

SETTLEMENT ADMINISTRATION AND DISTRIBUTION PLAN

DENLUCK V THE BOARD OF TRUSTEES for the BOILERMAKERS' LODGE 359 PENSION PLAN CLASS ACTION SETTLEMENT

GENERAL PRINCIPLES

The procedures set out in this Distribution Plan are intended to govern the administration of the settlement agreement entered into by the Plaintiff, Grant Denluck, and the Defendant, the Board of Trustees for the Boilermakers' Lodge 359 Pension Plan, dated February 21, 2020 (the "Settlement Agreement").

Except to the extent provided for in the Settlement Agreement, the mechanics of the implementation and administration of the Settlement Agreement and the Distribution Plan shall be subject to the supervisory jurisdiction of the Court, which may be exercised on the Court's own application or on applications brought by the Defendant, Class Counsel, or a Class Member.

The definitions set out in the Settlement Agreement apply to and are incorporated in this Distribution Plan.

The Defendant will be the Administrator for the purpose of the distribution of the Fund to the Settlement Class Members.

The Fund will be distributed in accordance with the rules established by this court-approved Distribution Plan.

DEFINITIONS

For ease of reference, certain defined terms from the Settlement Agreement are set out here:

- (a) **Administrator** means the Defendant.
- (b) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Administrator for the implementation and operation of this Settlement Agreement, including the costs of notices and claims administration.
- (c) **Class** means the class of persons represented by the Plaintiff pursuant to the certification order entered March 05, 2019, in the Proceeding.
- (d) **Class Counsel** means Camp Fiorante Matthews Mogerman, Arvay Finlay LLP and Nathanson Schachter & Thompson LLP.

- (e) **Class Counsel Fees** include the fees, disbursements, costs, interest, GST and other applicable taxes or charges of Class Counsel, as approved by the Court.
- (f) **Court** means the Supreme Court of British Columbia.
- (g) **Date of Execution** means February 21, 2020.
- (h) **Defendant** means The Board of Trustees for the Boilermakers' Lodge 359 Pension Plan named in the style of cause of the Proceeding.
- (i) **Effective Date** means the date on which the time to appeal the Final Order has expired without any appeal being taken or, if an appeal is taken, once it has been dismissed.
- (j) **Final Order** means the final judgment entered by the Court approving this Settlement Agreement.
- (k) **Fund** means the Settlement Amount that has been invested in a money market fund.
- (l) **Parties** means the Plaintiff, the Settlement Class Members and the Defendant.
- (m) **Plaintiff** means the representative plaintiff, Grant Denluck.
- (n) **Proceeding** means *Grant Denluck v. The Board of Trustees for the Boilermakers' Lodge 359 Pension Plan*, Vancouver Registry S167212.
- (o) **Settlement Agreement** means the settlement agreement entered into by the Plaintiff, Grant Denluck, and the Defendant, the Board of Trustees for the Boilermakers' Lodge 359 Pension Plan, dated February 21, 2020.
- (p) **Settlement Amount** means \$1,200,000.00.
- (q) **Settlement Class Members** means all Class members who did not opt-out of the Proceeding and Settlement Class Member means any one of them.

Additional defined terms used in this Distribution Plan are set out here:

- (r) **Approved Claim** means each Settlement Class Member's pro-rata distribution from the Fund, based on their Holdback Amount.
- (s) **Holdback Amount** means each Settlement Class Member's deferred payment balance as at the date that the deferred payment balance became due and payable (i.e. at the conclusion of the five year deferral period).

THE ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

The Administrator's duties and responsibilities shall include the following:

- (a) providing Class Counsel with contact information for Settlement Class Members so that Class Counsel can send notices to the Settlement Class Members as required pursuant to the Notice Plan and this Distribution Plan;
- (b) providing the data necessary for Class Counsel to calculate each Settlement Class Member's Approved Claim amount;
- (c) arranging payment to Settlement Class Members in a timely fashion after the distribution is authorized by the Court;
- (d) arranging payment of Administration Expenses;
- (e) reporting to Class Counsel respecting Administration Expenses; and
- (f) fulfilling any tax reporting and arranging payments required arising from the Fund, 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 Fund shall be paid from the Fund.

FUND FOR PAYMENTS TO SETTLEMENT CLASS MEMBERS

The Settlement Amount shall be invested in a money market fund in Canada (the "Fund") and all payments to Settlement Class Members shall be made from the Fund.

All interest earned on the funds in the Fund will accrue to the benefit of the Settlement Class Members and will become part of the Fund.

All taxes payable on any interest which accrues on the funds in the Fund or otherwise in relation to the Settlement Amount shall be the responsibility of the Defendant. All taxes (including interest and penalties) due with respect to the income earned on the funds in the Fund shall be paid from the Fund.

In addition to any taxes payable on interest, the following fees and expenses will be paid from the Fund:

- (a) Class Counsel Fees;
- (b) Payment to the representative plaintiff; and
- (c) Administration Expenses.

All monies remaining in the Fund after payment of Class Counsel Fees, the payment to representative plaintiff and Administration Expenses will be distributed to Settlement Class Members.

THE CLAIMS PROCESS

After the opt-out deadline has expired, the Administrator will send a notice to all Settlement Class Members seeking the following information:

- (a) confirmation of current contact information; and
- (b) a decision with respect to the Settlement Class Member's payment election, as described below.

The notice to Settlement Class Members will advise that the information requested must be received by a certain date (the "Claims Deadline") and will contain information regarding the administration process and the timeline for distribution of the Fund.

Information to Calculate Claims

The Defendant will provide the Plaintiff and the Settlement Class Members with accurate information required for Class Counsel to calculate each Settlement Class Member's Approved Claim amount. The Defendant shall not be liable for negligent errors or omissions and/or any use of such information in connection with the Distribution Plan.

Formula for Calculation of Approved Claim Amounts

The Class is comprised of the following groups of members:

	Description of Group	#
Group 1	Persons whose deferred payments were due prior to the March 4, 2013 suspension	9
Group 2	Persons whose deferred payments were due after the March 4, 2013 suspension and before the April 1, 2014 cancellation	17
Group 3	Persons whose deferred payments were due after the April 1, 2014 cancellation	36
		62

Step 1:

The relative aggregate claim weightings as between the three groups will be calculated based on each claimant's deferred payment balance, plus interest accruing to the date of the mediation, October 29, 2019. This results in aggregated claim weightings for each group as follows:

Group 1	11.72%
Group 2	17.36%
Group 3	70.92%

Step 2:

Each group is allocated a share of the settlement funds pro-rated to the aggregate claim weightings.

Step 3:

Each member in each group is allocated an individual settlement share on a pro-rata basis based on each Settlement Class Member's deferred payment balance as at the date that the deferred payment balance became due and payable (i.e. at the conclusion of the five year deferral period)(the "Holdback Amount").

The chart below is an example of the calculation described above. Please note that the percentage recovery indicated is NOT the amount that each class member should expect to receive. The chart is based on the total Settlement Amount of \$1.2 million and does not account for Class Counsel Fees, the payment to the representative plaintiff and Administration Expenses, which will be deducted prior to distribution of the Fund to Settlement Class Members.

	#	Aggregate Claim	% of Total	Distribution	Recovery
Group 1	9	\$374,550.51	11.72%	\$140,651.20	58.77%
Group 2	17	\$554,865.00	17.36%	\$267,581.08	54.26%
Group 3	36	\$2,266,153.60	70.92%	\$815,528.26	46.47%
	62	\$3,195,569.11	100.00%	\$1,200,000	

In the chart above:

- Aggregate Claim is calculated by aggregating the amount of each class member's deferred payment balance, determined at October 29, 2019.
- Recovery Percentage is calculated by dividing the distribution amount allocable to each Group by that Group's original aggregate Holdback Amount, determined at the date that the deferred payment balance became due and payable.

NOTICE OF APPROVED CLAIMS

After the Claims Deadline has passed, the Administrator will give notice to each Settlement Class Member of the amount of their Approved Claim.

The notice of Approved Claim will include the following information:

- (a) A summary of the information provided by the Administrator that was used to calculate the Settlement Class Member's Holdback Amount.
- (b) A calculation of the amount of the Holdback Amount.
- (c) A calculation of the amount of the Settlement Class Member's Approved Claim, based on the formula set out in this Distribution Plan.
- (d) A deadline for the Settlement Class Member to ask questions and/or raise concerns with respect to their Approved Claim amount.
- (e) The Court date set for Class Counsel to seek approval of the distribution of the Fund to Settlement Class Members.

In the event that a Settlement Class Member believes that the calculation of their Approved Claim amount is incorrect, the Settlement Class Member may submit additional information to Class Counsel with an explanation of why they believe the calculation is incorrect.

Class Counsel will review the additional information and advise the Settlement Class Member whether their Approved Claim amount will be adjusted.

If Class Counsel determine that the Approved Claim amount will not be adjusted, and the Settlement Class Member continues to believe that their Approved Claim amount is incorrect, the Settlement Class Member may make submissions to the Court when Class Counsel seek approval of the distribution of the Fund.

APPROVAL OF DISTRIBUTION OF FUND TO SETTLEMENT CLASS MEMBERS

After all Settlement Class Members have received notice of their Approved Claim amount, Class Counsel will bring an application to the Court seeking approval of the distribution of the Fund.

PAYMENTS TO SETTLEMENT CLASS MEMBERS

Settlement Class Members have the option to elect to receive payment from the Administrator in the following forms:

- (a) Cash minus such withholdings and deductions as may be required by the Administrator or the CRA; or
- (b) A transfer of all or part of their payment into the Class Members' RRSP, provided all documentation required by the Administrator to administer that option is provided by the Settlement Class Member.

Class Counsel and the Administrator recommend that any Settlement Class Member that intends to elect the option set out in paragraph (b) obtain independent professional advice. The Administrator is not responsible for and has no liability with respect to the tax consequences of such an election.

If a Settlement Class Member is Deceased

If a Settlement Class Member is deceased, their payment from the Administrator will be paid to that Settlement Class Members' spouse, beneficiary or estate.

If No Claim Submitted

If a Settlement Class Member does not submit a claim to the Administrator as required by the Distribution Plan, any payment nominally allocated to that Settlement Class Member will be used to supplement payments to other Settlement Class Members, in a manner to be agreed on by the Parties, and will not revert to the Defendant.

CONFIDENTIALITY

All information received from the Settlement Class Members is collected, used, and retained by the Administrator pursuant to the *Personal Information Protection and Electronic Documents Act*, SC 2000 c 5 for the purposes of administering the Settlement Agreement, including evaluating the Settlement Class Member's eligibility status under the Settlement Agreement. The information provided by the Settlement Class Member is strictly private and confidential and will not be disclosed without the express written consent of the Settlement Class Member, except in accordance with the Settlement Agreement, orders of the Courts and/or this Distribution Plan.