

NO. S-140490  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

GEORGE JABLONSKY

PLAINTIFF

AND:

TIMBERWEST FOREST CORP.

DEFENDANT

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

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**SETTLEMENT AGREEMENT**

(March 10, 2015)

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**PREAMBLE**

The Plaintiff, as proposed representative plaintiff in the Proceeding, and the Defendant hereby enter into this Settlement Agreement providing for the settlement of claims arising out of or relating to health and welfare benefits for retired, former salaried, full-time non-unionized employees of any of TimberWest Forest Corp. (“**TimberWest**”) and its predecessors for whom TimberWest amended coverage and payment of post-retirement health and welfare benefit coverage, as well as surviving spouses and dependent children of those employees, and every and all other past, present and future claims that could have been asserted in the Proceeding against it by the Plaintiff and other members of the Settlement Class (all of which, collectively, are referred to as the “**Settled Claims**”) pursuant to the terms and conditions of this Settlement Agreement, and subject to approval of the Court.

Capitalized terms in this Preamble and in the Recitals have the meanings set out in Section 1 unless otherwise defined.

## **RECITALS**

- A. WHEREAS, the Parties intend by this Settlement Agreement to resolve the Settled Claims;
- B. WHEREAS, the Defendant denies the facts and allegations made in the Proceeding, denies that any damages are payable, has not conceded or admitted and strictly denies liability, and has advanced defences to all of the claims in the Proceeding;
- C. WHEREAS, the Parties have engaged in arms-length negotiations each assisted by counsel with substantial experience in employee benefits law and with the assistance of a highly-experienced mediator (Marion J. Allan), and these arms-length negotiations have, with the assistance of counsel and the mediator, resulted in a settlement as reflected in this Settlement Agreement;
- D. WHEREAS, the Plaintiff and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement, and, based on their analyses of the facts and law applicable to the Plaintiff's claims, and having regard to the burden, time and expense associated with prosecuting the Proceeding, including the risks, time and uncertainties associated with trials and appeals, have concluded that the Settlement Agreement is fair, reasonable, and in the best interests of the Plaintiff and the other Settlement Class Members the Plaintiff seeks to represent;
- E. WHEREAS, despite its belief that it is not liable in respect of the allegations made in the Proceeding and has good defences, the Defendant is entering into the Settlement Agreement in order to achieve a full and final resolution of every and all Settled Claims and to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and it is acknowledged that the Defendant would not have entered into this Settlement Agreement were it not for the foregoing full and final resolution;
- F. WHEREAS, the Parties therefore wish to, and hereby do, fully and finally resolve the Proceeding against the Defendant without any admission of liability or wrongdoing;

- G. WHEREAS, for the purposes of settlement only, and contingent on approval by the Court as provided in this Settlement Agreement, the Parties have consented to the certification of the Settlement Class in the Proceeding;
- H. WHEREAS, the Defendant expressly reserves its rights to contest certification if this settlement is not approved or is otherwise terminated or void; and
- I. WHEREAS, the Defendant expressly reserves its rights to assert that the Proceeding and Settlement Class would not be appropriately certified in the absence of the Settlement Agreement, and whereas the Plaintiff expressly reserves its right to assert that the certification is appropriate and the remedies sought are valid at law, the Parties confirm that this Settlement Agreement does not constitute in any way a precedent to support the certification of classes of this nature;

NOW, THEREFORE, in consideration of the covenants, agreements and releases in this Settlement Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by the Parties that the Proceeding be settled, and that the Parties consent to a Court Order in the form attached as Schedule “H” (or substantially similar terms as agreed by the Parties) finally approving the Settlement Agreement and consent to dismissing the Proceeding with prejudice, without costs to the Plaintiff, the Settlement Class he seeks to represent, or the Defendant, subject to the approval of the Court, on the following terms and conditions:

## **SECTION 1 – INTERPRETATION**

### **1.1 Words and phrases defined**

For the purpose of this Settlement Agreement only, including the Preamble, Recitals and Schedules:

- (1) *Approval Notice* means notice to Settlement Class Members in substantially the form attached as Schedule “C” to this Settlement Agreement.
- (2) *Claims Administrator* means Class Counsel or such other entity appointed by the Court to serve as Claims Administrator.

- (3) ***Class Counsel*** means Victory Square Law Office LLP.
- (4) ***Court*** means the British Columbia Supreme Court and includes any judge of that Court, and, in the event of an appeal, includes an appellate court sitting on appeal therefrom.
- (5) ***Defendant*** means TimberWest Forest Corp.
- (6) ***Defendant's Optional Termination Deadline*** means the tenth day after the Claims Administrator delivers the Opt-Out/Opt-In Report to the Defendant and Class Counsel.
- (7) ***Effective Date*** means March 10, 2015. For greater clarity this Settlement Agreement is subject to termination after the Effective Date in accordance with its terms.
- (8) ***Implementation Date*** means:
- (a) in the event no appeal is taken from the order approving the Settlement Agreement, the later of:
    - (i) the first day of the calendar month following the date that is 60 days after the Defendant's Optional Termination Deadline; and
    - (ii) January 1, 2016,

or such other date as is agreed by the Parties, who agree to use reasonable efforts to realize an Implementation Date of no later than January 1, 2016; or
  - (b) in the event an appeal is taken from the order approving the Settlement Agreement, the first day of the calendar month following the date that is 60 days after:
    - (i) the affirmation of such order in its entirety by the court of last resort to which an appeal of such order may be taken; or
    - (ii) the date on which the time to file a further appeal expires.
- (9) ***MSP*** means the Medical Services Plan of British Columbia.
- (10) ***Opt-In*** means

- (a) a person who is not a resident of British Columbia according to the most recent contact information in the records of the Defendant and who would otherwise be a Settlement Class Member as defined in Section 1(26) of this Settlement Agreement; and
- (b) the estate of a person who is deceased but, at the date of death was not a resident of British Columbia according to the most recent contact information in the records of the Defendant and who otherwise would have been a Settlement Class Member as defined in Section 1(26) of this Settlement Agreement.

who opts into the Proceeding by completing and returning an Opt-In Form to the Claims Administrator by either the Opt-Out/Opt-In Deadline or, with leave of the Court a later date, on the terms and conditions the Court considers appropriate. For greater clarity, a person who opts into the Proceeding, is a Settlement Class Member from the time he or she opts in and is subject to

- (c) all terms and conditions applicable by order of the Court; and
  - (d) all terms and conditions of this Settlement Agreement.
- (11) **Opt-In Form** means a form substantially in the form attached as Schedule “F” to this Settlement Agreement to be completed by persons eligible to be Opt-Ins who wish to opt into the Proceeding to join the Settlement Class.
  - (12) **Opt-Out** means a person or estate of a person resident in British Columbia who would have been a Settlement Class Member except for his or her submission of an Opt-Out Form before the Opt-Out/Opt-In Deadline.
  - (13) **Opt-Out Form** means a form substantially in the form attached as Schedule “E” to this Settlement Agreement to be completed by any Settlement Class Members who wish to opt out of the Proceeding in accordance with the provisions of Section 6.1.
  - (14) **Opt-Out/Opt-In Deadline** means 60 days from the date of the Order approving the Settlement Agreement as contemplated by Section 2.3(1).

- (15) ***Opt-Out/Opt-In Report*** means the report of the Claims Administrator as set out in Section 5.2.
- (16) ***Parties*** means the Plaintiff and the Defendant.
- (17) ***Plaintiff*** means the proposed representative plaintiff George Jablonsky.
- (18) ***Predecessors*** means all corporate predecessors to TimberWest Forest Corp. and all corporate entities from whom it purchased assets which included the transfer of employees and/or retired employees, including but not limited to, Crown Zellerbach Canada Limited, British Columbia Forest Products Limited, Crown Forest Industries Limited, Canadian Pacific Forest Products Limited, CIP Inc., Avenor Inc., Pacific Forest Products Limited, Fletcher Challenge Canada Limited, TimberWest Forest Limited, 535950 British Columbia Ltd., TAL Acquisition Ltd., TFL Forest Ltd., TFL Holdings Limited, Timberwest Forest Holdings Ltd., Timberwest Forest Management Ltd., and TimberWest Forest Company.
- (19) ***Preliminary Notice*** means a notice to persons eligible to be Settlement Class Members substantially in the form attached as Schedule “B” to this Settlement Agreement.
- (20) ***Presettlement Plan*** means the plan of health and dental benefits provided to living Settlement Class Members and others by the Defendant as of January 26, 2015.
- (21) ***Proceeding*** means *Jablonsky v. TimberWest Forest Corp.*, British Columbia Supreme Court, Vancouver Registry, Court File No. S-140490.
- (22) ***Released Claims*** means any and all manner of claims, complaints, demands, actions, suits, allegations, assertions, liabilities, statutory liabilities, trusts or deemed trusts, causes of action, equitable claims, debts, dues, duties, accounts, bonds, covenants, and contracts, alleged or that could have been asserted in the Proceeding, whether currently known or unknown, whether direct or indirect, class, individual, or otherwise in nature, for any order, equitable relief, declaration or damages of any nature or kind whatsoever, including without limitation claims for interest, costs, expenses, penalties, and lawyer and expert fees and costs that the Releasers, or any one of them ever had, now have, or may hereafter have

against the Releasees, or any one or more of them, arising from or in connection with or in consequence of any conduct, cause, matter or thing existing up to the date of execution of this Settlement Agreement including, without limiting the generality of the foregoing, every and all of the Settled Claims.

- (23) **Releasees** means, jointly and severally, the Defendant, the Predecessors, and each of their respective present and former parents, subsidiaries, affiliates, officers, directors, employees, contractors, insurers, agents, attorneys, servants, estates, representatives, trustees in bankruptcy, and the successors, heirs, executors, administrators, trustees, and assigns of each of them.
- (24) **Releasors** means, individually and collectively, the Settlement Class Members, including the Plaintiff, and their respective successors, heirs, executors, administrators, trustees, and assigns.
- (25) **Settlement Agreement** means this agreement, including the Preamble, Recitals and Schedules.
- (26) **Settlement Class** or **Settlement Class Members** means:
- (a) all residents of British Columbia who are retired, former salaried, full-time non-unionized employees of any of TimberWest or its Predecessors, and the estates of such persons, who are or were in receipt of coverage and payment for post-retirement health and welfare benefits provided by TimberWest, which coverage and payment were reduced by TimberWest on or about September 1 2009, or May 1, 2010, or both of those dates, other than Opt-Outs;
  - (b) all residents of British Columbia who are spouses and dependent children, including adult disabled dependent children, of any persons described in subparagraph (a), and the estate of any such spouse, or child, other than Opt-Outs; and
  - (c) all Opt-Ins.

- (27) **Settlement Plan** means the group benefit plan to be provided at the Defendant’s cost to Settlement Class Members which, upon implementation, will have the benefits of the Presettlement Plan as amended by the changes summarized in the column entitled “Settlement” in Schedule “A” and which, other than as set out in this Settlement Agreement, is subject to the terms and conditions applicable to the Presettlement Plan, including the internal appeal mechanism.

## **1.2 Other grammatical forms**

- (1) In this Settlement Agreement words in the singular include the plural and words in the plural include the singular and, where a word or expression is defined, other parts of speech and grammatical forms of the same word or expression have corresponding meanings.

## **SECTION 2 – SETTLEMENT APPROVAL**

### **2.1 Best Efforts**

- (1) The Parties shall use their best efforts to fully effectuate this Settlement Agreement and to seek Court approval.

### **2.2 Preliminary Notice**

- (1) The Plaintiff shall file a notice of application before the Court on a date to be agreed for an order, by consent, in substantially the form attached as Schedule “G”:
- (a) approving the Preliminary Notice; and
  - (b) directing the Defendant to provide the names and addresses of persons eligible to be Settlement Class Members to Class Counsel, along with information pertaining to those individuals’ participation status in the Presettlement Plan.
- (2) Class Counsel shall deliver the Preliminary Notice to persons eligible to be Settlement Class Members in accordance with the Notice Plan set out in Schedule “D” within 14 days after Class Counsel receives the information described in (1)(b).



### **2.3 Settlement Approval**

- (1) The Plaintiff shall file a notice of application before the Court on a date to be agreed for an order, by consent, in substantially the form attached as Schedule “H”:
  - (a) certifying the Proceeding as a class proceeding for settlement purposes only;
  - (b) certifying the Settlement Class;
  - (c) approving this Settlement Agreement;
  - (d) approving the Approval Notice;
  - (e) establishing the Opt-Out/Opt-In Deadline and process; and
  - (f) appointing the Claims Administrator.
- (2) If after this Settlement Agreement is executed, the Court recommends any changes to the definition of the Settlement Class, or either or both parties in good faith recognize any need to change it, any change to the definition of the Settlement Class shall be subject to approval by the Defendant and Class Counsel.
- (3) Class Counsel shall deliver the Approval Notice to persons eligible to be Settlement Class Members within 14 days of the order approving the Settlement Agreement.
- (4) The Claims Administrator shall perform the duties, roles and functions set out in this Settlement Agreement subject to the supervision of the Court.

## **SECTION 3 - SETTLEMENT PLAN**

### **3.1 Settlement Plan**

- (1) In consideration of the release of claims set out in Section 4 of this Settlement Agreement, the Settlement Class Members shall be entitled to coverage under the Settlement Plan.
- (2) The Defendant shall implement the Settlement Plan on the Implementation Date.

- (3) Notwithstanding any other provision of this Settlement Agreement, the Defendant may engage, and change from time to time, any insurer or administrator for the Settlement Plan.

### **3.2 Future Changes to Health and Welfare Benefits**

- (1) The Defendant agrees that except as provided in this Section 3.2 it will not modify the program of benefits in the Settlement Plan.
- (2) In this Section 3.2, the following terms have the following meanings:
- (a) “Calculation Date” means the second anniversary of the Implementation Date, and every anniversary thereafter on which a Settlement Class Member is alive.
  - (b) “Cap” means, in respect of a Calculation Date, the Implementation Per Capita Expenditure increased at an annual rate of 5%, compounded annually, from the Implementation Date to the Calculation Date.
  - (c) “Implementation Per Capita Expenditure” means the total amount the Defendant spent on extended health and dental care benefits for all persons covered by its postretirement health and welfare plans during the one year period ending on the Implementation Date divided by the total number of persons covered as of the Implementation Date.
  - (d) “Per Capita Expenditure” means, in respect of a Calculation Date, the total amount the Defendant spent on extended health and dental care benefits (for greater clarity, not including Health Care Spending Account benefits) for all persons covered by its postretirement health and welfare plans during the two year period ending on the Calculation Date divided by the sum of the number of persons covered on the first day of the two year period and the number of persons covered on the last day of the two year period.
- (3) If on a Calculation Date, the Per Capita Expenditure exceeds the Cap, the Defendant may, at its sole option, modify the extended health and dental care plans set out in Schedule “A” so that on the next Calculation Date it is reasonably expected that the Per Capita Expenditure will be equal to the Cap on that next Calculation Date.

- (4) If on any of the five Calculation Dates following a modification made pursuant to Section 3.2(3), the Per Capita Expenditure is less than 95% of the Cap on that Calculation Date, the Defendant shall:
- (a) if a full reversal of the modification would cause the reasonably expected Per Capita Expenditure to be less than or equal to the Cap on the next Calculation Date, reverse the modification in full, or,
  - (b) in all other circumstances, effect a partial reversal of the modification such that the resulting reasonably expected Per Capita Expenditure is equal to the Cap on the next Calculation Date.
- (5) For greater certainty, when reversing a modification pursuant to Section 3.2(4), the Defendant shall never be required to modify benefits in a manner that would be reasonably expected to result in the Per Capita Expenditure exceeding the Cap on future Calculation Dates.

## **SECTION 4 - RELEASES AND DISMISSALS**

### **4.1 Release of Releasees**

- (1) Upon the passing of the Defendant's Optional Termination Deadline, and provided the Defendant has not terminated the Settlement Agreement pursuant to section 5.3(1):
- (a) the Releasers forever fully and absolutely release, acquit, and discharge the Releasees from the Released Claims. For the consideration provided, the Releasers agree and covenant not to make any claim or take or continue any proceedings arising out of or relating in any way to the subject matter of the Released Claims against any other person, corporation or entity (including, without limitation, any insurer, health benefits provider, consultant, lawyer, law firm, contractor, advisor, governmental body or agency (including the British Columbia Ministry of Health, BC PharmaCare or the Medical Services Plan of British Columbia), or any trustee in bankruptcy) which might claim damages and/or contribution and indemnity and/or other relief under any statute, or the common law for any relief whatsoever,

including, without limitation, relief of a monetary, declaratory or injunctive nature, from any one or more of the Releasees;

- (b) each Settlement Class Member is forever barred and enjoined from continuing, commencing, instituting or prosecuting any action, litigation, complaint, investigation or other proceeding in any court of law or equity, arbitration, tribunal, proceeding, governmental forum, administrative forum or any other forum, directly, representatively or derivatively, asserting against any of the Releasees, or anyone who could claim over against any of the Releasees, any claims that relate to or constitute any Released Claims covered by the Settlement Agreement; and
- (c) without limiting any other provisions of this Settlement Agreement, each Settlement Class Member shall be deemed by the Settlement Agreement completely and unconditionally to have released and forever discharged the Releasees from any and all Settled Claims and Released Claims.

(3) The Parties intend that this Settlement Agreement will be approved by the Court and will result in the dismissal of all Settled Claims and Released Claims on the terms set out in this Settlement Agreement.

#### **4.2 Dismissal of Proceedings**

(1) The Parties shall, on consent, apply to the Court forthwith after the Defendant's Optional Termination Deadline to dismiss, as of the Defendant's Optional Termination Deadline, the Proceeding, on a with-prejudice and without costs basis.

### **SECTION 5 – RIGHT TO TERMINATE THE SETTLEMENT AGREEMENT (OPT-OUT AND OPT-IN)**

#### **5.1 Procedure**

(1) Settlement Class Members resident in British Columbia who do not want to participate in the proposed settlement of the Proceeding must submit to the Claims Administrator, on or before the Opt-Out/Opt-In Deadline, a validly completed Opt-Out Form.

- (2) For the purposes of termination rights pursuant to the Settlement Agreement, information provided by the Defendant shall be determinative of whether someone resides in British Columbia or outside British Columbia.
- (3) Class Counsel may retain assistance in performing searches for Settlement Class Members who are not resident in British Columbia.

## **5.2 Opt-Out/Opt-In Report**

- (1) Within 10 days after the expiration of the Opt-Out/Opt-In Deadline, the Claims Administrator shall provide the Opt-Out/Opt-In Report to the Defendant and Class Counsel advising as to the names of any Opt-Outs and the reasons for their opting out to the extent known, and the names of Opt-Ins.
- (2) If the total number of Opt-Outs meets or exceeds the threshold for termination set out in Section 5.3(1), the Opt-Out/Opt-In Report shall include, as a schedule, copies of all Opt-Out Forms received by the Claims Administrator where the individual has indicated he or she is opting out for reasons other than to commence litigation or where the intention is unclear.
- (3) Notwithstanding Section 5.2(2), the Claims Administrator shall provide to the Defendant within 14 days of the Implementation Date copies in physical or electronic form of all Opt-In Forms and Opt-Out Forms received by the Claims Administrator.

## **5.3 Right to Terminate**

- (1) If the number of Opt-Outs exceeds 20 persons, the Defendant may, at its sole option and no later than the Defendant's Optional Termination Deadline, terminate this Settlement Agreement.

## **SECTION 6 - TERMINATION OR NON-APPROVAL OF SETTLEMENT**

### **6.1 Manner of Termination**

- (1) If the Defendant exercises its right to terminate this Settlement Agreement pursuant to paragraph 5.3(1)(a), then it shall give written notice of the termination to Class Counsel no

later than 10 days after receipt of the Opt-Out/Opt-In Report, subject to extension on consent of the Parties.

- (2) Notice of any termination of this Settlement Agreement shall be delivered to every person eligible to be a Settlement Class Member.

## **6.2 Effect of Termination**

- (1) If this Settlement Agreement is terminated or if the Court does not approve it, notwithstanding any other provisions of this Settlement Agreement:
  - (a) this Settlement Agreement shall be null and void and shall have no force or effect, and the Parties shall not be bound by its terms, with the sole exception of the agreements and commitments contained in Section 8, which shall survive;
  - (b) all negotiations, statements and proceedings relating to the settlement and the Settlement Agreement are without prejudice to the rights of the Parties;
  - (c) all Parties shall be restored to their respective positions in and with respect to the Proceeding immediately before January 27, 2015;
  - (d) any certification order made for the purposes of settlement shall be rescinded on consent;
  - (e) any certification of a Settlement Class for the purposes of this Settlement shall be without prejudice to any position that any of the Parties may later take on any issue in the Proceeding, and the Defendant's consent to certification for the purposes of settlement shall not constitute and shall not be deemed or construed as any admission on the part of the Defendant, including any admission that the Proceeding, or any other putative class proceeding involving the issues settled and released in this Settlement Agreement, is appropriate for certification or trial as a class proceeding.
- (2) The Parties expressly reserve all of their respective rights to the extent that the Court does not approve this Settlement Agreement.

**SECTION 7 – CLASS COUNSEL FEES AND DISBURSEMENTS**

- (1) Subject to Court approval, the Defendant shall pay Class Counsel \$175,000 for fees, plus disbursements and applicable taxes, for all work to January 28, 2015, and \$50,000 for fees, plus disbursements and applicable taxes for work as Class Counsel and Claims Administrator extending to the completion of this proceeding including administration of the settlement to the Implementation Date. Neither Class Counsel nor the Claims Administrator shall make any further application to Court seeking payment from the Defendant of any additional or further fees, disbursements or taxes.
- (2) Settlement Class Members who retain or have retained lawyers to assist them in making their individual claims under this Settlement Agreement shall be personally responsible for the legal fees and expenses of such lawyers.
- (3) The Defendant shall pay the mediator's fees and facility costs of the January 27-28, 2015 mediation.

**SECTION 8 - NO ADMISSION OF LIABILITY**

- (1) The Parties agree that, whether or not this Settlement Agreement is finally approved or is terminated, this Settlement Agreement and anything contained in it, and any and all negotiations, documents, discussions, and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed, or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by the Releasees, or of the truth of any of the facts, claims or allegations made in the Proceeding.
- (2) The Parties agree that, whether or not this Settlement Agreement is finally approved or is terminated, neither this Settlement Agreement nor any document relating to it shall be offered in evidence in any action or proceeding in any court, agency or tribunal, except to seek court approval of this Settlement Agreement or to give effect to and enforce the provisions of this Settlement Agreement.

## **SECTION 9 - MISCELLANEOUS**

### **9.1 Motions for Directions**

- (1) With respect to matters falling outside the jurisdiction of the arbitrator as set out in Section 9.5, the Plaintiff, Class Counsel, the Claims Administrator, or the Defendant may apply to the Court for directions in respect of the implementation and administration of this Settlement Agreement.
- (2) All applications contemplated by this Settlement Agreement, including applications to the Court for directions, shall be on notice to the Parties.

### **9.2 Timing**

- (1) The Parties shall make their best efforts to bring the application described in Section 2.2(1) within 60 days of the execution of the Settlement Agreement.

### **9.3 Releasees Have No Liability for Administration**

- (1) The Releasees shall have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.

### **9.4 Headings**

- (1) In this Settlement Agreement:
  - (a) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and
  - (b) the terms “this Settlement Agreement”, “the Settlement Agreement”, “hereof”, “hereunder”, “herein”, “hereto”, and similar expressions refer to this Settlement Agreement and not to any particular section or portion of this Settlement Agreement.



## **9.5 Dispute Resolution**

- (1) The parties agree that all disputes arising from or concerning the Settlement Agreement shall be subject to arbitration pursuant to the *Arbitration Act*, R.S.B.C. 1996, c. 55, and the Domestic Rules of the British Columbia International Commercial Arbitration Centre. The arbitration shall be conducted on an expedited basis. The time to appoint the arbitrator shall be abridged to seven days, and the arbitration shall be concluded, absent extraordinary circumstances, within 90 days of the appointment of the arbitrator.
- (2) The arbitrator shall have jurisdiction to modify the timelines set out in the Domestic Rules to allow for the expedited process described in Section 9.5(1).

## **9.6 Governing Law**

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

## **9.7 Entire Agreement**

- (1) This Settlement Agreement constitutes the entire agreement among the Parties, and supersedes any and all prior and contemporaneous understandings, undertakings, negotiations, representations, communications, promises, agreements, and agreements in principle in connection herewith. The Parties agree that they have not received or relied on any agreements, representations, or promises other than as contained in this Settlement Agreement. None of the Parties shall be bound by any prior obligations, conditions, or representations with respect to the subject matter of this Settlement Agreement, unless expressly incorporated in it. This Settlement Agreement may not be modified or amended except in writing and on consent of all Parties, and any material modification or amendment must be approved by the Court.

## **9.8 Binding Effect**

- (1) Once the Settlement Agreement is approved by the Court, this Settlement Agreement shall be binding upon, and shall enure to the benefit of, the Plaintiff, Settlement Class Members,

the Releasors, the Defendant, the Releasees, Class Counsel, and the Claims Administrator, subject to the provisions in the Settlement Agreement.

### **9.9 Survival**

- (1) The representations and warranties contained in this Settlement Agreement shall survive its execution and implementation.

### **9.10 Counterparts**

- (1) This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a signature by facsimile or other electronic means shall be deemed an original signature for purposes of executing this Settlement Agreement. This Settlement Agreement may be delivered and is fully enforceable in original, faxed or other electronic form provided that it is duly executed.

### **9.11 Negotiated Agreement**

- (1) This Settlement Agreement has been the subject of negotiations and discussions among the Parties, each of whom has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect. The Parties further agree that the language contained or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, or minutes of settlement shall have no bearing upon the proper interpretation of this Settlement Agreement.

### **9.12 Language**

- (1) The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.

**9.13 Dates**

- (1) The dates referred to in this Settlement Agreement may be altered only with the written consent of the Parties. The dates prescribed in Sections 5.2(1) and 6.1(1) may be extended on consent of the Parties without approval of the Court.
- (2) Any other dates that are extended on consent of the Parties must be approved by the Court if the change is material.

**9.14 Confidentiality**

- (1) The Parties will agree on documents to be presented in the applications to the Court contemplated by Sections 2.2(1) and 2.3(1) and on the content of public statements regarding this Settlement Agreement. For greater clarity, communications between any of Class Counsel and eligible and confirmed Settlement Class Members are not public statements.
- (2) The Parties agree that no public statements shall be made regarding this Proceeding or its settlement which are in any way inconsistent with the terms of the Settlement Agreement. In particular, the Parties agree that any public statements (including website postings) made by each Party regarding this Proceeding shall be limited and shall indicate clearly that the settlement has been negotiated, agreed and approved by the Court without any admissions or findings of liability or wrongdoing, and without any admissions or conclusions as to the truth of any of the facts alleged in the Proceeding, all of which are specifically denied by the Defendant.
- (3) Each Party agrees not to make public statements that disparage the opposite Parties or their counsel with respect to any of the matters in issue in the Proceeding or the manner in which the Proceeding was conducted or settled. The Parties agree that any public statements made by a Party that are inconsistent with the terms of this Settlement Agreement could cause irreparable harm, including harm to the reputation or business of the Defendant.

**9.15 Recitals**

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

**9.16 Schedules**

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

**9.17 Acknowledgements**

- (1) Each of the Parties hereby affirms and acknowledges that:
  - (a) he, she, or a representative of the Party with the authority to bind the Party with respect to the matters in this Settlement Agreement has read and understood it;
  - (b) the terms of this Settlement Agreement and the effects thereof have been fully explained to him, her, or the Party's authorized representative by his, her, or its counsel;
  - (c) he, she, or the Party's authorized representative fully understands each term of the Settlement Agreement and its effect; and
  - (d) no Party has relied upon any statement, representation, or inducement (whether material, false, negligently made, or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement on behalf of the Parties.

**9.18 Authorized Signatures**

- (1) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement.

**9.19 Notice and Delivery**

- (1) Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another Party, such notice, communication, or document

shall be provided by email, facsimile, mail or overnight courier delivery to the representatives for the Party to whom notice is being provided, as identified below:

**David Blair  
Allison Tremblay  
Counsel for the Plaintiff**

Victory Square Law Office LLP  
Barristers & Solicitors  
500 – 128 West Pender Street  
Vancouver, BC V6B 1R8  
Telephone: 604-684-8421  
Facsimile: 604-684-8427  
Email: atremblay@vslo.ca

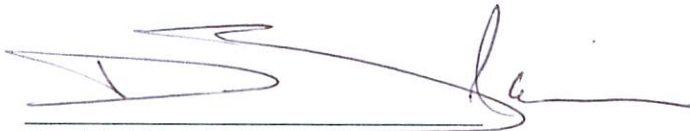
**Craig A.B. Ferris, Q.C.  
Marko Vesely  
Gordon Brandt  
Counsel for the Defendant**

Lawson Lundell LLP  
Barristers & Solicitors  
1600 – 925 West Georgia Street  
Vancouver, BC V6C 3L2  
Telephone: 604-685-3456  
Facsimile: 604-669-1620  
Email: cferris@lawsonlundell.com

- (2) Where this Settlement Agreement requires a communication to be delivered to a Settlement Class Member or person eligible to be a Settlement Class Member, the communication is deemed to have been delivered two business days after the date it was sent by mail, facsimile transmission or email to the mailing address, facsimile transmission number or email address provided to or obtained by the Class Administrator for the person to whom the communication is addressed.

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

**For the Plaintiff and for Class Counsel:**



Per: David Blair

**For the Defendant:**



Per: Craig A.B. Ferris, Q.C.

## SCHEDULE "A" – BENEFITS SCHEDULE

If there is an inconsistency between a term of the Settlement Agreement and this Benefits Schedule, the term of the Settlement Agreement prevails.

PROGRAM	DESCRIPTION	COVERAGE BEFORE SETTLEMENT <sup>1</sup>	COVERAGE AFTER SETTLEMENT
<b>EXTENDED HEALTH CARE AND DENTAL CARE</b>			
Annual Deductible		Nil	No change
Overall plan maximum	Maximum amount paid per covered person during lifetime	\$250,000 lifetime	No change
<b>TRAVEL COVERAGE</b>			
In-Province Medical Travel	Cost of transportation, accommodation and meals for travel within home province to obtain medical care as referred by physician	\$55/day for 7 days	No change
Out-of-Province Medical Travel	Cost of transportation, accommodation and meals for travel outside of home province to obtain medical care as referred by physician	Not covered	No change
Emergency Out-of-Province	Medical coverage out of home province but within Canada, for emergency situations	Not covered	No change
Emergency Out-of-Canada	Medical coverage out of Canada, for emergency situations	Preferential individual retiree paid arrangement with PBC	No change
<b>PRESCRIPTION DRUGS</b>			
Program Limits	Prescription drug cost – limits on calendar year basis	Plan payment: 80%, Member co-pay: 20% until total Rx cost \$3,000 then Plan pays 100% up to Drug Maximum	No change
Dispensing Fee	Maximum dispensing fee, each prescription; amount in excess is member responsibility	Cap of \$8.25	No change
Mark up Limit	Maximum amount of pharmacy drug markup eligible for each prescription; amount in excess is member responsibility	7% markup over manufacturer cost	No change
Generic / Low cost alternate provisions	LCA = Lowest Cost Alternate RDP = Reference Drug Program; LCA covers therapeutically cost effective drugs (mostly	LCA and RDA as described	No change

<sup>1</sup> Note this is a summary only; full details are described in the Presettlement Plan.

	generic); does not cover all prescription drugs. RDP coverage is based on the cost of reference drug(s) within a therapeutic category. Reference drug is fully covered while others are only partially covered to maximum daily cost. RDP applies to 5 drug classes		
Drug Maximum	Total annual per person plan payment limit for prescription drugs	\$5,000/calendar year	No change
<b>OTHER BENEFITS</b>			
Hospital	Semi-private room charge, subject to Presettlement Plan limits and terms	100%	No change
Paramedical Practitioners	Fees of paramedical practitioners, to Presettlement Plan limits and terms	100%	No change
Vision	Cost of vision care items, subject to Presettlement Plan limits and terms	100%,	No change
All Other In-Province Medical	Charges for medical expenses within the member's Province of residence, subject to Presettlement Plan limits and terms	100%	No change
Dental coverage	Cost of dental care, subject to Presettlement Plan limits and terms	As per dental care plan selected by retiree at retirement	No change
FUTURE PLAN CHANGES			No changes to Extended Health Care and Dental Care benefits for two years; thereafter, TW can modify benefits only as described in, and subject to, Section 3.2 of the Settlement Agreement.
<b>MEDICAL SERVICES PLAN</b>			
MSP	MSP premiums taxable benefit 2015 Single premium = \$864 2015 Married premium = \$1,566	Pre-1990 retirements: TW pays 100% of the 2010 rate; retiree pays the balance	100% of MSP cost for the year paid by TW
		Post-1989 retirements: TW pays 50% of the 2010 rate (\$342 single, \$612 married); retiree pays balance	TW pays nothing – see new HCSA benefit description
<b>HEALTH CARE SPENDING ACCOUNT</b>			
HEALTH CARE SPENDING ACCOUNT (HCSA) Post 1989 Retirees only	TW establishes an HCSA for each single member or family and allocates an amount to that account at the beginning of each calendar year. Any eligible medical expense as defined in the Income Tax Act (excluding MSP) can be paid from the account. Each allocation must be used within 24 months. Annual allocation increase	n/a	Annual allocations (base year): Single members: \$900 Married members: \$1,600/year per couple  Family (one case): \$1,800/year per family;  Annual allocations indexed at 1% compounded annually;  Amounts unclaimed in the calendar year of allocation can be carried

			forward and claimed in the next calendar year but are then forfeited . All claims are deemed to be paid from the oldest allocated amount.
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## SCHEDULE “B” – PRELIMINARY NOTICE

### **TimberWest Forest Corp., Retirement Health Benefits Class Action**

#### **Proposed Settlement Agreement**

*Jablonsky v. TimberWest Forest Corp.*

British Columbia Supreme Court, Vancouver Registry No. S-140490

#### **What is this notice?**

A class action lawsuit was started on behalf of retired former salaried, full-time non-unionized employees of any of TimberWest Forest Corp. (“**TimberWest**”) and its predecessors, spouses and dependent children of those employees (and, if a former employee is deceased, the estate, surviving spouse and dependent children of that deceased employee) who have or had coverage under the health benefits plan that TimberWest offered to its retired employees.

The plaintiff alleges that TimberWest was not entitled to reduce post-retirement health and welfare benefits in the manner it did on or about September 1, 2009, and May 1, 2010. TimberWest denies the plaintiff’s allegations and denies any wrongdoing or liability. The court has not taken any position as to the truth or merit of the claims or defences asserted by either side.

A settlement agreement has been concluded between the plaintiff and TimberWest, subject to Court approval, and distribution of this Preliminary Notice about that settlement has been approved by the Court. If you fit the description above, you may be a settlement class member or a potential settlement class member in this action. Your legal rights may be affected by this proposed settlement agreement.

#### **What are the terms of the settlement?**

Under the settlement agreement, if approved and implemented, settlement class members will be entitled to a revised benefits package. Benefits for extended health care, travel coverage, prescription drugs, emergency and hospital care, vision care and dental will remain unchanged from those you currently receive. (Note, the revised benefit package is not retroactive.)

For employees who retired before 1990, and their spouses and dependents, TimberWest will fully cover MSP premiums.

Employees who retired in 1990 or later, and their spouses and dependents, will receive benefits described in the settlement agreement from its implementation date. In particular, TimberWest will no longer pay any portion of their MSP premiums, but will set up health care spending accounts to which TimberWest will credit annually, to each settlement class member an amount that can be used to pay eligible medical expenses (single: \$900, couple:

\$1600, family: \$1800). That will provide a tax effective amount you can use for eligible medical expenses that is slightly more than the 2015 MSP premium amount. The amount TimberWest will credit to the health care spending accounts will increase at a rate of 1% per year.

The settlement agreement also limits the ability of TimberWest to make modifications to post-retirement benefits in the future.

More information about the settlement agreement, including the full text of the agreement and details about the specific benefits is available online at <http://www.vslo.ca> via the links to class actions. Or, you can go directly to:

<http://www.vslo.ca/services/class-actions/timberwestclassaction>

### **What are the next steps?**

The plaintiff and TimberWest will ask the Court to approve the settlement agreement at a hearing in Vancouver, British Columbia, on \_\_\_\_\_, 2015. You can attend but you do not have to. If you want to object to the settlement agreement, you must send your objection in writing to Victory Square Law Office LLP (Class Counsel) so it is received by \_\_\_\_\_, 2015. You can deliver it by mail, facsimile or email. See the contact information below.

### **Do I have to do anything right now?**

At this point, you do not have to do anything.

### **Do I have to pay anything?**

You do not have to pay anything. Under the settlement agreement, TimberWest has agreed to pay the settlement class lawyers' reasonable legal fees, plus disbursements and taxes.

### **How can I get more information?**

For more information, contact the lawyers for the settlement class:

Allison Tremblay or David Blair  
Victory Square Law Office LLP  
Barristers & Solicitors  
500 – 128 West Pender Street  
Vancouver, BC V6B 1R8  
Telephone: 604-684-8421  
Facsimile: 604-684-8427  
Email: timberwestclassaction@vslo.ca

## **SCHEDULE “C” – APPROVAL NOTICE**

### **TimberWest Forest Corp., Retirement Health Benefits Class Action**

#### **Settlement Agreement Approved By Court**

*Jablonsky v. TimberWest Forest Corp.*

British Columbia Supreme Court, Vancouver Registry No. S-140490

#### **What is this notice?**

A class action lawsuit was started on behalf of retired former salaried, full-time non-unionized employees of any of TimberWest Forest Corp. (“**TimberWest**”) and its predecessors, spouses and dependent children of those employees (and, if a former employee is deceased, the estate, surviving spouse and dependent children of that deceased employee) who have or had coverage under the health benefits plan that TimberWest offered to its retired employees.

The plaintiff alleges that TimberWest was not entitled to reduce post-retirement health and welfare benefits in the manner it did on or about September 1, 2009, and May 1, 2010. TimberWest denies the plaintiff’s allegations and denies any wrongdoing or liability. The court has not taken any position as to the truth or merit of the claims or defences asserted by either side.

A settlement agreement has been concluded between the plaintiff and TimberWest, and the settlement has been approved by the court. If you fit the description above, you may be a settlement class member or a potential settlement class member in this action. Your legal rights may be affected by this settlement.

#### **What are the terms of the settlement?**

If and when the settlement agreement is implemented settlement class members will be entitled to a revised benefits package. Benefits for extended health care, travel coverage, prescription drugs, emergency and hospital care, vision care and dental will remain unchanged from those you currently receive. (Note, the revised benefit package is not retroactive.)

For employees who retired before 1990, and their spouses and dependants, TimberWest will fully cover MSP premiums.

Employees who retired in 1990 or later, and their spouses and dependents, will receive benefits described in the settlement agreement from its implementation date. In particular, TimberWest will no longer pay any portion of their MSP premiums, but will set up health care spending accounts to which TimberWest will credit annually, to each settlement class member an amount that can be used to pay eligible medical expenses (single: \$900, couple: \$1600, family: \$1800). That will provide a tax effective amount you can use for eligible

medical expenses that is slightly more than the 2015 MSP premium amount. The amount TimberWest will credit to the health care spending accounts will increase at a rate of 1% per year.

The settlement agreement also limits the ability of TimberWest to make any modifications to post-retirement benefits in the future.

More information about the settlement agreement, including the full text of the agreement and details about the specific benefits, is available online at <http://www.vslo.ca> via the links to class actions. Or, you can go directly to:

<http://www.vslo.ca/services/class-actions/timberwestclassaction>.

### **Do I have to do anything to participate in the settlement?**

Different requirements apply depending on where you live.

#### *The requirements for those who live in British Columbia*

British Columbia residents are automatically included in the settlement class and do not have to do anything in order to participate in the settlement.

British Columbia residents who do *not* wish to participate in the settlement must **opt out** by following the instructions on the Opt-Out Form attached to this Notice. Victory Square Law Office LLP must receive your Opt-Out Form by \_\_\_\_\_ for you to opt out.

If you opt out you will not be bound by the results of this lawsuit, but you will not receive any benefits under the settlement.

If you live in British Columbia and want to participate in the settlement *do not* complete the Opt-Out Form.

#### *The requirements for those who live outside British Columbia*

Those who are not British Columbia residents who wish to participate in the settlement must take action now. You must **opt in** by following the instructions on the Opt-In Form attached to this Notice.

Victory Square Law Office LLP must receive your Opt-In Form by \_\_\_\_\_ for you to opt in.

If you do not opt in you will not be bound by the results of this lawsuit, but you will not receive any benefits under the settlement.

### **Do I have to pay anything?**

You do not have to pay anything. Under the settlement agreement, TimberWest has agreed to pay the settlement class lawyers' legal fees, plus costs, disbursements and taxes.

**How can I get more information?**

For more information, contact the lawyers for the settlement class:

Allison Tremblay or David Blair  
Victory Square Law Office LLP  
Barristers & Solicitors  
500 – 128 West Pender Street  
Vancouver, BC V6B 1R8  
Telephone: 604-684-8421  
Facsimile: 604-684-8427  
Email: [timberwestclassaction@vslo.ca](mailto:timberwestclassaction@vslo.ca)

## SCHEDULE “D” – NOTICE PLAN

Subject to Court approval, Preliminary Notice and Approval Notice in the forms approved by the Court will be distributed to Settlement Class Members by the following means:

1. **Direct notice** will be provided to each Settlement Class Member by regular mail and, where an email address is known, by email, to the most recent address(es) in the possession of Class Counsel or acquired through counsel for the Defendant;
2. **Media notice** will be published once, in a size no less than 1/8 of a page, in the *The Vancouver Sun*.
3. **Class Counsel will publish a notice on its website** at:

<http://www.vslo.ca/services/class-actions/timberwestclassaction>

**SCHEDULE “E” – OPT-OUT FORM**

Use this Opt-Out Form *only* if you are a resident of British Columbia and you *do not* wish to participate in the settlement and receive benefits pursuant to it.

**If you use this form you are excluded from participating in the settlement. You will not receive any benefits pursuant to it.**

**TimberWest Forest Corp., Retirement Health Benefits Class Action**

*Jablonsky v. TimberWest Forest Corp.*  
British Columbia Supreme Court, Vancouver Registry No. S-140490

**Opt-Out Form**

If you wish to **opt-out** complete this form and mail it so it is received at the address below **before \_\_\_\_\_, 2015**. (You may also send it by facsimile or email. See addresses below) Opt-Out Forms received after \_\_\_\_\_, 2015 will not be accepted.

If you complete and deliver this form, you **will not receive any benefit** under the settlement agreement, but you will not be bound by the result.

**I wish to Opt-Out of this proceeding**

<b>Signature</b>	
<b>Name</b>	
<b>Mailing Address of permanent residence</b>	
<b>Telephone</b>	(     )     -
<b>Email (optional)</b>	
<b>Date Signed</b>	

**Purpose of Opting-Out (check only one):**

- My current intention is to begin individual litigation against TimberWest Forest Corp., and/or its directors, officers or corporate predecessors and to seek to recover damages related to or arising from TimberWest Forest Corp.'s reduction of health benefits previously provided to me and/or the introduction of co-payments for such benefits.;
- I am opting-out of the class action for a reason other than to begin individual litigation. I do not intend to begin individual litigation against TimberWest Forest Corp. and/or its directors, officers or corporate predecessors with respect to TimberWest Forest Corp.'s reduction of health benefits previously provided to me and/or the introduction of co-payments for such benefits.

- I am:**  A retiree of TimberWest or one of its predecessors
- The spouse or dependant of a retiree of TimberWest or one of its predecessors
- The personal representative of the estate of a retiree/spouse/dependent (circle one)
- The personal representative of a retiree/spouse/dependent (circle one) who is not competent to manage his/her own affairs

If you are opting-out on behalf of another person, please provide evidence establishing that you have the right to opt-out on behalf of the settlement class member.

**Your completed Opt-Out Form must be received by Victory Square Law Office by \_\_\_\_\_, 2015. Send it to:**

Attn: Timberwest Class Action  
Victory Square Law Office LLP  
Barristers & Solicitors  
500 – 128 West Pender Street  
Vancouver, BC V6B 1R8  
Telephone: 604-684-8421  
Facsimile: 604-684-8427  
Email: timberwestclassaction@vslo.ca



**SCHEDULE “F” – OPT- IN FORM**

Use this **Opt-In Form** *only* if you are *not* a resident of British Columbia and you *wish* to participate in the settlement and receive benefits pursuant to it.

**If you use this form you will be bound by the settlement.**

**TimberWest Forest Corp., Retirement Health Benefits Class Action**

*Jablonsky v. TimberWest Forest Corp.*

British Columbia Supreme Court, Vancouver Registry No. S-140490

**Opt-In Form**

**BY SUBMITTING THIS FORM YOU AGREE TO OPT-IN TO THE SETTLEMENT AGREEMENT**

If you wish to **opt-in** complete this form and mail it so it is received at the address below **before** \_\_\_\_\_, **2015**. (You may also send it by facsimile or email. See addresses below) . Opt-In Forms received after \_\_\_\_\_, 2015 will not be accepted.

If you complete and deliver this form, you **will receive the benefit** of the settlement agreement, and you will be bound by the result.

**I wish to Opt-In to this proceeding**

**Check ONE of the following:**

**I am:**

- \_\_\_\_\_ A retiree of TimberWest or one of its predecessors
- \_\_\_\_\_ The spouse or dependant of a retiree of TimberWest or one of its predecessors
- \_\_\_\_\_ The personal representative of the estate of a retiree/spouse/dependent  
(circle one)
- \_\_\_\_\_ The personal representative of a retiree/spouse/dependent (circle one) who is not competent to manage his/her own affairs

<b>Signature</b>	
<b>Name</b>	
<b>Mailing Address of permanent residence</b>	
<b>Telephone</b>	(     )     -
<b>Email (optional)</b>	
<b>Date Signed</b>	

If you are opting-in on behalf of another person, please provide evidence establishing that you have the right to opt-in on behalf of the settlement class member.

**Your completed Opt-In Form must be received by Victory Square Law Office LLP by \_\_\_\_\_, 2015. Send it to:**

Attn: TimberWest Class Action  
Victory Square Law Office LLP  
Barristers & Solicitors  
500 – 128 West Pender Street  
Vancouver, BC V6B 1R8  
Telephone: 604-684-8421  
Facsimile: 604-684-8427  
Email: timberwestclassaction@vslo.ca

**SCHEDULE "G" – PRELIMINARY APPROVAL ORDER**

NO. S-140490  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

GEORGE JABLONSKY

PLAINTIFF

AND:

TIMBERWEST FOREST CORP.

DEFENDANT

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

**ORDER MADE AFTER APPLICATION**

**BEFORE THE HONOURABLE \_\_\_\_\_, THE \_\_\_\_\_ DAY  
OF  
MR. JUSTICE MASUHARA \_\_\_\_\_, 2015**

ON THE APPLICATION of the Plaintiff coming on for hearing at Vancouver, British Columbia, on the \_\_\_\_ day of \_\_\_\_\_, 2015, AND ON HEARING David Blair and Allison Tremblay, counsel for the Plaintiff, and Craig A.B. Ferris, Q.C., Marko Vesely and Gordon Brandt, counsel for the Defendant;

THIS COURT ORDERS and BY CONSENT that:

1. Preliminary Notice of the proposed Settlement Agreement in this action (the "**Proposed Settlement Agreement**"), attached as Exhibit "A" to the Affidavit of \_\_\_\_\_ (the "**Preliminary Notice**"), is approved in substantially the form attached as Schedule "A" to this Order;

2. Within 7 days after the date of this order, the Defendant will provide information currently in its possession to Class Counsel which discloses the potential class members' names, addresses, telephone numbers, and participation status in the plans.
3. The Plaintiff will no later than 14 days after the receipt of the information described in paragraph 2:
  - (a) Mail by regular mail or email the Preliminary Notice to all proposed Settlement Class Members whose name and address information is in the possession of Class Counsel;
  - (b) Publish an advertisement no less than 1/8 of a page in size in *The Vancouver Sun* newspaper; and
  - (c) Post the Preliminary Notice on Class Counsel's website;
4. Proposed Settlement Class Members will be deemed to have received the Preliminary Notice two business days after the date the Plaintiff completes the tasks described in paragraph 3;
5. Costs of preparing and distributing the Preliminary Notice will be paid by Class Counsel as a disbursement;
6. The date of \_\_\_\_\_, 2015 is hereby fixed for the hearing of the application for the final approval of the Proposed Settlement;
7. The Parties will bear their own costs of this Application; and

8. The Parties have liberty to apply to the Court for further direction with respect to the orders contained herein.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND  
CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE  
AS BEING BY CONSENT:

---

DAVID BLAIR  
COUNSEL FOR THE PLAINTIFF

---

CRAIG A.B. FERRIS, Q.C.  
COUNSEL FOR THE  
DEFENDANT

BY THE COURT

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REGISTRAR

**SCHEDULE “H” –SETTLEMENT APPROVAL ORDER**

NO. S-140490  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

GEORGE JABLONSKY

PLAINTIFF

AND:

TIMBERWEST FOREST CORP.

DEFENDANT

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

**ORDER MADE AFTER APPLICATION**

**BEFORE THE HONOURABLE \_\_\_\_\_, THE \_\_\_\_\_ DAY  
OF  
MR. JUSTICE MASUHARA \_\_\_\_\_, 2015**

ON THE APPLICATION of the Plaintiff coming on for hearing at Vancouver, British Columbia, on the \_\_\_ day of \_\_\_\_\_, 2015, AND ON HEARING David Blair and Allison Tremblay, counsel for the Plaintiff, and Craig A.B. Ferris, Q.C., Marko Vesely and Gordon Brandt, counsel for the Defendant;

THIS COURT ORDERS and BY CONSENT that:

**CERTIFICATION**

2. This action is certified as a class action pursuant to section 4(1) of the *Class Proceedings Act*, R.S.B.C. 1996, c. 50;
3. The “**Class**” includes all “**Settlement Class Members**” meeting the following definition:

All persons, wherever they reside, who are either:

- (a) retired, former salaried, non-unionized employees of TimberWest Forest Corp. or one or more of its corporate predecessors including Crown Zellerbach Canada Limited, British Columbia Forest Products Limited, Crown Forest Industries Limited, Canadian Pacific Forest Products Limited, CIP Inc., Avenor Inc., Pacific Forest Products Limited, Fletcher Challenge Canada Limited, TimberWest Forest Limited, 535950 British Columbia Ltd., TAL Acquisition Ltd., TFL Forest Ltd., TFL Holdings Limited, Timberwest Forest Holdings Ltd., Timberwest Forest Management Ltd., and TimberWest Forest Company (the “Predecessors”) and their estates (“Employee Class Members”); or
- (b) spouses and dependent children of either:
  - (i) living Employee Class Members;
  - (ii) deceased Employee Class Members; or
  - (iii) former salaried, non-unionized employees of TimberWest Forest Corp. or one or more of the Predecessors who died while so employed when they were pension-eligibleand their estates (“Non-Employee Class Members”)

who are or were in receipt of coverage and payment for post-retirement health and welfare benefits provided by TimberWest Forest Corp., which coverage and payment were reduced by TimberWest Forest Corp. on or about September 1, 2009, or May 1, 2010.

4. George Jablonsky is appointed as the “**Representative Plaintiff**” for the Class;

5. The common issues are:

1. **Is TimberWest bound by contract?**

1.1 Is TimberWest bound by contract to provide all or any of the Post-Retirement Health and Welfare Benefits (in this Common Issue description simply, the “Benefits”) in respect of Employee Class Members who retired from:

- (a) Predecessors?

(b) TimberWest?

1.2 If TimberWest is bound by contract to provide any or all of the Benefits described in paragraph 1.1 are the relevant contractual terms included in one or more of, including any combination of, the following:

- (a) unwritten contracts of employment;
- (b) written retirement agreements, or
- (c) another form of contract

with TimberWest, or with a Predecessor to which TimberWest became bound?

1.3 Do any relevant contractual terms described in paragraph 1.2 permit TimberWest, after the retirement of an Employee Class Member, to eliminate a coverage included in the Benefits or pay for less than the full cost of the Benefits for that Employee Class Member or his or her associated Non-Employee Class Members?

## **2. Standing**

2.1 Do Non-Employee Class Members have standing to bring claims for damages to themselves, and for other remedies, for the breach by TimberWest of the contracts with Employee Class Members with whom they are associated?

2.2 Alternatively, do Employee Class Members have the right to enforce compliance by TimberWest with the terms of their contracts which benefit the Non-Employee Class Members associated with them?

2.3 Do the personal representatives of deceased Class Members have standing to bring claims for the damages to, and other remedies for, the Class Members they represent?

## **3. Damages**

3.1 Did the Class Members suffer damage as a result of TimberWest's breach of contract to



the date of trial, and will the Class Members suffer damage after the date of trial, as a result of TimberWest's alleged breach of contract unless declaratory relief and a mandatory order is made?

**4. Declaratory relief and mandatory order**

4.1 Are the Class members entitled to a declaration as to their right to provision by TimberWest, and a mandatory order directing TimberWest to provide, to every Class Member, Post-Retirement Health and Welfare Benefits for the life of the Class Member without eliminating a benefit coverage or reducing payment for any benefit?

**5. Unjust Enrichment- Alternative Claim**

5.1 Alternatively, if the Employee Class Members are successful in establishing a claim in breach of contract and the Non-Employee Class Members are not successful in establishing a breach of contract claim because they are found not have had a contractual relationship with TimberWest or its Predecessors, then was TimberWest unjustly enriched when it eliminated or reduced the Post-Retirement Health Benefits of Non-Employee Class Members?

**SETTLEMENT APPROVAL**

6. The Settlement Agreement in this action, dated March \_\_\_\_, 2015, and attached as Schedule "A" to this Order (the "**Settlement Agreement**"), is approved as fair, reasonable and in the best interests of those affected by it and shall be implemented in accordance with its terms;
7. The definitions set out in the Settlement Agreement apply to and are incorporated into this Order;
8. The Settlement Agreement with its attached schedules is incorporated by reference into and forms part of this Order and is binding upon the Representative Plaintiff, upon all Settlement Class Members, and upon the Defendant;

## **APPROVAL NOTICE**

9. The Approval Notice is approved in substantially the form attached as Schedule “C” to the Settlement Agreement.
10. The Approval Notice will be delivered to persons eligible to be Settlement Class Members no later than 14 days after the date of this Order in accordance with the Notice Plan in Schedule “D” to the Settlement Agreement.
- 11.

Persons eligible to be Settlement Class Members will be deemed to have received the Approval Notice two business days after the date the Plaintiff completes the tasks described in paragraph 10;

## **OPT OUTS**

12. BC residents who are eligible to be Settlement Class Members may opt out of this Proceeding by completing and submitting an Opt-Out Form before the Opt-In Deadline.

## **OPT INS**

13. Non-BC residents who are eligible to be Settlement Class Members may opt in to this Proceeding by completing and submitting an Opt-In Form before the Opt-In Deadline.

## **RELEASE**

14. All Settlement Class Members and all their successors, heirs, executors, administrators, trustees, and assigns, shall be deemed to have released and do hereby release and forever discharge the Releasees from the Released Claims in accordance with section 5 of the Settlement Agreement.

## **APPOINTMENT OF THE CLAIMS ADMINISTRATOR**

15. Class Counsel is appointed as the Claims Administrator.
16. The Claims Administrator will execute its obligations as set out in the Settlement Agreement.
17. Promptly after the Opt-In/Opt-Out Deadline, the Claims Administrator will file a report with the Court describing the number of validly completed Opt-Out Forms and Opt-In Forms received by the Opt-In/Opt-Out Deadline.
18. Any Party having issues or concerns with the administration of the Settlement may apply to the Court for directions.

## **CLASS COUNSEL FEES**

19. If the Settlement Agreement is implemented in accordance with its terms then Class Counsel's fees in the amount of \$175,000 for services to January 28, 2015, plus disbursements and taxes, are hereby approved in accordance with Part 5 of the *Class Proceedings Act* and Section 9 of the Settlement Agreement.
20. If the Settlement Agreement is implemented in accordance with its terms then a flat fee for Class Counsel acting as counsel and Claims Administrator of \$50,000, plus disbursements and taxes, is hereby approved in accordance with Part 5 of the *Class Proceedings Act* and Section 9 of the Settlement Agreement.

## **APPLICATION FOR DISMISSAL**

21. Following the Defendant's Optional Termination Deadline, the parties shall have liberty to apply, by consent, for an order dismissing the Proceeding without further notice to the Settlement Class.