

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF LONGUEUIL

SUPERIOR COURT
(Class Actions)

NO: 505-06-000006-002

OPTION CONSOMMATEURS

PLAINTIFF

and

PHILIPPE LAVERGNE

DESIGNATED PERSON

v.

**CANADIAN UNION INSURANCE
COMPANY**

And

**THE MISSISQUOI INSURANCE
COMPANY**

And

**LIBERTY MUTUAL INSURANCE
COMPANY**

And

**WAWANESA MUTUAL INSURANCE
COMPANY**

And

**ALLSTATE INSURANCE COMPANY OF
CANADA**

And

**THE PERSONAL GENERAL INSURANCE
INC.**

And

**INDUSTRIAL ALLIANCE AUTO AND
HOME INSURANCE INC.**

And

**LA CAPITALE GENERAL INSURANCE
INC.**

And

**DESJARDINS GENERAL INSURANCE
INC.**

And

L'UNIQUE GENERAL INSURANCE INC.

And

**TRADERS GENERAL INSURANCE
COMPANY**

And

**AVIVA INSURANCE COMPANY OF
CANADA (formerly the GENERAL
ACCIDENT ASSURANCE COMPANY OF
CANADA)**

And

**SSQ GENERAL INSURANCE COMPANY
INC.**

And

OPTIMUM INSURANCE COMPANY INC.

And

**PROMUTUEL VERCHÈRES SOCIÉTÉ
MUTUELLE D'ASSURANCE GÉNÉRALE**

DEFENDANTS

SETTLEMENT AGREEMENT

I. Preamble

WHEREAS a Class Action was instituted by Plaintiff Option consommateurs against nineteen (19) Defendants in this matter;

WHEREAS all 19 Defendants filed defences to the aforementioned Class Action, in which they deny all liability and they deny that they owe any amount whatsoever to the members of the class concerned by the aforementioned action;

WHEREAS Option consommateurs and four (4) of the nineteen (19) Defendants, namely: Allianz Insurance Company of Canada, AXA Assurances, ING Insurance Company of Canada (formerly Commerce Group, now operating as Intact Insurance) and Bélair Insurance Company Inc. have settled this Class Action as it concerns them;

WHEREAS Option consommateurs and the other fifteen (15) Defendants wish to settle this Class Action as it concerns them. Those fifteen (15) Defendants are:

- **CANADIAN UNION INSURANCE COMPANY**
- **THE MISSISQUOI INSURANCE COMPANY**
- **LIBERTY MUTUAL INSURANCE COMPANY**
- **WAWANESA MUTUAL INSURANCE COMPANY**
- **ALLSTATE INSURANCE COMPANY OF CANADA**
- **THE PERSONAL GENERAL INSURANCE INC.**
- **INDUSTRIAL ALLIANCE AUTO AND HOME INSURANCE INC.**
- **LA CAPITALE GENERAL INSURANCE INC.**
- **DESJARDINS GENERAL INSURANCE INC.**
- **L'UNIQUE GENERAL INSURANCE INC.**

- TRADERS GENERAL INSURANCE COMPANY
- AVIVA INSURANCE COMPANY OF CANADA (formerly the GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA)
- SSQ GENERAL INSURANCE COMPANY
- OPTIMUM INSURANCE COMPANY INC.
- PROMUTUEL VERCHÈRES SOCIÉTÉ MUTUELLE D'ASSURANCE GÉNÉRALE

(hereinafter referred to as the “**Fifteen Defendants**”);

WHEREAS this Agreement is entered into without any admission whatsoever, in order to buy peace and avoid the further expense, disbursements, risks and delays inherent in ultimately going to trial;

THEREFORE, OPTION CONSOMMATEURS AND THE FIFTEEN DEFENDANTS AGREE AS FOLLOWS:

II. Definitions

2. In this Agreement:

- (a) "**Agreement**" means this settlement agreement, including its Schedules;
- (b) "**Approval Hearing**" means the hearing presided over by the Court to determine whether the Agreement should be approved, further to the filing of an application in that respect in accordance with the requirements of article 1025 of the *Code of Civil Procedure* and paragraphs 80 to 83 of the Agreement;
- (c) "**Approval Order**" means Court decision approving the Agreement;
- (d) "**Area Concerned**" means the 640 cities, municipalities and villages in which the Settled Class Members had to be living in January 1998 in order to be part of the Settled Class, the whole as described in Schedule A;

- (e) "**Class**" means the class as described in the legal proceedings in this matter concerning the 19 Defendants (including the Settled Class);
- (f) "**Class Action**" means the action instituted by the Plaintiff against the Defendants, in Superior Court of Québec, docket number 505-06-000006002, resulting directly or indirectly from the allegations contained in the *Re-Amended Application to Institute a Class Action* filed by the Plaintiff and Mr. Philippe Lavergne;
- (g) "**Class Members**" means the persons covered by the definition of the Class in respect of all the Defendants;
- (h) "**Closing Judgment**" means the Court decision respecting the proper implementation and execution of the Agreement, in accordance with the terms and conditions stipulated in paragraph 61 of the Agreement;
- (i) "**Compensation**" means the sums paid to the Settled Class Members in accordance with paragraphs 24 to 37 of the Agreement;
- (j) "**Contract**" means any "all risk" or "broad" form or "basic" form owner's, co-owner's or tenant's home insurance policy, that provided coverage of "additional living expenses (ALE)", that was in effect in January 1998 and that covered an immovable in the Area Concerned;
- (k) "**Court**" means the Superior Court of Québec, sitting in Montréal, notwithstanding that the action has a Longueuil docket number because it was instituted in that district; Accordingly, the Honorable Justice Chantal Corriveau is seized of this Class Action;
- (l) "**Defence Counsel**" means the attorneys for the Fifteen Defendants, namely:

LAPOINTE ROSENSTEIN MARCHAND MELANÇON, LLP.
(Mtre Bertrand Paiement and Mtre Stéphane Roy) for Defendants Canadian Union Insurance Company, Missisquoi Insurance Company, Wawanesa Mutual Insurance Company, The Personal General Insurance Inc., La Capitale General Insurance Inc., Desjardins General Insurance Inc., L'unique General Insurance Inc., Traders General Insurance Company, Aviva Insurance Company of Canada, SSQ General Insurance Company Inc., Optimum Insurance Company Inc., and Promutuel Verchères Société Mutuelle D'assurance Générale;

BORDEN LADNER GERVAIS (Mtre Robert Charbonneau) for Defendant Allstate Insurance Company of Canada;

FASKEN MARTINEAU (Mtre Annie Bernard) for Defendant Liberty Mutual Insurance Company;

ROBINSON SHEPPARD SHAPIRO LLP. (Mtre Dominique Poulin) for Defendant Industrial Alliance Auto and Home Insurance Inc.;

- (m) **"Defendants"** means the nineteen (19) Defendants in the aforementioned Class Action;
- (n) **"Effective Date"** means the 30th day following the Approval Order if no appeal therefore has been lodged, or if an appeal has been lodged, the date of the final decision on the appeal confirming the Approval Order and allowing execution of the Agreement in accordance with its terms and conditions;
- (o) **"F.A.R.C."** means the Fonds d'aide aux recours collectifs;
- (p) **"Manager"** means Bruneau Group and www.recourscollectiftempeteverglas.ca and www.icestormclassaction.ca.
- (q) **"Notice to Members"** means the Pre-Approval Notice;
- (r) **"Parties to the Agreement"** means the Plaintiff and the Fifteen Defendants;
- (s) **"Plaintiff"** means Plaintiff Option consommateurs in this Class Action;
- (t) **"Plaintiff's Counsel"** means Mtre Marie-Michèle Dion, Mtre Louise Denoncourt and the law firm of Sylvestre Fafard Painchaud (Mtre Jean-Pierre Fafard);
- (u) **"Pre-Approval Hearing"** means the hearing presided over by the Court to determine whether the Pre-Approval Notice should be approved, further to the filing of an application in that respect;
- (v) **"Pre-Approval Notice"** means the notice to the Settled Class Members announcing the holding of the Approval Hearing concerning the Agreement;

- (w) **"Pre-Approval Order"** means the Court decision approving the Pre-Approval Notice;
- (x) **"Schedules"** means all the schedules listed in paragraph 89 of this Agreement;
- (y) **"Settlement Amount"** means the sum of \$40,000,000 stipulated in paragraph 24 of this Agreement.
- (z) **"Settled Class"** means the class formed by the persons insured and covered by a Contract with one of the Fifteen Defendants in January 1998, as described hereinbelow in paragraph 18 of the Agreement;
- (aa) **"Settled Class Member"** means any person covered by the definition of Settled Class, with the exception of those persons who have opted out;

III. Scope and extent of the Agreement

- 3. By this Agreement, the Plaintiff and the Fifteen Defendants wish to settle among themselves and on behalf of the Settled Class Members all claims, complaints and causes of action of any nature whatsoever in connection with the facts alleged in the Class Action proceedings and in the exhibits filed in support thereof, in accordance with the terms and conditions of this Agreement;
- 4. The Agreement is conditional on the Court's full approval thereof, failing which the Agreement shall be deemed null and void, subject to paragraph 83 pertaining to payment, by the Fifteen Defendants, of the costs of the Pre-Approval Notice and the publicity already incurred;
- 5. The Plaintiff and the Fifteen Defendants undertake to cooperate and use whatever efforts and measures are required to support and demonstrate the fairness and reasonableness of the Agreement and justify the soundness thereof so that it will be approved by the Court;

IV. History of the Class Action and negotiation of the Agreement

- 6. In December 2000 and January 2001, numerous applicants filed nineteen (19) *Applications to institute a Class Action* with the Court in which it was alleged, inter alia, that:
 - (a) The January 1998 ice storm, which occurred during a period of intense cold, rendered a number of homes uninhabitable and/or unusable, specifically, because they had no electricity, heating, running water or the usual domestic utilities;

- (b) Each Class Member was the holder of, and/or insured by, an Insurance contract, offered by one of the Defendants, which contract covered the loss subject to policy limitations and exclusions and providing, under certain conditions, coverage of additional living expenses (ALE) if the holder's home became unusable or uninhabitable;
- (c) During the January 1998 ice storm, the Defendants only partially indemnified their insureds in respect of such coverage;
- (d) Therefore, the Class Members had to take refuge in temporary shelters, to gather in over-crowded dwellings or stay in their homes under inadequate living conditions;
- (e) Each Class Member is of the view that he or she is entitled to claim from one of the Fifteen Defendants damages for additional living expenses (ALE);
7. The Fifteen Defendants contest the allegations of the Class Members on the grounds that coverage for additional living expenses (ALE) only applies in very specific situations and depending on the type of insurance contract in question, as they specifically asserted in their defenses filed in the Court record.
8. On November 17, 2005, the Court authorized the institution of a class action and appointed Philippe Lavergne as the designated member and Option consommateurs as the representative to act as plaintiff against 19 Defendant insurance companies in *Option consommateurs v. L'Union Canadienne et als* (SC: 505-06-000006-002);
9. From 2005 to 2009, a number of judgments authorized the amendment of the description of the Class and of the Area Concerned by the Class Action;
10. On the date hereof, the Class is defined as follows:
[Translation:]
"Any natural person living in any of the municipalities covered by Order-in-Council 27-98 of January 11, 1998 and insured with any of the Defendants during the ice storm in early 1998 (the loss) whose home became uninhabitable and/or unusable, and who was the holder and/or covered by an "all risk", "broad" form or "basic" form owner's, co-owner's or tenant's insurance contract that provided coverage for "additional living expenses";

11. Following partial settlement of the Class Action in December 2012, the Parties to the Agreement participated in a settlement conference held June 3 and 5, 2013 presided by the Honorable Justice Yves Poirier;
12. At the end of the two days of negotiations, the Parties to the Agreement reached an agreement-in-principle in order to settle the Class Action with respect to the Fifteen Defendants;
13. The Parties to the Agreement acknowledge that continuation of the Class Action would result in major expenses for all sides, that there are risks involved in continuing the Class Action, as well as the problems and delays inherent in class action proceedings;
14. The Parties to the Agreement have therefore come to the conclusion that the Agreement is advantageous for the Settled Class Members and that it is fair, reasonable, appropriate and in their best interests;
15. The Fifteen Defendants have vigorously denied, and continue to deny, the allegations regarding their fault and liability and state that they properly, and in good faith, indemnified the Class Members at the time of the ice storm, based on their understanding of the state of the law at the relevant time and that they could present a defence in fact and in law, that in their view is well-founded, regarding all the claims that are the subject of the Class Action;
16. While the Fifteen Defendants consider such claims unfounded, they have reached the conclusion that contestation of the Class Action would be a length and costly process, and that it is preferable for them to fully and definitively settle the Class Action as it concerns them;
17. Without admitting any fault, wrongdoing or liability, the Fifteen Defendants accept the terms of the Agreement;

V. The Settled Class

18. Subparagraphs (a) and (b) of this paragraph contain the definition of the Settled Class covered by this Agreement:
 - (a) "Any natural person who lived in any of the municipalities covered by Order-in-Council 27-98 of January 11, 1998 or those added further to the Court order of November 16, 2009 (**Schedule A**, en liasse) during the ice storm that occurred in early 1998 (the loss), and who was insured under a Contract issued by any of the Fifteen Defendants";

- (b) Notwithstanding the generality of subparagraph (a), the Settled Class excludes the following:

members of the Settled Class who, validly and in a timely manner, request their exclusion from the Settled Class in accordance with the Pre-Approval Notice and paragraphs 69 to 76 of this Agreement;

VI. Research methodology for tracking Settled Class Members

19. In order to trace the Contracts to which this Agreement applies, each of the Fifteen Defendants declares that it employed exhaustive measures in order to identify the Contracts in effect in the Area Concerned at the time of the ice storm;
20. The aforementioned measures involved using reliable and rigorous methods, the objective of which is to ensure that all Settled Class Members receive Compensation in accordance with this Agreement;
21. Despite those methods that were used to generate lists of Contracts that were provided by the Fifteen Defendants in response to Section 9 of the written examinations held in the course of the legal mandate, in the case of some of the Fifteen Defendants there may possibly be variations between the number of Contracts that were thus provided and the final count of Contracts for which the Fifteen Defendants provided the Manager with the requisite information (insureds' policy number, name, the address from 1998 and later, where applicable) so that the Manager would be able to proceed with the address changes and distribution of Compensations provided for in this Agreement;
22. In this regard, it is agreed that:
- (a) Any Defendant for whom such variation occurs shall submit an affidavit from one of its representatives explaining the reasons for that variation;
- (b) Said variation, whether an increase or decrease, shall have no effect on that Defendant's contribution to the Settlement Amount, subject to paragraph 28 of this Agreement;
23. It is agreed among the Parties to the Agreement that Compensation is payable per Contract and not per persons designated in or insured under the Contracts, the Fifteen Defendants having recorded over 690,000 Contracts;

VII. Amounts payable by the Fifteen Defendants

24. The Fifteen Defendants shall pay a sum of \$40 000 000 (forty million dollars) divided as follows:

Canadian Union	\$3,370,855.08
Missisquoi	\$2,930,137.26
Liberty Mutual	\$1,075,363.04
Wawanesa	\$1,598,093.69
Allstate	\$2,316,429.03
The Personal	\$2,817,412.98
Industrial Alliance	\$1,070,273.38
La Capitale	\$4,335,171.10
Desjardins	\$12,854,674.46
L'Unique	\$631,059.33
Traders	\$1,020,764.92
Aviva	\$4,672,592.07
SSQ	\$421,631.60
Optimum	\$783,459.78
Promutuel Verchères	\$102,082.28
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TOTAL	\$40,000,000.00

25. The sum of \$40,000,000 constitutes the Settlement Amount, in full payment (principle, interest and expenses) of all the claims against the Fifteen Defendants in the context of the Class Action, subject to paragraph 28 of this Agreement, the whole divided as follows:

- (a) Minimum compensation of \$50.92 for each Settled Class Member, the whole in accordance with the terms and conditions of payment stipulated in paragraphs 26 to 37 of the Agreement;
- (b) The sum of \$150,000 to Option consommateurs, the whole in accordance with the terms and conditions of payment stipulated in paragraph 38 of this Agreement;
- (c) The sum of approximately \$45,000 to Plaintiff's Counsel for the Notice to Members, the whole in accordance with the terms and conditions of payment stipulated in paragraphs 40 to 42 of this Agreement;
- (d) The amount approved by the Court for judicial and extrajudicial costs of Plaintiff's Counsel, to which amount shall be added the applicable taxes, following the representations stipulated in paragraphs 52 and 53 of this Agreement;
- (e) An amount of \$106,702.26, including GST and QST, approved by the Court for the disbursements of Plaintiff's Counsel, which

amount represents the disbursements of the Class Action, less what has been reimbursed out of the partial settlement of the Class Action entered into in December of 2012, the whole in accordance with the terms of payment stipulated in paragraph 55 of this Agreement;

- (f) An amount of \$129,921.75, including GST and QST, to Plaintiff's Counsel, for the costs of the address change publicity campaign described at paragraphs 50 and 51 of this Agreement and in accordance with the terms of paragraph 43 of this Agreement;

VIII. Terms and conditions of disbursement of amounts payable

Direct Compensation to Settled Class Members

- First distribution

- 26. Within 60 days of the Effective Date of the Approval Order, the Manager shall send, along with an explanatory letter (**Schedule B**), an initial cheque in the amount of \$50.92 to the Settled Class Members to the last address appearing on their respective home insurance files or to the addresses they have communicated under the address change procedure described at paragraphs 44 and 45 of this Agreement before January 31, 2014;
- 27. Upon the expiration of 6 months following the sending of the cheques, the Manager shall, within 30 days thereof, prepare a rendering of account of the first distribution, as described in paragraphs 57 and 58 of the Agreement;
- 28. Should the rate of encashment of the cheques issued on behalf of one or several of the Fifteen Defendants in the first distribution be very high, the contribution of the said Defendant or Defendants to the total sum of \$40,000,000 may be exceeded considering the amounts previously disbursed pursuant to paragraph 25 of this Agreement. In such a case, each of the Fifteen Defendants shall assume its own share of the cost of any overrun, as the case may be;
- 29. Due to this possibility of overruns and to ensure that the Manager has the requisite funds in the bank to honour all of the cheques it will issue in the first distribution, each of the Fifteen Defendants shall have paid into the account specifically held for that purpose by the Manager, no later than 55 days following the Approval Order's Effective Date, an amount equal to \$50.92 multiplied by the number of contracts of that Defendant, it being understood that:

- (a) Until such time as the rendering of accounts provided for in paragraphs 57 and 58 of the Agreement takes place, the Fifteen Defendants shall actually have advanced to the Manager more than their contribution to the Settlement Amount owing to the other payments they shall have made pursuant to paragraphs 38, 40, 42, 43, 54 and 55 of the Agreement;
- (b) The calculation of the balance available for the second distribution shall be carried out as indicated in paragraph 35 of the Agreement, and this separately for each of the Fifteen Defendants;
- (c) The Manager shall return, within 15 days following the rendering of accounts stipulated in paragraphs 57 and 58, to each of the Fifteen Defendants, where applicable, the difference between the amount it still holds for the said Defendant and the available balance thus calculated for that Defendant for the second distribution, since it will then constitute a sum advanced in excess, and not a sum to be distributed that was not distributed;

- Second distribution

- 30. If there are, for one or more of the Fifteen Defendants, any undistributed funds remaining after the first distribution, the Manager shall proceed with a second distribution to the Settled Class Members insured by such Defendants within 30 days of the rendering of account stipulated in paragraphs 57 and 58, unless the costs projected for proceeding with this second distribution to a Defendant's insureds exceed the amount to be distributed to them. In such a case, the amount not distributed to that Defendant's insureds shall constitute a remaining balance;
- 31. An explanatory letter shall be sent with the second cheque, in accordance with **Schedule C** appended hereto;
- 32. The second distribution is aimed at Settled Class Members who have cashed their first cheque as well as Settled Class Members who, before August 30, 2014, shall have provided their new address to the Manager in accordance with the procedure described at paragraphs 44 and 45 of this Agreement;
- 33. Settled Class Members who provide their new addresses after January 31, 2014 but at the latest by August 30, 2014, shall be entitled to receive the amount of the first distribution in addition to their share of the second distribution. This time limit may, however, be extended

mutually by the Parties to the Agreement should circumstances so warrant;

34. The second distribution shall be an equal amount for all Settled Class Members insured by the same Defendant. However, such amount may differ from one Defendant to another, as it will depend on the rate of encashment of the cheques issued on behalf of each of the Fifteen Defendants, considered separately;
35. To establish the sum to be distributed in the second distribution, the Manager shall deduct the following from each of the Fifteen Defendant's respective contribution to the Settlement Amount:
 - (a) The aggregate of the sums received by the Settled Class Members who are part of that Defendant's group of insured members in the first distribution;
 - (b) The sum of the amounts to be paid to the Settled Class Members who are part of that Defendant's group of insured members and who delayed in providing their contact information for the issuance of their cheques during the first distribution, pursuant to paragraph 33 above, and who shall receive this sum at the same time as the second distribution;
 - (c) such Defendant's contribution to the sum of \$150,000 paid to the Plaintiff, as specified in paragraph 38 of the Agreement;
 - (d) such Defendant's contribution to the costs of the Notice to Members, as specified in paragraphs 40 and 42 of the Agreement;
 - (e) such Defendant's contribution to the sum paid as judicial and extrajudicial costs to Plaintiff's Counsel, as specified in paragraph 54 of the Agreement;
 - (f) such Defendant's contribution to the sum paid as disbursements, as specified in paragraph 55 of the Agreement;
 - (g) such Defendant's contribution to the sum paid as publicity fees, as specified in paragraph 43 of the Agreement;
36. The sum to be distributed in the second distribution shall be established by the Manager in the context of its rendering of account for the first distribution, as specified in paragraphs 57 and 58 of the Agreement;

37. Should there be a remaining balance comprised only of the cheques not cashed six (6) months after the second distribution and the amounts not distributed pursuant to paragraph 30 of this Agreement, Counsel for the Parties to the Agreement shall advise the Court thereof so that a hearing date will be fixed to decide on the disposition of the balance;

Lump sum to Option consommateurs

38. On the Effective Date, Option consommateurs shall receive a sum of \$150,000 from the Fifteen Defendants, in the same proportion as their respective contribution to the Settlement Amount, as reimbursement of its costs, time, research and expenses incurred in bringing and conducting the Class Action and for finalizing and following up the Agreement, and for keeping the Settled Class Members informed at their request, up to Closing Judgment;

Notice to Members

Pre-Approval Notice:

39. On September 19, 2013, a Pre-Approval Notice enclosed herewith as **Schedule D** shall be published in accordance with the following publication plan:
- i. a one-time publication on September 19, 2013, in the following newspapers:
 - La Presse;
 - The Gazette;
 - Le Métro;
 - 24h;
 - La Tribune (Sherbrooke);
 - The Record (Sherbrooke);
 - La Voix de l'Est (Granby);
 - Le Canada Français (St-Jean-sur-Richelieu);
 - Le Courrier de Saint-Hyacinthe;
 - ii. Creation of a hyperlink on the French and English versions of the home page of the internet sites of the Fifteen Defendants, linking to an Internet page containing an electronic version of Schedule D, with the exception of the Liberty Mutual Insurance Company, which will be creating a separate French

and English website containing an electronic version of Schedule D, and this as of September 11, 2013 until August 30, 2014;

- iii. Creation of a hyperlink, at the Manager's Web addresses: www.icestormclassaction.ca and www.recourscollectiftempeteverglas.ca, linking to a web page containing an electronic version of Schedule D, as of September 11, 2013 until August 30, 2014;
 - iv. Creation of a hyperlink on the French and English versions of the home page of the internet site of Option consommateurs (www.option-consommateurs.org) linking to a web page containing an electronic version of Schedule D, as of September 11, 2013 until August 30, 2014;
 - v. Creation of a hyperlink on the French and English versions of the page "Class Actions" of the internet site of Counsel for Option consommateurs (www.sfpavocats.ca/recours-collectifs) linking to an electronic version of Schedule D, as of September 11, 2013 until August 30, 2014;
40. On September 13, 2013, Plaintiff's Counsel shall receive from the Settlement Amount an amount of \$45,000 paid by the Fifteen Defendants, in the same proportion as their respective contribution to the Settlement Amount, made payable to *Sylvestre Fafard Painchaud in Trust*, as an advance for the publication costs of the Pre-Approval Notice;
 41. After publication, Plaintiff's Counsel shall reimburse any surplus to Defence Counsel, if applicable;
 42. Should the \$45,000 advance be insufficient to cover the aforementioned expenses, the Fifteen Defendants shall, on demand and on presentation of receipts, pay Plaintiff's Counsel any further amount required;
 43. On September 13, 2013, the Fifteen Defendants shall pay Plaintiff's Counsel, out of the Settlement Amount and in the same proportion as their respective contribution to the Settlement Amount, an amount of \$129,921.75, to the order of *Sylvestre Fafard Painchaud in Trust*, to cover the costs of the address change publicity campaign;

Address Change Procedure

44. The Manager shall be responsible for creating and maintaining, as of September 11, 2013 until August 30, 2014, at the expense of the Fifteen Defendants, the Internet website www.icestormclassaction.ca and www.recourscollectiftempeteverglas.ca, which shall contain the requisite web pages and forms with which the Settled Class Members may interactively proceed with any address change they wish to make to ensure that the Compensation cheques owing to them are sent to their current address;
45. Also at the expense of the Fifteen Defendants and in addition to the above web sites, the Manager shall create and maintain, for the same purposes and for the same period stipulated in the above paragraph, a call center staffed with operators who speak French well enough to provide an adequate service, and there shall be a sufficient number of such operators to handle the number of incoming calls, which call center may be reached at 1 866 288-3683;
46. Moreover, the home pages of the websites of each of the Fifteen Defendants (with the exception of the Liberty Mutual Insurance Company, which will create a separate French and English website) shall include, as of September 11, 2013 until August 30, 2014, a hyperlink leading directly to the websites of the Manager in order to facilitate the address changes, and this in both official languages;
47. The Manager shall keep a registry of the address change applications received allowing it to indicate:
- (a) The number of applications received;
 - (b) The number of address changes successfully completed;
 - (c) The number of applications that could not be successfully completed and the reason therefor;
 - (d) The number of applications that could not be associated with any of the Contracts of the Fifteen Defendants;
48. The Manager shall submit a report to the parties' counsel containing the information indicated in the above paragraph on September 16, 23 and 30, October 8 and 15, November 15 and December 15, 2013, and another report as soon as possible after January 31, 2014;

Other Information Available on the Websites

49. In addition to the information provided for in paragraphs 39, 44 and 46 of the Agreement, the websites of the Manager, Plaintiff, Plaintiff's Counsel and Fifteen Defendants (with the exception of the Liberty Mutual Insurance Company, which will create a separate French and

English website) shall contain, as of September 11, 2013 until August 30, 2014, hyperlinks granting access to the following documents: the Agreement, the list of municipalities included in the Area Concerned (**Schedule A**), a FAQ (**Schedule F**) and, once available, the Approval Order;

Address change - publicity campaign

50. The Parties to the Agreement have agreed on a publicity campaign to incite Settled Class Members to avail themselves of the implemented address change procedure to ensure the largest possible distribution of the Compensations provided for in this Agreement;
51. The costs of this publicity shall be included in the Settlement Amount, subject to paragraph 28 above;

Fees and disbursements of Plaintiff's Counsel

52. During the Approval Hearing, Plaintiff's Counsel shall seek the amount of \$11,497,500.00 including taxes representing 25% of the Settlement Amount plus applicable taxes for judicial and extrajudicial costs already incurred and those to be incurred until Closing Judgment resulting from the fee agreement entered into between Plaintiff and its Counsel on December 18, 2012 reflecting the agreements entered into with the original plaintiffs (**Schedule E**), for services rendered in connection with the Class Action and the Transaction concerning the Settled Class;
53. The Fifteen Defendants will contest the application of the agreement respecting fees entered into on December 18, 2012;
54. On the Effective Date, the Fifteen Defendants shall pay Plaintiff's Counsel, to the order of *Sylvestre Fafard Painchaud in Trust*, their respective contributions to the amount approved by the Court at the time of the Approval Order as judicial and extrajudicial costs, plus the applicable taxes;
55. On the Effective Date, the Fifteen Defendants shall pay Plaintiff's Counsel, to the order of *Sylvestre Fafard Painchaud in Trust*, their respective contributions to the amount approved by the Court at the time of the Approval Order as disbursements, plus the applicable taxes;
56. In consideration of the payment of the aforementioned judicial and extrajudicial costs and disbursements, Plaintiff's Counsel shall not claim any other fees or disbursements, of any kind or source

whatsoever, directly or indirectly from the Settled Class Members and shall not deduct any percentage on the Compensation;

IX. Rendering of accounts and Closing Judgment

First distribution:

57. Within 30 days of the end of the first distribution period, the Manager shall render an account of the implementation and execution of the terms and conditions of payment described hereinbelow regarding the first distribution;
58. In that respect, the Manager shall provide Counsel of the Parties with the following information, by providing one or more affidavits from one or more representatives attesting to the accuracy and veracity of the facts set forth therein, which affidavits shall, as required, be supported by the appropriate documentation and receipts and submitted to the Court:
 - (a) The fact that the Agreement has been duly implemented and executed in accordance with the terms, conditions and schedule stipulated for the first distribution;
 - (b) The list of the names and addresses of the Settled Class Members, sealed and in electronic form;
 - (c) The number of address changes made;
 - (d) For each of the Fifteen Defendants, the number of address changes made after January 31, 2013 for which the \$50.92 settlement will have to be added to the amount to be paid upon the second distribution;
 - (e) For each of the Fifteen Defendants, the number of cheques in the amount of \$50.92:
 - distributed in the first distribution;
 - cashed following the first distribution;
 - returned following the first distribution;
 - not cashed and cancelled after six months following the first distribution;
 - (f) For each of the Fifteen Defendants, the detail of the sums distributed and remaining to be distributed after the first distribution;

Second distribution:

59. Within 30 days of the end of the second distribution, the Manager shall render an accounting to Counsel of the Parties of the implementation and execution of the terms and conditions of payment described hereinbelow for the second distribution;
60. In that respect, the Manager shall transmit and indicate the following information, by providing one or more affidavits from one or more representatives attesting to the accuracy and veracity of the facts set forth therein, which affidavits shall, as required, be supported by the appropriate documentation and receipts and submitted to the Court:
- (a) For each of the Fifteen Defendants, the fact that the Agreement was duly implemented and executed in accordance with the terms, conditions and schedule stipulated for the second distribution;
 - (b) For each of the Fifteen Defendants, the number of cheques:
 - distributed in the second distribution;
 - cashed following the second distribution;
 - returned following the second distribution;
 - not cashed and cancelled after six months following the second distribution;
 - (c) The amount indicated on the cheques distributed following the second distribution;
 - (d) The value of the cheques not cashed following the second distribution;
61. Within 30 days of the Manager's rendering of account stipulated in the two preceding paragraphs, Defence Counsel shall submit to the Court an application for a Closing Judgment for the purpose of approving the proper implementation and execution of the Agreement, confirming the end of the Manager's mandate and releasing the latter, which shall be supported by the affidavit(s) referred to in the foregoing paragraph;
62. The application for a Closing Judgment shall be served on Plaintiff's Counsel and on F.A.R.C. at least 10 clear juridical days before the date of presentation to the Court;

Respecting the Manager

63. The Manager shall at all times act as a director charged with performing the tasks imposed on him for the benefit of the Settled Class Members and as an officer of the court;
64. The Manager's tasks shall be to make the address changes, proceed with the distribution of the Compensations and render an accounting of its administration, the whole pursuant to this Agreement;
65. The Manager shall cancel any cheque that has not been cashed six (6) months after each distribution;
66. The Manager shall invoice its services directly and shall, in addition to the Settlement Amount, be remunerated exclusively by the Fifteen Defendants;
67. The amounts that shall be remitted to the Manager by the Fifteen Defendants shall at all times be deposited into one or several bank accounts destined solely for the purposes of the performance of this Agreement;
68. Protection of the amounts that shall be entrusted to the Manager against improper use or misconduct shall be ensured by one or several errors and omissions and fidelity insurance policies, **the existence and sufficiency of which shall be proven to the satisfaction of the Parties to the Agreement. This evidence shall be made available to the Court on request;**

Not in force as of
September 3, 2013

X. Exclusions, objections and Approval Hearing

A. Exclusion

69. The Settled Class Members shall be entitled to opt out of the Agreement before October 21, 2013;
70. They must file a written notice to that effect with the Court Clerk;
71. The Notice of Exclusion must be sent by registered or certified mail and must contain the following information:
 - the case docket number: 505-06-000006-002;
 - his or her name, address and telephone number;

- a declaration to the effect that the Settled Class Member wishes to opt out of the Agreement;
- his or her signature;
- the address of the Registry Office of the Superior Court of Québec in Montréal, namely 1 Notre-Dame Street East H2Y 1B6;

72. Settled Class Members who have not exercised their right to opt out of the Agreement as prescribed herein shall be irrevocably deemed to have accepted the Agreement and therefore, will be bound by the Agreement and by all judgments or orders of the Court related thereto;
73. Settled Class Members who opt-out shall not be entitled to the benefits under the Agreement;
74. No provision of this Agreement constitutes, or will be deemed to constitute, a waiver by the Fifteen Defendants to any grounds of defence against a Settled Class Member who opts out of the Agreement or should the Agreement not be approved by the Court;
75. Each of the Fifteen Defendants may demand by sending written notice to Plaintiff's Counsel, and in its absolute discretion, that this Agreement be terminated, only in respect of such Defendant, in the event that the following number of Settled Class Members, who are part of that Defendant's group of insured members, exercise their right of exclusion, namely:

Canadian Union	253
Missisquoi	220
Liberty Mutual	81
Wawanesa	120
Allstate	174
The Personal	211
Industrial Alliance	80
La Capitale	325
Desjardins	964
L'Unique	47
Traders	77
Aviva	350
SSQ	32
Optimum	59
Promutuel Verchères	8

76. In such a situation, this Agreement shall:

(a) continue to apply to all of the other Parties to the Agreement;

(b) be null and void as regards the Defendants who avail themselves of such termination right and shall not generate any right or obligation in favour of or against any Parties to the Agreement bound by such termination;

B. Objection to the Agreement

77. Settled Class Members who wish to do so, may assert their objections to this Agreement by attending the Approval Hearing scheduled for October 25, 2013 at 9: 30 a.m. in Room 15.07 of the Montréal Court House at 1 Rue Notre-Dame East, Montreal;

78. To assert their objections, the Settled Class Members concerned must have informed Plaintiff's Counsel thereof in writing, with supporting documents or evidence, at least five days before the hearing at the following address:

Court docket number: 505-06-000006-002, Sylvestre Fafard Painchaud Attorneys, 740 Atwater, Montreal, Québec H4C 2G9;

79. Plaintiff's Counsel shall inform Defence Counsel within 48 hours of receiving any objection;

C. Approval

80. The Plaintiff's Counsel shall file an application with Court for approval of the Agreement no later than October 10, 2013;

81. The Approval Hearing has been fixed by the Court for October 25, 2013 at 9:30 a.m. in Room 15.07 of the Montréal Court House, at 1 Rue Notre-Dame East, in Montréal;

82. Should the Agreement not be approved by the Court, it shall become null and void and the Parties to the Agreement shall be restored to their respective positions before the signing hereof;

83. Should the Agreement not be approved by the Court, or if any of the Fifteen Defendants avails itself of its termination right as described in paragraph 75, the Fifteen Defendants shall nevertheless pay their respective contribution to the full cost of the Pre-Approval Notice and the publicity costs already incurred;

XI. Release

84. On the date of the Closing Judgment, Plaintiff, in its own name and on behalf of all Settled Class Members with the exception of those that

have opted out, shall be deemed to have waived its right to sue and to have fully and definitively released and discharged the Fifteen Defendants, any other person who distributed or offered the Contracts covering the Settled Class and their successors and assigns, as well as all the executive officers, employees, shareholders, attorneys, advisers and representatives of the Fifteen Defendants and of such other persons (in each case, past and present), with respect to any contractual or extracontractual claim, cause of action, lawsuit, or demand of any nature including a demand for punitive damages that the Plaintiff and the Settled Class Members may have, either individually or on behalf of a class, regardless of whether such damages are known or unknown, present or future, liquidated or not liquidated, and that were alleged in relation to the Contracts in the Class Action or that arise directly or indirectly from such allegations;

85. The Agreement shall not constitute, and may not be considered as constituting, a renunciation by the Fifteen Defendants of any defence against a claim by any Settled Class Member excluded from the Agreement, or against any other claim or any contestation of the Class Action should this Agreement not be approved by the Court or if the Effective Date does not occur;
86. The Agreement, the Pre-Approval Order and the Approval Order as well as the payments made pursuant to the Agreement do not constitute an admission of liability by the Fifteen Defendants;
87. This Agreement shall not impose a joint and severable liability among the Fifteen Defendants;
88. The Agreement entails a renunciation of solidarity respecting any kind of harm in favour of the Fifteen Defendants in accordance with articles 1532 and 1533 C.C.Q. Moreover, Plaintiff undertakes to indemnify them against any recursory action or action in warranty, as the case may be, regarding damages for which they may be held liable solidarily with the other Defendants in the Class Action.

XII. Miscellaneous provisions

89. The following Schedules form an integral part of this Agreement and are incorporated herein as if recited at length in the main body of the text:
 - (a) Schedule A: list of the 640 cities, municipalities and villages constituting the Area Concerned;
 - (b) Schedule B: model letter to the Settled Class Members for the first distribution;

- (c) Schedule C: model letter to the Settled Class Members for the second distribution;
 - (d) Schedule D: Pre-Approval Notice;
 - (e) Schedule E: fee agreement entered into on December 18, 2012 between Plaintiff and its Counsel and fee agreements entered into with the original plaintiffs;
 - (f) Schedule F: Frequently Asked Questions;
90. This Agreement must be signed by Counsel of the Parties to the Agreement and all Counsel no later than September 3, 2013;
 91. This Agreement replaces all other prior agreements, written or verbal, concerning the Class Action and it constitutes the entire agreement among the Parties to the Agreement in that respect as regards the content and implementation of this Settlement;
 92. Should a provision of this Agreement be declared inoperative, unenforceable or invalid, that provision shall be severed from the other provisions of the Agreement which shall remain valid and enforceable;
 93. The Agreement is the full and final settlement of any dispute concerning the Class Action as it concerns the Settled Class. The Parties to the Agreement submit to the jurisdiction of the Court which shall remain seized of this Class Action for the purposes of implementing and executing the Agreement;
 94. No Plaintiff's Counsel and no person employed by any Plaintiff's Counsel may, directly or indirectly, advise or represent a person who has opted out of the Settled Class, or who wishes to contest the Agreement or assert against the Fifteen Defendants a claim covered by the Class Action;
 95. No Settlement Class Counsel and no person employed by Plaintiff's Counsel may disclose any information obtained in the course of the Class Action for the purposes of supporting a contestation or claim referred to in the foregoing paragraph;
 96. The Fifteen Defendants may file this Agreement and the related Approval Order in any action or recourse that may be instituted against them in relation to the execution of the Agreement in any cause of action related to the dispute that is the subject of this Class Action;
 97. This Agreement is subject to the laws and regulations determining the rights of the F.A.R.C.;

98. The Agreement is subject to the substantive and procedural laws of Québec;
99. The Agreement constitutes a transaction in accordance with articles 2631 and following of the C.C.Q.;
100. All agreements entered into and all orders rendered in connection with this Class Action pertaining to the protection of personal information of Settled Class Members are maintained and form an integral part of this Agreement;
101. Subject to order to the contrary by the Court, the Parties to the Agreement may agree jointly in writing to a reasonable extension of the execution deadline applicable to any provision of this Agreement;
102. Every attorney and other person signing the Agreement or any of its Schedules on behalf of a Party to the Agreement warrants that it has the authority to do so;
103. Any communication from one Party to another in connection with this Agreement must be in writing and sent either by mail, by fax, by messenger, or by e-mail (if confirmation of receipt is received by the sender of the e-mail), and shall be addressed as follows:

If to the Plaintiff:

Mtre Jean-Pierre Fafard Sylvestre
Fafard Painchaud
740 Atwater
Montréal, Québec H4C 2G9
Tel.: (514) 937-2881 ext. 232
Fax: (514) 937-6529
E-mail: jp.fafard@sfpavocats.ca

If to the Defendant Allstate Insurance Company of Canada:

Mtre Robert Charbonneau
Borden Ladner Gervais
1000 De La Gauchetière St. W.,
Suite 900
Montréal, Québec H3B 5H4
E-mail:
rcharbonneau@blgcanada.com

If to the Defendant Liberty Mutual Insurance Company:

Mtre Annie Bernard

Fasken Martineau DuMoulin LLP
800 Place Victoria, Suite 3700
Montréal, Québec H4Z 1E9
E-mail: abernard@fasken.com

If to the Defendant Industrial Alliance Auto and Home Insurance Inc.:

Mtre Dominique Poulin
Robinson Sheppard Shapiro L.L.P.
800 Place Victoria, Suite 4600
Montréal, Québec H4Z 1H6
E-mail: dpoulin@rsslex.com

If to any of the other Defendants:

Mtre Bertrand Paiement or
Mtre Stéphane Roy
LAPOINTE ROSENSTEIN
MARCHAND MELANÇON, L.L.P.
1250 René-Lévesque Boul. W.,
Suite 1400
Montréal, Québec H3B 5E9
E-mails: Bertrand.poulin@lrm.com
and stephane.roy@lrm.com

IN WITNESS WHEREOF, duly authorized Counsel for the Parties to the
Agreement have signed

Montréal, September 3, 2013

SYLVESTRE, FAFARD, PAINCHAUD,
in its own name and on behalf of
Mtres Marie-Michèle Dion and
Louise Denoncourt,
Plaintiff's Counsel
Option consommateurs

Montréal, September 3, 2013

BORDEN LADNER GERVAIS
Defence Counsel
Allstate Insurance Company of Canada

Montréal, September 3, 2013

FASKEN MARTINEAU
Defence Counsel
Liberty Mutual Insurance Company

Montréal, September 3, 2013

ROBINSON SHEPPARD SHAPIRO
Defence Counsel
Industrial Alliance Auto and Home Insurance Inc.

Montréal, September 3, 2013

LAPOINTE ROSENSTEIN
MARCHAND MELANÇON, L.L.P.
Defence Counsel
Canadian Union Insurance Company
The Missisquoi Insurance Company
Wawanesa Mutual Insurance Company
The Personal General Insurance Inc.

La Capitale General Insurance Inc.
Desjardins General Insurance Inc.
L'Unique General Insurance Inc.
Traders General Insurance Company
Aviva Insurance Company of Canada
SSQ General Insurance Company Inc.
Optimum Insurance Company Inc.
**Promutuel Verchères société mutuelle
d'assurance générale**

Non official translation