counsel, have concluded that this Agreement is fair, reasonable and in their best interest and the best interest of the Class that the Plaintiffs seek to represent.

H. The Settling Defendants are entering into this Agreement in order to achieve a final resolution of all Released Claims and the Action, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation.

I. The Plaintiffs and the Settling Defendants intend to and hereby do finally resolve this Action and all the claims that were or could have been asserted in the Action against the Settling Defendants, subject to the approval of the Court as hereinafter provided, without any admission of liability or wrongdoing whatsoever by the Settling Defendants.

J. The Plaintiffs assert that they are suitable representatives for the Class and will seek to be appointed as the representative plaintiffs of the Class for the purposes of the resolution of this Action as against the Settling Defendants.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties stipulate and agree that this Agreement represents the agreement between the Parties to resolve and release, fully and finally, in accordance with the terms more particularly set out herein, all Released Claims, and subject to the approval of the Court as provided herein, to obtain a Certification and Settlement Approval Order that is a Final Order dismissing this Action as against the Settling Defendants with prejudice and without costs.

SECTION 2 – DEFINITIONS

2.1 In this Agreement, including the recitals hereto:

1. **Action** means the action styled *Zaniewicz et al. v. Zungui Haixi Corporation et al.* filed in the Ontario Superior Court of Justice (Toronto Registry), and bearing Court File. No. CV-11-436360-00CP.
2. **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable in relation to the notice, approval, implementation and administration of the Settlement, including the costs of publishing and delivery of notices, fees, disbursements and taxes paid to the Administrator, and any other expenses approved by the Court which shall be paid from the Settlement Amount. For greater certainty, Administration Expenses do not include Class Counsel Fees.
3. **Administrator** means the third party professional firm selected at arm's length by Class Counsel and appointed by the Court to administer this Agreement in accordance with the Plan of Allocation, and any employees of such firm.
4. **Agreement** means this settlement agreement, including the recitals and schedule.
5. **Approval Notice** means the Short Form Notice of Settlement and the Long Form Notice of Settlement.
6. **Bardi Action** means the action styled *Luigi Bardi v. Zungui Haixi Corporation*, filed in the Ontario Superior Court of Justice (Windsor Registry), and bearing Court File No. CV-11-16764.
7. **Certification and Settlement Approval Motion** means a motion to be brought by the Plaintiffs in the Court for the Certification and Settlement Approval Order.

8. ***Certification and Settlement Approval Order*** means an order made by the Court substantially in the form attached hereto as Schedule "A":

- (a) certifying the Action as against the Settling Defendants, solely for settlement purposes;
- (b) approving this Settlement and the settlements provided for in the Other Settlement Agreements;
- (c) appointing the Administrator;
- (d) approving the form of the Approval Notice;
- (e) approving the Plan of Notice for the purpose of the publication and dissemination of the Approval Notice;
- (f) approving the Plan of Allocation; and
- (g) upon the Effective Date, dismissing the Action against all defendants with prejudice and without costs;

in a form satisfactory to the Settling Defendants or as fixed by the Court.

9. ***Claim Form*** means the form to be approved by the Court which, when completed and submitted in a timely manner to the Administrator, constitutes a Class Member's claim for compensation pursuant to the Settlement.

10. ***Claims Bar Deadline*** means the date by which each Class Member must file a Claim Form and all supporting documentation with the Administrator; which date shall be one hundred

and twenty (120) days after the date on which the Approval Notice is first published in the Newspapers.

11. ***Class*** or ***Class Members*** means all persons or entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired Eligible Shares.

12. ***Class Counsel*** means Siskinds LLP.

13. ***Class Counsel Fees*** means the fees, disbursements, costs, interest, HST and other applicable taxes or charges of Class Counsel as approved by the Court.

14. ***Class Period*** means the period from and including August 11, 2009 to and including August 22, 2011.

15. ***Common Issue*** means: Did the IPO Prospectus contain one or more misrepresentations within the meaning of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, or at common law?

16. ***Counsel for the Settling Defendants*** means Davies Ward Phillips & Vineberg LLP.

17. ***Court*** means the Ontario Superior Court of Justice.

18. ***CPA*** means the *Class Proceeding Act, 1992*, S.O. 1992, c. 6, as amended.

19. ***Defendant*** means any Defendant named as a defendant in the Action.

20. ***Effective Date*** means the date on which all of the following occur or have occurred:

- (a) the Settling Defendants have paid the Settlement Amount into the Escrow Account; and

- (b) the Settling Defendants' right to terminate the Agreement, if any, has expired and the Certification and Settlement Approval Order becomes a Final Order.
21. ***Eligible Shares*** means the Shares acquired by a Class Member or Opt-Out Party during the Class Period.
22. ***Escrow Account*** means an interest bearing trust account at a Schedule 1 bank, under the *Bank Act*, S.C. 1991, c. 46 as amended, in Ontario and initially under the control of Class Counsel, and then transferred to the control of the Administrator not later than ten (10) days after the Effective Date.
23. ***Escrow Settlement Amount*** means the Settlement Amount plus any interest accruing thereon.
24. ***Excluded Persons*** means each Defendant, the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of Zungui and any member of each Defendant's families, their heirs, successors or assigns, and includes any Southern Zungui Acquirors who acted as a consultant or provided other professional services to Zungui or its subsidiaries in connection with the IPO.
25. ***Existing Certification Orders*** means the orders of the Court dated May 21, 2013 in respect of the certification of the Action under the *CPA* for the purposes of the settlements pursuant to the Other Settlement Agreements.
26. ***Final Order*** means any order of the Court contemplated by this Agreement from which no appeal lies or in respect of which any right of appeal has expired without the initiation of

proceedings in respect of that appeal such as the delivery of a notice of motion for leave to appeal or a notice of appeal.

27. ***IPO*** means the initial public offering of securities of Zungui pursuant to a long form prospectus of Zungui dated on or about December 11, 2009 and filed with SEDAR on or about that date, offering 11,500,000 common shares for gross proceeds of \$37,375,000, plus an additional 759,500 shares via an over-allotment option, for total gross proceeds of \$39,843,375.

28. ***Long Form Notice of Settlement*** means notice to the Class of the Certification and Settlement Approval Order in a form satisfactory to the Settling Defendants or as fixed by the Court.

29. ***Mengshida*** means Mengshida Shoes Co., Ltd. Shishi City, also known as Shishi Mengshida Shoes Co., Ltd.

30. ***Newspapers*** means the following newspaper publications in Canada: National Post, Globe & Mail and La Presse.

31. ***Notice of Court Hearing for Certification and for Settlement Approval*** means notice to the Class of the Certification and Settlement Approval Motion in a form satisfactory to the Settling Defendants.

32. ***Opt-Out Deadline*** means August 7, 2013.

33. ***Opt-Out Party*** means any person who would otherwise be a Class Member and who submits a valid Opt-Out Form to Class Counsel.

34. ***Other Settlement Agreement*** (or Other Settlement Agreements) means the settlement agreement that the Plaintiffs have entered into with (a) Matthew Gottlieb as the litigation receiver of the Defendant, Zungui, and the Defendants, Michelle Gobin, Michael W. Manley, Patrick A. Ryan, Elliott Wahle, Margaret Cornish (dated April 26, 2013), and (b) Ernst & Young LLP (dated February 13, 2013), to finally settle the Action and achieve a final resolution of, *inter alia*, the Plaintiffs' claims and those of the Class Members as against those defendants.

35. ***Other Settling Defendants*** means any Defendant other than the Settling Defendants that has entered into an Other Settlement Agreement that results in an order from which no appeal lies or in respect of which any right of appeal has expired without the initiation of proceedings in respect of that appeal such as the delivery of a notice of motion for leave to appeal or notice of appeal, approving the Other Settlement Agreement and directing that it be consummated and implemented in accordance with its terms, and directing that the Action be dismissed with prejudice and without costs as against the Other Settling Defendant.

36. ***Parties*** mean the Plaintiffs and the Settling Defendants.

37. ***Plaintiffs*** mean Jerzy Robert Zaniewicz and Edward C. Clarke, individually and collectively.

38. ***Plan of Allocation*** means the distribution plan stipulating the proposed distribution of the net settlement amount, in a form satisfactory to the Settling Defendants or as fixed by the Court.

39. ***Plan of Notice*** means the plan for disseminating the Approval Notice to the Class in a form satisfactory to the Settling Defendants or as fixed by the Court.

40. ***Primary Market Authorized Claimant*** means a Primary Market Purchaser that has submitted a completed Claim Form which, pursuant to the terms of this Agreement and the Plan of Allocation, is eligible for compensation for their primary market purchases.

41. ***Primary Market Purchaser*** means a person, other than an Opt-Out Party or Excluded Person, who bought Eligible Shares on an "if, as and when issued" basis under Zungui's IPO Prospectus.

42. ***Released Claims*** (or Released Claim) mean any and all manner of claims, demands, actions, suits, proceedings, causes of action, whether class, individual, derivative or otherwise in nature, whether personal or subrogated, damages of any kind whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, administration expenses (including Administration Expenses), penalties, and lawyers' fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, actual or contingent, liquidated or unliquidated, whether pleaded in the Action or not, in law, under statute or in equity, in any jurisdiction, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees or any one or more of them relating in any way to or arising out of, the purchase, sale, acquisition, exchange, pricing, marketing or distribution of Eligible Shares during the Class Period, the Releasees' relationship with Zungui, the Releasees' investigation of Zungui (including their investigation of Zungui's subsidiaries and affiliates), or any acts or omissions of, or representations made by the Releasees, directly or indirectly, to anyone about or relating to Zungui, Southern Trends or their subsidiaries, including Mengshida, or in respect of their operations, suppliers, distributors, bank accounts and records, sales, their consolidated or unconsolidated financial results, or the Eligible Shares, or relating to any conduct alleged or which could have been asserted in this Action, or in

an Action by the Southern Zungui Acquirors, as a result of the purchase or acquisition of the Eligible Shares or the receipt of Eligible Shares under the Share Exchange Agreement in the Class Period, and any claims of a derivative nature that could have been brought by Zungui.

43. ***Releasees*** mean, jointly and severally, individually and collectively, the Settling Defendants and all member firms thereof, and all present and former affiliated entities, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each.

44. ***Releasors*** mean, jointly and severally, individually and collectively, the Plaintiffs, the Class Members, and any person having a legal and/or beneficial interest in the Eligible Shares purchased or acquired by the Class Members, and each of their respective past and present directors, officers, employees, agents, trustees, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be, but excluding Opt-Out Parties.

45. ***Settlement*** means the settlement provided for in this Agreement.

46. ***Settlement Amount*** means \$750,000 in Canadian currency to be paid by the Settling Defendants, inclusive of Administration Expenses, Class Counsel Fees, and any other costs or expenses otherwise related to the Action.

47. ***Settling Defendants*** means CIBC World Markets Inc., Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd., GMP Securities L.P., and Mackie Research Capital Corporation, f.k.a. Research Capital Corporation.

48. ***Share Exchange Agreement*** means the Securities Exchange Agreement among Southern Trends, Zungui, Haixi Holding Company Inc., Fengyi Cai and the other Southern Zungui Acquirors, dated November 2, 2009 and completed December 21, 2009.

49. ***Shares*** means common shares of Zungui, including shares in the capital of Southern Trends that were converted to shares of Zungui under the Share Exchange Agreement.

50. ***Short Form Notice of Settlement*** means notice to the Class of the Certification and Settlement Approval Order in a form satisfactory to the Settling Defendants or as fixed by the Court.

51. ***Southern Trends*** means Southern Trends International Holding Company Limited, a corporation incorporated under the laws of the British Virgin Islands.

52. ***Southern Zungui Acquirors*** means persons who acquired a legal or beneficial interest in Shares pursuant to the Share Exchange Agreement. For greater certainty, Southern Zungui Acquirors include Haixi Holding Company Inc., Legendary Trends Limited, Ou Yang Siu Sum, Choi Ching Lau, HaiXin Capital Group, Seshadri Chari, Avinder Grewal, The Winnington Capital Group Inc., The O'Sullivan Family Trust, Challisbury Developments Limited, Kinghall Limited, Blue Heron Ventures Inc., France Crawford, Randall Smallbone, Morganbridge Communications Inc., and Michelle Gobin.

53. ***Zungui*** means Zungui Haixi Corporation, a corporation incorporated under the laws of the Province of Ontario, and unless otherwise specified includes all of its predecessors, successors, affiliates, parent companies, subsidiary companies and assigns.

SECTION 3 –APPROVAL AND NOTICE PROCESS

Best Efforts

3.1 The Parties shall use their best efforts to effectuate this Settlement and to secure the Certification and Settlement Approval Order in conjunction with, and at the same times as, the steps taken to effectuate and secure the approval of the Other Settlement Agreements.

3.2 Until the Certification and Settlement Approval Order becomes a Final Order or the termination of this Agreement, whichever occurs first, the Parties agree to hold in abeyance all steps in the Action as they relate to the Settling Defendants, other than any motions provided for in this Agreement and such other matters required to implement the terms of this Agreement.

Certification and Settlement Approval Motion and Approval Notice

3.3 As soon as is reasonably practicable following execution of this Agreement, the Plaintiffs will bring the Certification and Settlement Approval Motion before the Court. The Settling Defendants will consent to the Certification and Settlement Approval Order in the form attached hereto as Schedule "A", subject to the content of the final Certification and Settlement Approval Order sought at the Certification and Settlement Approval Motion being satisfactory to the Settling Defendants, and for the purposes of the Settlement only.

3.4 Upon the granting of the Certification and Settlement Approval Order, Class Counsel or the Administrator, as the case may be, shall cause the Approval Notice to be published and disseminated in accordance with the Plan of Notice as approved by the Court. The costs of publishing the Approval Notice shall be paid from the Escrow Account as and when incurred, except where coordination of the provision of the Approval Notice pertaining to this Settlement

with the provision of a settlement approval notice for any Other Settlement Agreement that may have been or may be approved in the Action would be desirable, in which case the costs of providing the Approval Notice shall be allocated proportionally (with the costs of providing a settlement approval notice for any Other Settlement Agreement) among the settlements based on their respective values.

Report to the Court

3.5 After publication and dissemination of the Approval Notice required by this Section, Class Counsel or the Administrator, as the case may be, shall file with the Court an affidavit confirming publication and dissemination.

SECTION 4 – SETTLEMENT BENEFIT

Payment of Settlement Amount

4.1 Within fifteen (15) business days after execution of this Agreement and after receipt of the wire instructions required by Section 4.2, the Settling Defendants shall cause the Settlement Amount to be paid into the Escrow Account in full satisfaction of the Released Claims against the Releasees. The Settlement Amount shall be held for the benefit of Class Members who are Primary Market Purchasers.

4.2 Payment of the Settlement Amount shall be made by the Settling Defendants by wire transfer. Upon execution of this Agreement, Class Counsel shall promptly provide the Settling Defendants with all of the information required to complete the wire transfers.

4.3 Other than the payment by the Settling Defendants of the Settlement Amount, the Settling Defendants shall have no obligation whatsoever to pay any amount to the Plaintiffs, the Class

Members or Class Counsel with respect to this Agreement or the Action for any reason whatsoever, including without limitation any amount for damages, interest, legal fees (including Class Counsel Fees), disbursements, taxes of any kind, costs and expenses relating in any way to the Action, including as described in Sections 3.3 and 3.4, the Released Claims, the Settlement, and Administration Expenses.

4.4 The Administration Expenses charged to the Escrow Account shall be a percentage of the total of all administrative expenses relating to all settlements in proportion to the Settlement Amount divided by the total of all settlement amounts paid under this Agreement and the Other Settlement Agreements for the benefit of the Class Members.

4.5 In no event shall the total Administrative Expenses relating to this Settlement exceed CAD \$50,000 prior to the Effective Date.

4.6 Class Counsel shall account to the Court and the Settling Defendants for all payments it makes from the Escrow Account. In the event this Agreement is terminated, this accounting shall be delivered no later than ten (10) days after the termination.

4.7 Any dispute concerning the entitlement to or quantum of expense incurred by Class Counsel and/or the Administrator shall be dealt with by a motion to the Court on notice to the Parties.

Settlement Amount to be Held in Trust

4.8 Class Counsel, and then the Administrator after the Settlement becomes final, shall maintain the Escrow Account and hold the Settlement Amount in trust in the Escrow Account as provided for in this Agreement. No amount shall be paid out from the Escrow Account, except

in accordance with this Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

Taxes on Interest

4.9 Except as expressly provided herein all interest earned on the Settlement Amount shall accrue to the benefit of Primary Market Purchasers and shall become and remain part of the Escrow Account.

4.10 Subject to Section 4.11, all taxes payable on any interest which accrues on or otherwise in relation to the Settlement Amount in the Escrow Account shall be the responsibility of the Class. Class Counsel or the Administrator, as appropriate, shall be solely responsible for fulfilling all tax reporting and payment requirements arising from the Settlement Amount in the Escrow 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 Escrow Account.

4.11 The Settling Defendants shall have no responsibility to make any filings relating to the Escrow Account, to pay tax on any income earned by the Settlement Amount, or to pay any taxes on the monies in the Escrow Account, unless this Agreement is terminated, in which case any interest earned on the Settlement Amount in the Escrow Account shall be paid to the Settling Defendants who, in such case, shall be responsible for the payment of any taxes on such interest not previously paid by Class Counsel.

SECTION 5 – NO REVERSION

5.1 Unless this Agreement is terminated as provided herein, the Settling Defendants shall not be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

SECTION 6 – DISTRIBUTION OF THE SETTLEMENT AMOUNT

6.1 On or after the Effective Date, the Administrator shall distribute the balance of the Settlement Amount remaining in the Escrow Account in accordance with the following priorities:

- (a) to pay Class Counsel Fees, which shall be deducted proportionally from the Settlement Amount and any other settlement amounts from Other Settlement Agreements - based on their respective values;
- (b) to pay all of the costs and expenses reasonably and actually incurred in connection with the provision of the Approval Notice, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by the Administrator and brokerage firms in connection with the provision of the Approval Notice to Class Members (provided, however, that the Administrator shall not pay in excess of fifteen thousand Canadian dollars (CAD\$15,000.00) in the aggregate to all brokerage firms and, if the aggregate amount claimed by such brokerage firms exceeds fifteen thousand Canadian dollars (CAD\$15,000.00), then the Administrator shall distribute the sum of fifteen thousand Canadian dollars (CAD\$15,000.00) to such brokerage firms on a *pro rata* basis). The

Settling Defendants and any related entity under the control of a Settling Defendant (within the meaning of s 89(3) of the *Securities Act*, RSO 1990, c. S.5 as amended) are specifically excluded from eligibility for any payment of notice expenses under this subsection;

- (c) to pay all of the Administration Expenses, except any that may already have been paid by Class Counsel pursuant to Section 3.4. For greater certainty, the Settling Defendants and the Class are specifically excluded from eligibility for any payment of costs and expenses under this subsection;
- (d) to pay any taxes required by law to be paid to any governmental authority; and
- (e) to pay a *pro rata* share of the balance of the Settlement Amount to each Primary Market Authorized Claimant in proportion to his, her or its claim as recognized in accordance with the Plan of Allocation.

SECTION 7 – EFFECT OF SETTLEMENT

No Admission of Liability

7.1 Whether or not this Agreement is terminated, this Agreement, anything contained in it, any and all negotiations, discussions, and communications associated with this Agreement, shall not be deemed, construed or interpreted as a concession or admission of wrongdoing or liability by the Releasees, or as a concession or admission by the Releasees of the truthfulness of any claim or allegation asserted in this Action. Neither this Agreement nor anything contained herein shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any statement, release, written document, offering

document in whatever form or financial report, or otherwise concerning Zungui, and in fact the Settling Defendants continue to vigorously dispute, deny and contest the allegations made in this Action.

Agreement Not Evidence

7.2 The Parties agree that, whether or not it is terminated, unless otherwise agreed, this Agreement and anything contained herein, any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any action taken to implement this Agreement, shall not be referred to, offered as evidence or received as evidence or interpreted in this Action or in any other pending or future civil, criminal, quasi-criminal, administrative action, disciplinary investigation or other proceeding as any presumption, concession or admission: (i) of the validity of any claim that has been or could have been asserted in the Action by the Plaintiffs against the Settling Defendants, or the deficiency of any defence that has been or could have been asserted in the Action; (ii) of wrongdoing, fault, neglect or liability by the Settling Defendants; and (iii) that the Settlement Amount represents the amount that could be or would have been recovered in the Action after trial.

7.3 Notwithstanding Section 7.2, this Agreement may be referred to or offered as evidence in order to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, to defend against the assertion of Released Claims, or as otherwise required by law.

Restrictions On Further Litigation

7.4 Class Counsel, and anyone currently or hereafter employed by, associated with, or a partner with Class Counsel may not, directly or indirectly participate or be involved in, or in any way assist with respect to any claim made by any person against the Settling Defendants in relation to the purchase, sale, acquisition, retention, exchange or distribution of Eligible Shares, any representations made directly or indirectly, concerning Zungui and its subsidiaries, their operations, financial statements or financial results, except in relation to any proceeding relating to the approval of any Other Settlement Agreement.

7.5 Class Counsel is also prohibited from divulging to anyone for any purpose any information obtained in the course of the negotiation, preparation or execution of this Agreement, without the prior written consent of the Settling Defendants or unless ordered to do so by a court.

SECTION 8 – CERTIFICATION FOR SETTLEMENT ONLY

Consent to Certification

8.1 The Settling Defendants will consent to certification of the Action as a class proceeding, pursuant to Sections 2, 5 and 6 of the *CPA*, solely for the purpose of effecting this Agreement.

8.2 The Parties agree that the only common issue that the Plaintiffs will seek to define is the Common Issue and the only class that they will assert is the Class.

Certification Without Prejudice

8.3 The Parties agree that the certification of the Action as a class proceeding in accordance with Sections 8.1 and 8.2 hereof is for the sole purpose of effecting the Settlement. In the event

that this Agreement is terminated as provided herein, the certification order, if any, shall be vacated or set aside as set out herein, and shall be without prejudice to any position that any of the Parties may later take on any issue in the Action including in a subsequent certification motion. In particular, the fact of the Settling Defendants' consent to certification for settlement purposes shall not be referenced in any way in the further prosecution of the Action, nor shall such consent be deemed to be an admission by the Settling Defendants that the Plaintiffs have met any of the requisite criteria for certification of the Action as a class proceeding.

SECTION 9 - OPTING OUT

9.1 The Plaintiffs and Class Counsel represent and warrant that:

- (a) they are unaware of any Class Member who has either opted out or expressed an intention to opt out of the Class; and
- (b) they will not encourage or solicit any Class Member to opt out of the Class.

9.2 The Parties agree that the Opt-Out Deadline will not be extended unless the Court orders otherwise.

9.3 Opt-Out Parties will be excluded from any and all rights and obligations arising from the Settlement. Class Members who do not opt out shall be bound by the Settlement and the terms of this Agreement regardless of whether the Class Member files a Claim Form or receives compensation from the Settlement.

SECTION 10 – TERMINATION OF THE AGREEMENT

General

10.1 This Agreement shall, without notice, be automatically terminated if:

- (a) An order in the form of the Certification and Settlement Approval Order satisfactory to the Settling Defendants is not granted by the Court; or
- (b) the Certification and Settlement Approval Order is reversed on appeal and the reversal becomes a Final Order.

10.2 The Settling Defendants may terminate this Agreement in the event that:

- (a) the Court declines to approve this Agreement or any material term or part thereof;
- (b) the Court approves this Agreement in a materially modified form; or
- (c) the Certification and Settlement Approval Order does not finally dismiss the Action against all defendants with prejudice and without costs.

10.3 In the event this Agreement is terminated in accordance with its terms:

- (a) the Parties will be restored to their respective positions prior to the execution of this Agreement;
- (b) the Escrow Settlement Amount will be returned to the Settling Defendants in accordance with Section 10.6(d) hereof;
- (c) this Agreement will have no further force and effect and no effect on the rights of the Parties except as specifically provided for herein;
- (d) all statutes of limitation applicable to the claims asserted in this Action shall be deemed to have been tolled during the period beginning with the execution of this

Agreement and ending with the day on which the orders contemplated by Section 10.6 are entered;

- (e) any costs reasonably incurred by the Administrator and paid out of the Escrow Account for performing the services required to prepare to implement this Settlement, and amounts paid for the publication and dissemination of notices are non-recoverable from the Plaintiffs, the Class Members, the Administrator or Class Counsel;
- (f) this Agreement and any consent certification order will not be introduced into evidence or otherwise referred to in any litigation against the Settling Defendants.

10.4 Notwithstanding the provisions of Section 10.3(c), if this Agreement is terminated, the provisions of this Section 10 and Sections 1, 2, 4.3, 4.9, 4.10, 5.1, 7.1, 7.2, 7.3, 7.5, 8.3, and 15 shall survive termination and shall continue in full force and effect.

Allocation of Monies in the Escrow Account Following Termination

10.5 The Administrator and/or Class Counsel shall account to the Court and the Parties for the amounts maintained in and disbursed from the Escrow Account. If this Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

10.6 If this Agreement is terminated, the Settling Defendants shall, within thirty (30) days after termination, apply to the appropriate Court, on notice to the Plaintiffs and the Administrator, as may be necessary, for an order:

- (a) declaring this Agreement null and void and of no force or effect except for the provisions listed in Section 10.4;
- (b) determining whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice;
- (c) requesting an order setting aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement, including any order certifying the Action as a class proceeding for the purposes of implementing this Agreement; and
- (d) authorizing the payment of all remaining funds in the Escrow Account, including accrued interest, to the Settling Defendants.

10.7 Subject to Section 10.8, the Parties shall consent to the orders sought in any motion made by the Settling Defendants pursuant to Section 10.6.

Disputes Relating to Termination

10.8 If there is any dispute about the termination of this Agreement, the Court shall determine any dispute by motion made by a Party on notice to the other Parties.

No Right to Terminate

10.9 For greater certainty, no dispute or disagreement among the Plaintiffs and/or members of the Class or any of them about Class Counsel Fees, the proposed distribution of the Settlement Amount or the Plan of Allocation shall give rise to a right to terminate this Agreement.

SECTION 11 – DETERMINATION THAT THE SETTLEMENT IS FINAL

11.1 The Settlement shall be considered final on the Effective Date.

SECTION 12 – RELEASES AND JURISDICTION OF THE COURT

Release of Releasees

12.1 As of the Effective Date, and in consideration of payment of the Settlement Amount and for other valuable consideration set forth in this Agreement, the Releasors forever and absolutely release, waive and forever discharge 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.

12.2 The Releasors acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts which they know or believe to be true with respect to the Action, the IPO and the subject matter of this Agreement, and that it is their intention to release fully, finally and forever all Released Claims, and in furtherance of such intention, this release and, subject to the provisions of Section 10, this Agreement, shall be and remain in effect notwithstanding the discovery or existence of any such additional or different facts.

No Further Claims

12.3 As of the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Ontario 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 of the Releasees or any other person who may

claim contribution or indemnity from any of the Releasees in respect of any Released Claim or any matter related thereto.

12.4 Should any claim referred to in Section 12.3 be commenced on or before the Effective Date, the Plaintiffs shall support a motion by the Settling Defendants to dismiss or permanently stay such claim.

Dismissal of the Action

12.5 Except as otherwise provided in this Agreement and the Certification and Settlement Approval Order, as of the Effective Date, this Action shall be dismissed as against all defendants with prejudice and without costs.

Dismissal of the Bardi Action

12.6 The Plaintiffs shall either (i) provide written confirmation to the Settling Defendants prior to the Certification and Settlement Approval Motion that the Bardi Action has been dismissed or (ii) seek the dismissal of the Bardi Action as part of the Certification and Settlement Approval Order.

No Claims in Interim

12.7 As of the date of this Agreement, Class Counsel do not represent plaintiffs in any other proceeding related to any matter at issue in this Action.

Material Term

12.8 The releases contemplated in this Section shall be considered a material term of this Agreement and the failure of any Court to approve the releases contemplated herein shall give

rise to a right of termination by the Settling Defendants pursuant to Section 10 of this Agreement.

SECTION 13 – ADMINISTRATION

Appointment of the Administrator

13.1 The Court will appoint the Administrator to serve until such time as the Settlement Amount is distributed in accordance with the Plan of Allocation, to implement this Agreement and the Plan of Allocation, on the terms and conditions and with the powers, rights, duties and responsibilities set out in this Agreement and in the Plan of Allocation.

13.2 If the approval of the Settlement becomes final as contemplated by Section 11, the Court will fix the Administrator's compensation and payment schedule.

Claims Process

13.3 In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Plan of Allocation, on or before the Claims Bar Deadline. Class Members shall be bound by the terms of the Settlement regardless of whether they submit a completed Claim Form or receive payment from the Settlement Amount.

13.4 In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the

deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to, and bound by, the provisions of this Agreement and the releases contained herein.

13.5 By agreement between the Administrator and Class Counsel, and on Notice to Counsel for the Settling Defendants, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

Disputes Concerning the Decisions of the Administrator

13.6 In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision to the Court. The decision of the Court will be final with no right of appeal.

13.7 No action shall lie against Class Counsel or the Administrator for any decision made in the administration of this Agreement and Plan of Allocation without an order from the Court authorizing such an action.

Conclusion of the Administration

13.8 Following the Claims Bar Deadline, and in accordance with the terms of this Agreement, the Plan of Allocation, and such further approval or order of the Court as may be necessary, or as circumstances may require, the Administrator shall distribute net Escrow Settlement Amount to Primary Market Authorized Claimants.

13.9 No claims or appeals shall lie against Class Counsel or the Administrator based on distributions made substantially in accordance with this Agreement, the Plan of Allocation, or with any other order or judgment of the Court.

13.10 If the Escrow Account is in a positive balance (whether by reason of tax refunds, uncashed cheques or otherwise) after one hundred eighty (180) days from the date of distribution of the Escrow Settlement Amount to the Primary Market Authorized Claimants, the Administrator shall donate such balance to the Small Investor Protection Association (Canada), *cy pres*.

13.11 Upon the conclusion of the administration, and before distribution of the Escrow Settlement Amount to the Primary Market Authorized Claimants, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and proposes to distribute in accordance with this Agreement and the Plan of Allocation.

SECTION 14 – THE FEE AGREEMENT AND CLASS COUNSEL FEES

Motion for Approval of Class Counsel Fees

14.1 At the Approval Hearing, Class Counsel may seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for expenses incurred as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

14.2 The Settling Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested and required by the

Court. Subject to the foregoing, the Plaintiffs will provide the Settling Defendants with notice of the motion to approve Class Counsel Fees and copies of the materials filed with the Court and the Settling Defendants and their counsel are entitled to attend any motion for approval of Class Counsel Fees.

14.3 The procedure for, and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein, except as expressly provided in Section 6.1, and are to be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement provided for herein.

14.4 Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Certification and Settlement Approval Order and the Settlement of this Action provided herein.

Payment of Class Counsel Fees

14.5 Forthwith after the Settlement becomes final, as contemplated in Section 11, the Administrator shall pay to Class Counsel in trust the Class Counsel Fees approved by the Court from the Escrow Account.

SECTION 15– MISCELLANEOUS

Motions for Directions

15.1 Any one or more of the Parties, Class Counsel, or the Administrator may apply to the Court for directions in respect of any matter in relation to this Agreement and the Plan of Allocation.

15.2 All motions contemplated by this Agreement shall be on notice to the Parties.

Settling Defendants Have No Responsibility or Liability for Administration

15.3 Except for the obligations in respect of the performance of the obligations under Section 4.1, the Settling Defendants shall have no responsibility for and no liability whatsoever with respect to the administration or implementation of this Agreement and the Plan of Allocation, including, without limitation, the processing and payment of claims by the Administrator.

Headings, etc.

15.4 In this Agreement:

- (a) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (b) the terms "the Agreement", "this Agreement", "herein", "hereto" and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement;
- (c) all amounts referred to are in lawful money of Canada; and

- (e) "person" means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies, by whatever name in the jurisdiction in which the person is domiciled.

15.5 In the computation of time in this Agreement, except where a contrary intention appears:

- (a) where there is a reference to a number of days between two events, they 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, the act may be done on the next day that is not a holiday.

Governing Law

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

15.7 The Parties agree that the Court shall retain exclusive and continuing jurisdiction over this Proceeding, the Parties and Class Members to interpret and enforce the terms, conditions and obligations under this Agreement and the Certification and Settlement Approval Order.

Severability

15.8 Any provision hereof that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be severable from the remaining provisions which shall continue to be valid and enforceable to the fullest extent permitted by law.

Entire Agreement

15.9 This 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 Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

Binding Effect

15.10 If the Settlement is approved by the Court and becomes final as contemplated in Section 11, this Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Class Members, the Settling Defendants, Class Counsel, the Releasees and the Releasors or any of them, and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasors and each and every covenant and agreement made herein by the Settling Defendants shall be binding upon all of the Releasees.

Survival

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

Negotiated Agreement

15.12 This Agreement and the underlying settlement have been the subject of arm's length negotiations and many discussions among the undersigned and counsel. Each of the undersigned 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 drafters of this Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Agreement.

Recitals

15.13 The recitals to this Agreement are true, constitute material and integral parts hereof and are fully incorporated into, and form part of, this Agreement.

Acknowledgements

15.14 Each Party hereby affirms and acknowledges that:

- (a) its signatory has the authority to bind the Party for which it is signing with respect to the matters set forth herein and has reviewed this Agreement; and
- (b) the terms of this Agreement and the effects thereof have been fully explained to it by his or its counsel;
- (c) he, she or its representative fully understands each term of this Agreement and its effect.

Counterparts

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

Confidentiality and Communications

15.16 In any public discussion of, comment on, press release or other communication of any kind (with the media or otherwise) about this Agreement and the Plan of Allocation, the Plaintiffs and Class Counsel agree and undertake to describe the Settlement and the terms of this Agreement as fair, reasonable and in the best interests of the Class.

15.17 Nothing in this Section shall prevent the Parties or their counsel, or any of them, from reporting to their clients, from complying with any order of the Court, or from making any disclosure or comment required by this Agreement, or from making any necessary disclosure or comment for the purposes of any applicable securities or tax legislation or from making any disclosure or comment to Class Members or the Court or for the purposes of any proceedings as between the Defendants.

15.18 Without limiting the generality of the foregoing, the Parties specifically agree that the Parties will not make any public statements, comment or any communication of any kind about any negotiations or information exchanged as part of the settlement process, unless required to do so by law. In addition, to the extent that there is public discussion of, comment on or communication of any kind about this Agreement, the Parties and their counsel agree and

undertake to make no statement or comment that the Agreement is other than fair, reasonable and in the best interests of the Class, unless required to do so by law.

Notice

15.19 Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any party to any other party shall be in writing and delivered personally, by facsimile or e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid:

For Plaintiffs and for Class Counsel:

Charles Wright
Siskinds LLP
680 Waterloo Street
London, ON N6A 3V8

Telephone: 416-362-8334
Facsimile: 416-362-2610
Email: charles.wright@siskinds.com

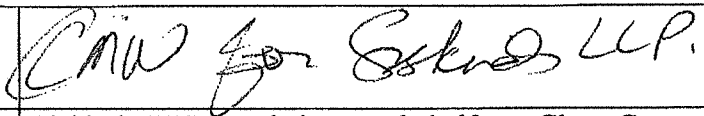

For the Settling Defendants:

Kent Thomson and Derek Ricci
Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto ON M5V 3J7

Telephone: 416-367-7471
Facsimile: 416-863-0871
Email: dricci@dwpv.com

Date of Execution

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

August 19/13		
Date		Siskinds LLP on their own behalf, as Class Counsel and as counsel for the Plaintiffs
August 19/13		
Date	for	Davies Ward Phillips & Vineberg LLP as Counsel for the Settling Defendants

SCHEDULE "A" – CERTIFICATION AND SETTLEMENT APPROVAL ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE _____
JUSTICE P. M. PERELL) DAY OF _____, 2013

B E T W E E N:

JERZY ROBERT ZANIEWICZ and EDWARD C. CLARKE

Plaintiffs

- and -

ZUNGUI HAIXI CORPORATION, ERNST & YOUNG LLP, FENGYI CAI, JIXU CAI, YANDA CAI, MICHELLE GOBIN, MICHAEL W. MANLEY, PATRICK A. RYAN, ELLIOTT WAHLE, MARGARET CORNISH, CIBC WORLD MARKETS INC., CANACCORD GENUITY CORP. (f.k.a. CANACCORD FINANCIAL LTD), GMP SECURITIES LP and MACKIE RESEARCH CAPITAL CORPORATION
(f.k.a. RESEARCH CAPITAL CORPORATION)

Defendants

Proceeding under the *Class Proceedings Act, 1992*

O R D E R

THIS MOTION, made by the Plaintiffs for an Order approving (i) a Settlement Agreement dated February 13, 2013 with the defendant, Ernst & Young LLP, (ii) a Settlement Agreement dated April 26, 2013 with the defendants, Matthew Gottlieb as Litigation Receiver of Zungui Haixi Corporation, Michelle Gobin, Michael W. Manley, Patrick A. Ryan, Elliott Wahle and Margaret Cornish, and (iii) a Settlement Agreement dated August 1, 2013 with the defendants, CIBC World Markets Inc., Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd., GMP Securities LP, and Mackie Research Capital Corporation, f.k.a. Research Capital Corporation, was heard this day at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

ON READING the materials filed, including the Settlement Agreement, dated February 13, 2013, attached hereto as **Schedule “A”** (“Auditor Agreement”), the Settlement Agreement dated April 26, 2013 attached hereto as **Schedule “B”** (“Zungui Agreement”), the Settlement Agreement dated August ●, 2013 attached hereto as **Schedule “C”** (“Underwriter Agreement”, collectively with the Auditor Agreement and Zungui Agreement, the “Agreements”, and any one which is an “Agreement”), the affidavits of J. Robert Zaniewicz and Edward C. Clarke sworn June 24, 2013 and June 28, 2013, respectively, and the affidavits of Nicholas C. Baker sworn June 28, 2013 and August ●, 2013, and on hearing the submissions of Class Counsel and counsel for the defendants who have appeared in the Action and are signatories under an Agreement (such defendants being “Settling Defendants”);

ON BEING ADVISED that the Settling Defendants, CIBC World Markets Inc., Canaccord Genuity Corp., GMP Securities LP and Mackie Research Capital Corporation consent to the certification of the Action against them, solely for the purposes of settlement;

AND ON BEING ADVISED that the Settling Defendants consent to the relief sought in respect of the Agreements, notice and administration of the Settlements;

AND ON BEING ADVISED that NPT RicePoint Class Action Services Inc. has consented to being appointed the Administrator pursuant to each of the Agreements;

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Agreements, respectively.
2. **THIS COURT ORDERS** that this action is certified as a class proceeding as against the Settling Defendants, CIBC World Markets Inc., Canaccord Genuity Corp., GMP Securities LP and

Mackie Research Capital Corporation for the purpose of settlement only, pursuant to the *Class Proceedings Act, 1992*, S.O. 1992 c.6 (“CPA”), ss. 2 and 5, but subject to Articles 8.3 and 10 of the Underwriter Agreement.

3. **THIS COURT ORDERS** that the class certified (“Class”), for the purpose of settlement in accordance with the terms of the Underwriter Agreement is defined as:

All persons or entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties, who acquired Eligible Shares.

4. **THIS COURT ORDERS** that Jerzy Robert Zaniewicz and Edward C. Clarke are appointed as Representative Plaintiffs for the Class for the purpose of settlement in accordance with the terms of the Underwriter Agreement.

5. **THIS COURT ORDERS** that the following issue is common to the Class:

Did the IPO Prospectus contain one or more misrepresentations within the meaning of the Securities Act, R.S.O. 1990, c. S.5, as amended, or at common law?

6. **THIS COURT ORDERS** that notice of the certification of the Action against the Settling Defendants, CIBC World Markets Inc., Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd., GMP Securities LP, and Mackie Research Capital Corporation, f.k.a. Research Capital Corporation is hereby dispensed pursuant to section 17(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6.

7. **THIS COURT DECLARES** that the Agreements, individually and collectively, are fair, reasonable and in the best interests of the Class.

8. **THIS COURT ORDERS** that the Agreements are approved pursuant to section 29 of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6.

9. **THIS COURT DECLARES** that each of the Agreements in its entirety (including the Recitals and Definitions set out in sections 1 and 2 of each) form part of this Order and is binding upon the Settling Defendants party to the Agreement, the Plaintiffs and all Class Members that did not opt-out of this Action in accordance with paragraph 6 of the Certification and First Notice Orders in this Action, both of which were dated May 21, 2013, including those persons that are minors or mentally incapable.

10. **THIS COURT DECLARES** that compliance with the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, R.R.O. Reg. 194 is hereby dispensed with.

11. **THIS COURT ORDERS** that each Agreement shall be implemented in accordance with its terms.

12. **THIS COURT DECLARES** that the Plan of Allocation, attached hereto as **Schedule "D"**, is fair and appropriate.

13. **THIS COURT ORDERS** that the Plan of Allocation is approved and that the Settlement Amount under each Agreement shall be distributed in accordance with the terms of the applicable Agreement, following payment of Class Counsel Fees (to be approved) and Administration Expenses.

14. **THIS COURT ORDERS** that NPT RicePoint Class Action Services Inc. is hereby appointed as the Administrator pursuant to each Agreement.

15. **THIS COURT ORDERS** that the Plan of Notice, attached hereto as **Schedule "E"**, is hereby approved for the purpose of the publication and dissemination of the Short Form Notice of Settlement, Long Form Notice of Settlement and Claim Form.

16. **THIS COURT ORDERS** that the form and content of the Short Form Notice of Settlement, attached hereto as **Schedule “F”** is hereby approved.

17. **THIS COURT ORDERS** that the form and content of the Long Form Notice of Settlement, attached hereto as **Schedule “G”**, is hereby approved.

18. **THIS COURT ORDERS** that the form and content of the Claim Form, attached hereto as **Schedule “H”**, is hereby approved.

19. **THIS COURT ORDERS** that the Plaintiffs and the Settling Defendants may, on notice to the Court but without the need for a further order of the Court, agree to reasonable extensions of time to carry out any of the provisions of the Agreements.

20. **THIS COURT ORDERS AND DECLARES** that, other than as provided in sections 4.1 and 14 of the Auditor Agreement, section 15.2(1) of the Zungui Agreement and section ● of Underwriter Agreement, the Releasees (however defined) have no responsibility for and no liability whatsoever with respect to the administration of the Agreement pursuant to which they have been released.

21. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, the Releasors under each Agreement shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees under each Agreement from the Released Claims (however defined) in each Agreement.

22. **THIS COURT ORDERS** that, within ten days of this Order, the underwriters of the primary and excess insurance policies issued to Zungui Haixi Corporation, or either of them, shall pay to

Siskinds LLP in trust the sum of CAD \$100,000.00 which shall be added to the existing Settlement Amount paid under the Zungui Agreement.

23. **THIS COURT ORDERS** that, upon the Effective Date, the Action be dismissed against all Defendants with prejudice and without costs.

THE HONOURABLE JUSTICE P.M. PERELL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

APPROVAL ORDER

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Barristers & Solicitors
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Class Counsel