

MEMORANDUM

TO: SISIP Class Members

FROM: SISIP Legal Team

DATE: April 10, 2013

File No.: PF-101

RE: Court Approval of Settlement and Next Steps

You will receive a court approved formal notice in a couple of weeks. In the meantime, we are sending this memo for two reasons:

1. to provide an informal update; and
2. to confirm your mailing address.

Court Approval

We are pleased to report that the Federal Court has approved the settlement of the *Manuge v. Canada* class action. The Federal Court ruled that the settlement was a "generous, complete and thoughtful resolution".

The Federal Court also approved legal fees of 8% of the Refund. There will be no legal fees taken from ongoing payments received by the Class or from the Scholarship Fund. These legal fees are subject to sales tax. The rate of sales tax depends on the Class Member's province of residence. The Federal Court also approved that Class Counsel receive .079% of the Refund to be reimbursed for their out-of-pocket expenses over the last six years and in administering the payout.

The Federal Court decision is available at www.leavenovetbehind.ca.

The Refund Process

For most Class Members, through Manulife Financial, the Government of Canada will provide McInnes Cooper the amount of the Refund for each Member within **six months**. Manulife Financial will withhold any required amounts under the *Income Tax Act*, which may be applied to the Member's taxes owing under that Act. If the Member's taxes are less than the amount withheld, the Member will receive a Refund. If the Member owes Manulife Financial for an overpayment unrelated to the Offset, the Government will reduce that Member's Refund by the amount of the overpayment.

McInnes Cooper will send each Member their Refund less the approved percentage for legal fees, sales tax and out-of-pocket expenses. McInnes Cooper can only send Members their Refund once McInnes Cooper has received the funds from Manulife. As McInnes Cooper will receive the funds at various times over the six month period, some Members will receive their Refunds at different times.

With the Refund, McInnes Cooper will also pass along the following information provided by the Government for each Member:

- a. Amount offset;
- b. Interest;
- c. Credit for Potential Tax Payable;
- d. Amount withheld for taxes;
- e. Amount, if any, applied to a Member's debt owing to Manulife Financial; and
- f. Any required CRA forms.

Manulife Financial will issue a T4 or T4A directly to each Class Member.

Class Counsel strongly encourages Class Members to seek financial and tax planning advice.

Address Confirmation

Your address confirmation form is attached.

It is very important that each cheque is sent to the correct address and every Member receives their Refund. Even if you have already sent us your address over the past six years, we need this form to ensure that your address is still accurate.

You must complete and sign this address confirmation form, and mail it to the following address to receive your Refund:

SISIP Class Action
c/o McInnes Cooper
PO Box 730
Halifax, NS
B3J 2V1

Deceased Class Members

The Proposed Order contains special provisions for deceased Class Members. If you are a friend or family member of a deceased Class Member, please contact sisipltdclassaction@mcinnescooper.com for more information or telephone (902) 444-8630 (English) or (506) 877-0831.

Frequently Asked Questions

What do I have to do?

- You must complete, sign and return the attached address confirmation form.
- Class Counsel strongly encourages Class Members to seek financial and tax planning advice.

Why is the form necessary?

- The form is necessary to ensure that we have the correct mailing address and that each Class Member receives their Refund.

How much will I receive?

- We will not know how much each individual will receive until that information is provided to us by Manulife Financial. We will not provide these amounts over the telephone.

When will I receive my Refund?

- We cannot send out Refund cheques until (1) the necessary funds and financial information for that Member has been received from Manulife Financial and (2) we receive your completed and signed form.

I previously opted out of this Class Action, can I opt back in?

- Yes, please contact sisipltdclassaction@mcinnescooper.com or telephone (902) 444-8630 (English) or (506) 877-0831 as soon as possible.

Can I opt out of this Class Action?

- If your S.I.S.I.P. Policy No. 901102 benefits were reduced by the *Pension Act* disability pension from April 15, 1985 to May 20, 2008, you were previously given a period to opt out and that period has expired.
- The Court has ordered that the original definition of the Class be expanded. If you only received your benefits before or after the time frame above, you have a right to opt out within 60 days of the Court Order. However, if you opt out, you will not receive any Refund. The opt out process will be set out in the court approved formal notice.

I do not agree with the amount of my Refund or Manulife's determination that I am not medically eligible. Can I dispute it?

- Yes, the Court Order provides for a simplified independent adjudication process. Further details will be provided in the court approved formal notice, which you will receive in a couple of weeks.