

SCHEDULE "A"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re CANADIAN SUPERIOR SECURITIES	:	Master File No. 1:09-cv-10087-SAS
LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
This Document Relates To:	:	
	:	SETTLEMENT AGREEMENT
ALL ACTIONS.	:	
_____	X	

Court File No.: 1626CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N

DOUGLAS DEVLIN and PATHWAY MULTI SERIES FUND INC.

Plaintiffs

- and -

GREG S. NOVAL, LEIGH BILTON, MICHAEL E. COOLEN,
CHARLES DALLAS, THOMAS J. HARP, CRAIG MCKENZIE, ALEXANDER SQUIRES,
ROBB D. THOMPSON, RICHARD WATKINS, LEIF SNETHUN,
SONDE RESOURCES CORP. (f.k.a. CANADIAN SUPERIOR ENERGY INC.) and
CHALLENGER ENERGY CORP.

Defendants

Proceeding under the Class Proceedings Act, 1992

[Caption continued on following page.]

Court File No.: 1358/10CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN

DOUGLAS DEVLIN

Plaintiffs

- and -

GREG S. NOVAL, LEIGH BILTON, MICHAEL E. COOLEN,
CHARLES DALLAS, THOMAS J. HARP, CRAIG MCKENZIE, ALEXANDER SQUIRES,
ROBB D. THOMPSON, RICHARD WATKINS, LEIF SNETHUN,
CANADIAN SUPERIOR ENERGY INC. and
CHALLENGER ENERGY CORP.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

Court File No.: CV-10-14848

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN

ROBERT RAE

Plaintiff

- and -

GREGORY S. NOVAL, CRAIG MCKENZIE,
MICHAEL E. COOLEN, ROBB THOMPSON and ALEXANDER SQUIRES

Defendants

Proceedings under the *Class Proceedings Act, 1992*

This Settlement Agreement, including these recitals and the Exhibits attached hereto, (the "Stipulation") is submitted in the above-captioned *In re Canadian Superior Securities Litigation*, Master File No. 1:09-cv-10087-SAS (the "U.S. Action"), proceeding in the United States District Court for the Southern District of New York (the "U.S. Court") and further in the above-captioned *Devlin v. Noval, et al.*, Court File No. 1358/10CP, *Devlin and Pathway Multi Series Fund Inc. v. Noval, et al.*, Court File No. 1626CP, and *Rae v. Noval et al.*, Court File No. CV-10-14848 proceedings (the "Canadian Actions") in the Ontario Superior Court of Justice (the "Ontario Court").

Subject to the approval of the U.S. Court, pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Stipulation is entered into among Lead Plaintiff Gino Ströker (hereinafter, "U.S. Lead Plaintiff") on behalf of himself and the U.S. Class (as defined herein) and the defendants Gregory S. Noval, Michael E. Coolen, Craig McKenzie, Leif Snethun, Leigh Bilton, Charles Dallas, Thomas J. Harp, Alexander Squires, Robb D. Thompson, Richard Watkins, Sonde Resources Corp. (f/k/a Canadian Superior Energy Inc.) ("Sonde" or "Canadian Superior"), and Challenger Energy Corp. ("Challenger") (collectively, the "Defendants"), by and through their respective counsel.

Subject to the approval of the Ontario Court, pursuant to Section 29 of the Ontario *Class Proceedings Act, 1992*, this Stipulation is entered into among Robert Rae, Douglas Devlin, and Pathway Multi Series Fund Inc. (the "Canadian Representative Plaintiffs") on behalf of themselves and the Canadian Class (as defined herein) and the Defendants, by and through their respective counsel.

It is a condition to the Settlement (as defined herein) that the U.S. Action and the Canadian Actions (collectively, the "Actions") be settled contemporaneously and that the Settlement be approved by both of the respective courts in the Actions.

WHEREAS:

A. On and after December 9, 2009, several purchasers of Canadian Superior common stock filed separate securities class action lawsuits in the U.S. Court.

B. In May and June 2010, the Canadian Representative Plaintiffs commenced the Canadian Actions through their counsel, Siskinds LLP, Jensen Shawa Solomon Duguid Hawkes LLP and Sutts, Strosberg LLP (the "Canadian Class Counsel") against the Defendants before the Ontario Court on their behalf and on behalf of a putative class comprised of all persons, with certain exceptions, who acquired securities of Canadian Superior during the period between January 14, 2008 and February 17, 2009, inclusive.

C. The Actions allege, among other things, that Defendants made materially false and misleading statements in connection with, among other things, (1) test results from certain natural gas wells off the coast of Trinidad and Tobago, (2) accounting, progress, and planning of a joint venture and allocation of costs to develop the project, and (3) Canadian Superior's stock option practices.

D. The Canadian Actions plead negligence, negligent and fraudulent misrepresentation, oppression, unjust enrichment and a statutory claim for secondary market misrepresentation against the Defendants.

E. On March 29, 2010, the U.S. Court appointed Lead Plaintiff and approved Robbins Geller Rudman & Dowd LLP and Holzer Holzer & Fistel LLC as Co-Lead Counsel ("U.S. Lead Plaintiff's Counsel") in the action. On August 25, 2010, the U.S. Court consolidated the complaints into the U.S. Action.

F. On April 30, 2010, the U.S. Lead Plaintiff filed his amended complaint for violations of U.S. federal securities laws (the "Complaint") alleging, among other things, that defendants

violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by issuing public false and misleading statements. The alleged statements were made or omitted from the press releases and SEC filings during the Class Period. The U.S. Action sought to have a class certified comprised of all persons who purchased Canadian Superior common stock during the period from January 14, 2008 through February 17, 2009, inclusive, other than certain specified excluded persons.

G. On June 4, 2010, defendants filed their motion to dismiss the Complaint. U.S. Lead Plaintiff filed his opposition to the motion to dismiss on July 2, 2010, and defendants filed their reply on July 19, 2010. On August 6, 2010, the Court issued an Opinion and Order granting in part and denying in part defendants' motion.

H. With the assistance of the Honorable Nicholas Politan (Ret.), a retired United States District Court judge acting as a mediator, the respective plaintiffs in the Actions, by their counsel, conducted discussions and arm's-length negotiations with counsel for Defendants with respect to a global compromise and settlement of the Actions, with a view to settling all of the issues in dispute and achieving the best relief possible consistent with the interests of the respective classes in the Actions. Such discussions and negotiations included the exchange of mediation submissions including documents and case law, as well as a one-day mediation session on August 16, 2010, overseen by Judge Politan.

I. This Stipulation shall not be construed or deemed to be a concession by the U.S. Lead Plaintiff, the Canadian Representative Plaintiffs or any Class Member (as defined below) of any infirmity in the claims asserted in the Actions or any other action. Nonetheless, they recognize the expense and length of continued proceedings necessary to prosecute the Actions through trial and appeals, and also have taken into account the uncertain outcome and risk of any litigation, especially

in complex actions such as the Actions, as well as the delays inherent in such litigation. They are further mindful of the inherent problems of proof under, and defenses to, the securities law, corporate law and common law violations asserted in the Actions, and believe that the settlement provided for in this Stipulation confers substantial benefits upon the Class (as defined herein). Having made a thorough investigation, U.S. Lead Plaintiff and the Canadian Representative Plaintiffs and their respective counsel have determined that the settlement provided for in this Stipulation is fair, reasonable, adequate, and in the best interests of the Class.

J. This Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Defendant with respect to any claim of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have asserted or could have asserted. The Defendants deny any wrongdoing or liability whatsoever in respect of each and all claims and contentions alleged in the Actions, and deny that the U.S. Lead Plaintiff, the Canadian Representative Plaintiffs and the members of the Class have suffered any damages, loss or harm whatsoever by reason of any conduct or omissions of the Defendants alleged in the Actions or otherwise. Nonetheless, the Defendants have concluded that further conduct in the Actions would be protracted and expensive and have therefore determined that it is desirable and beneficial to them that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and are entering into this Stipulation solely because the settlement herein would eliminate the burden and expense of further litigation.

NOW THEREFORE, it is hereby STIPULATED AND AGREED by and between the parties to this Stipulation, through their respective counsel:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:

(a) "Authorized Claimant" means a Class Member or authorized representative of such a Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator.

(b) "Canadian Class" means the class to be certified, for purposes of settlement only, by the Ontario Court in the Canadian Actions, comprising all Persons, other than Excluded Persons, who purchased or otherwise acquired Canadian Superior common stock during the Class Period on the Toronto Stock Exchange.

(c) "Canadian Class Member" means a member of the Canadian Class.

(d) "Canadian Pre-Approval Order" means the order sought to be issued by the Ontario Court, substantially in the form attached hereto as Exhibit "A."

(e) "Claims Administrator" means such entity as is approved by the Courts to administer the Settlement.

(f) "Class" means all members of the U.S. Class and the Canadian Class.

(g) "Class Member" means a member of the Class.

(h) "Class Period" means January 14, 2008 to February 17, 2009, inclusive.

(i) "Courts" means the U.S. Court and the Ontario Court.

(j) "Defendants' Counsel" means Morrison & Foerster, LLP and Macleod Dixon LLP.

(k) "Defendants' Insurers" means certain underwriters at Lloyd's, London and Great American Insurance Company.

(l) "Defendant Releasers" means the Defendants, their personal representatives, heirs, executors, administrators, trustees, successors and assigns.

(m) "Effective Date" means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in ¶39 hereof.

(n) "Escrow Agent" means Robbins Geller Rudman & Dowd LLP or its successor(s) acting as agent for the Class, and who is obligated to timely report each of the directions given and the actions taken regarding the Escrow Agent Account to Siskinds LLP.

(o) "Escrow Agent Account" means an interest-bearing trust account established by the Escrow Agent by investing the Gross Settlement Fund in a liquid money market account or equivalent security with a rating equivalent to or better than that of a Canadian Schedule 1 Bank, and held and maintained in trust by the Escrow Agent in accordance with the terms of this Stipulation, and which the Escrow Agent has identified to Defendants' Insurers and provided the particulars for wire transfer thereto at least five (5) business days prior to the dates on which any contribution by, or on behalf of, Defendants is due under the terms of this Stipulation.

(p) "Excluded Person" means: (i) the Defendants; (ii) members of the immediate family of each current or former Individual Defendant (as defined in Section 1(s)) in the Actions; (iii) any entity in which a Defendant has a controlling interest; (iv) any parent, subsidiary, or affiliate of Sonde or Challenger; (v) the directors and officers of Canadian Superior during the Class Period; (vi) the legal representatives, heirs, predecessors, successors, or assigns of any Defendant in the Actions; and (vii) any putative members of the Class who exclude themselves by timely requesting exclusion by filing an Opt-out Request with the Claims Administrator in accordance with the requirements set forth in notice to putative Class Members approved by the Courts as provided for herein.

(q) "Final" or "Finality" with respect to the Judgments means: (a) if no appeal is filed, the expiration date of the time provided for under the corresponding rules of the applicable

court or legislation for filing or noticing any appeal from the Court's Judgments approving the Settlement; or (b) if there is an appeal from the Judgments, the date of (i) final dismissal of any appeal from the Judgments, or the final dismissal of any proceeding on certiorari or otherwise to review the Judgments; or (ii) the date of final affirmation of the Judgments on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review of the Judgments and, if certiorari or other form of review is granted, the date of final affirmation of the Judgments following review pursuant to that grant. Any proceeding or order, or any appeal or petition for a writ of certiorari or other form of review pertaining solely to (i) any application for attorneys'/counsel fees, costs or expenses, and/or (ii) the Plan of Allocation, shall not in any way delay or preclude the Judgments from becoming Final.

(r) "Gross Settlement Fund" means the cash amounts to be paid pursuant to ¶8 hereof, which consists of USD \$5,200,000, and any interest on or other income or gains in respect of said sum earned while such amounts are held by the Escrow Agent.

(s) "Individual Defendants" means Gregory S. Noval, Michael E. Coolen, Craig McKenzie, Leif Snethun, Leigh Bilton, Charles Dallas, Thomas J. Harp, Alexander Squires, Robb D. Thompson and Richard Watkins.

(t) "Judgment" or "Judgments" means the orders to be issued by the Courts approving the Settlement substantially in the forms attached hereto as Exhibits "B" (the "Canadian Judgment") and "D" the "U.S. Judgment").

(u) "Net Settlement Fund" has the meaning defined in ¶12(a) hereof.

(v) "Notice Date" means the first day on which the Notice of Pendency and Certification of Class Actions, Proposed Settlement and Settlement Approval/Fairness Hearings (the "Notice") and Proof of Claim are mailed to Class Members.

(w) "Opt-out Deadline" means the last date by which Class Members may mail or otherwise submit an Opt-out Request to the Claims Administrator in order to exclude themselves from the Class, which shall be the Notice Date plus 60 days.

(x) "Opt-out Request" means a signed written letter of request for exclusion from the Class that lists the Class Member's name, address and telephone number plus the date(s), price(s) and number(s) of shares of all of the Class Member's purchases, acquisitions and sales of Canadian Superior common stock during the Class Period, supported by broker confirmations or other documentation of the transactions, when submitted by a Class Member to the Claims Administrator before the Opt-out Deadline will enable a Class Member to exclude himself, herself or itself from the Class, and thereby the Actions.

(y) "Opt-out Threshold" means the number of shares of Canadian Superior common stock traded during the Class Period specified in the Supplemental Agreement.

(z) "Person" means an individual, corporation, general or limited partnership, association, joint stock company, joint venture, limited liability company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof and any other business or legal entity and its heirs, predecessors, successors, representatives, or assigns.

(aa) "Plaintiffs" means the U.S. Lead Plaintiff and the Canadian Representative Plaintiffs.

(bb) "Plaintiffs' Counsel" means U.S. Lead Plaintiff's Counsel and Canadian Class Counsel.

(cc) "Plan of Allocation" means the plan for distribution of the Net Settlement Fund to Authorized Claimants as approved by the Courts.

(dd) "Plan of Notice" means the proposed plan for dissemination of the Pre-Approval Notices attached hereto as Exhibit "E."

(ee) "Pre-Approval Notices" means the short-form and long-form notices referred to in ¶33 herein and respectively attached as Exhibits "F" and "G," or as otherwise acceptable to Plaintiffs' Counsel and to Defendants' Counsel, each acting reasonably, and as approved by the respective Courts in the Pre-Approval Orders.

(ff) "Pre-Approval Orders" means the Canadian Pre-Approval Order and the U.S. Pre-Approval Order.

(gg) "Proof of Claim" means such form acceptable to Plaintiffs' Counsel and Defendants' Counsel, each acting reasonably, and as approved by the Courts, which, when completed and submitted in a timely manner to the Claims Administrator, enables a Class Member to apply for compensation under the Settlement, and which shall further include an acknowledgement and acceptance of the release of the Settled Claims against the Released Parties.

(hh) "Released Parties" means any and all of the Defendants, and each of their respective present and former parents, subsidiaries, affiliates, officers, directors, employees, general or limited partners or partnerships, foundations, trusts, principals, trustees, attorneys, legal counsel, auditors, accountants, investment bankers, consultants, agents, insurers (including Defendants' Insurers), co-insurers, heirs, executors, administrators, predecessors, successors and assigns.

(ii) "Released Plaintiff Parties" means the U.S. Lead Plaintiff, the Canadian Representative Plaintiffs, Plaintiffs' Counsel, and all Class Members.

(jj) "Releasors" means, individually and collectively, U.S. Lead Plaintiff, Canadian Representative Plaintiffs and all Class Members on behalf of themselves, their personal representatives, agents, heirs, executors, administrators, trustees, beneficiaries, current and former

plan members and contributors, successors, assigns, and any person they represent in relation to Canadian Superior securities purchased or otherwise acquired during the Class Period or in relation to the Settled Claims.

(kk) "Settled Claims" means any and all claims, debts, demands, rights, actions, causes of action, suits, matters, issues, damages, losses or liabilities whatsoever (including, but not limited to, any claims for interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on United States or Canadian federal, state, provincial, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims (as defined herein) (i) that have been asserted in any of the Actions against any of the Released Parties; or (ii) that could have been asserted in any forum by the Class Members or any of them (as purchasers of Canadian Superior common stock during the Class Period) against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters, breaches, occurrences, financial statements, statements, representations or omissions involved, set forth, or referred to in the Actions (except that Settled Claims does not include claims, rights or causes of action or liabilities whatsoever (i) to enforce the Settlement; and (ii) for breach or violation of any of the terms of this Stipulation or orders or judgments issued by the Courts in connection with the Settlement or confidentiality obligations with respect to settlement communications).

(ll) "Settled Defendants' Claims" means any and all claims, rights or causes of action or liabilities whatsoever, whether based on United States or Canadian federal, state, provincial, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Actions or in any

forum by the Defendants or any of them or the successors and assigns of any of them against any of the U.S. Lead Plaintiff, Canadian Representative Plaintiffs or Class Members or their attorneys, which arise out of or relate in any way to the institution or prosecution of the Actions (except that Settled Defendants' Claims does not include all claims, rights or causes of action or liabilities whatsoever related to the settlement of the Actions, including enforcement of the Settlement and any of the terms of this Stipulation or orders or judgments issued by the Courts in connection with the Settlement or confidentiality obligations with respect to settlement communications).

(mm) "Settlement" means the global settlement of the Actions contemplated by this Stipulation.

(nn) "Supplemental Agreement" means the agreement between Plaintiffs' Counsel and Defendants' Counsel setting forth certain conditions under which this Settlement may be terminated.

(oo) "Taxes" means (i) any and all applicable taxes, duties and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any (A) with respect to the income or gains earned by or in respect of the Gross Settlement Fund, including, without limitation, any taxes that may be imposed upon Canadian Superior or its counsel with respect to any income or gains earned by or in respect of the Gross Settlement Fund for any period while it is held by the Escrow Agent during which the Gross Settlement Fund does not qualify as a Qualified Settlement Fund for federal, state or provincial income tax purposes; or (B) by way of withholding as required by applicable law on any distribution by the Escrow Agent or the Claims Administrator of any portion of the Gross Settlement Fund to Authorized Claimants and other persons entitled hereto pursuant to this Stipulation; and (ii) any and all expenses, liabilities and costs incurred in connection with the taxation of the Gross Settlement

Fund (including without limitation, expenses of tax attorneys and accountants). For the purposes of subparagraph (ii) (A) hereof, taxes imposed on Canadian Superior shall include amounts equivalent to taxes that would be payable by Canadian Superior but for the existence of relief from taxes by virtue of loss carryforwards or other tax attributes, determined by Canadian Superior, acting reasonably and accepted by the Escrow Agent, acting reasonably.

(pp) "Unknown Claims" shall mean any and all Settled Claims which any of the Plaintiffs or the Class Members do not know or suspect to exist in their favor at the time of the Effective Date, and any Settled Defendants' Claims which any Defendant does not know or suspect to exist in his or its favor at the time of the Effective Date which if known might have affected the decisions with respect to the Settlement and releases therein. With respect to any and all Settled Claims and Settled Defendants' Claims, the parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the judgments shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state, province, or territory of the United States or Canada, or principle of common law or otherwise, which provides that a general release does not extend to claims which a creditor or releasor does not know or suspect to exist in their favor at the time of executing the release which, if known, might have materially affected their settlement and release of individuals and persons, including any provisions, rights or benefits under California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in her or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs and Class Members may hereinafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of the Settled Claims,

but Plaintiffs shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have and, by operation of the judgments shall have, fully, finally, and forever settled and released any and all Settled Claims. Plaintiffs and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendants' Claims was separately bargained for and was a key element of the Settlement. Defendants may hereinafter discover facts in addition to, or different from, those which they know or believe to be true with respect to the subject matter of the Settled Defendants' Claims, but Defendants shall expressly fully, finally, and forever settle and release any and all Settled Defendants' Claims.

(qq) "U.S. Class" means the class to be certified, for purposes of settlement only, by the U.S. Court in the U.S. Action, comprising all Persons who purchased or otherwise acquired Canadian Superior common stock during the Class Period, other than the Excluded Persons and the Canadian Class.

(rr) "U.S. Class Member" means a member of the U.S. Class.

(ss) "U.S. Pre-Approval Order" means the order sought to be issued by the U.S. Court, substantially in the form attached hereto as Exhibit 'C.'

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation shall be in full and final disposition with prejudice of the Actions and any and all Settled Claims as against all Released Parties and any and all Settled Defendants' Claims. Nothing herein shall affect any right to enforce the terms of the Stipulation.

3. Upon the Effective Date, the Releasors release and forever discharge, and are forever barred and enjoined from prosecuting any and all Settled Claims against any of the Released Parties,

and shall not institute, continue, maintain or assert, either directly or indirectly, whether in the United States, Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, proceeding, complaint, claim or demand against any Released Party or any other person who may claim any form of contribution or indemnity from any Released Party in respect of any Settled Claim or any matter related thereto.

4. Upon the Effective Date, this Stipulation shall operate conclusively as an estoppel and full defense in the event of any action, suit, cause of action, proceeding, complaint, claim or demand brought by any Releasors against any of the Released Parties with respect to Settled Claims, and this Stipulation may be pleaded in the event of any such action, suit, cause of action, proceeding, complaint, claim or demand and relied upon for the purpose of an application to dismiss the action, suit, cause of action, proceeding, complaint, claim or demand on a summary basis. Following the Effective Date, no Releasor may seek to avoid the application of this Stipulation based on a lack of privity or mutuality. In the event that any Releasor initiates or seeks to prosecute, in any action, suit, cause of action, proceeding, complaint, claim or demand of any kind, a Settled Claim against any of the Released Parties, the Released Party against whom the Settled Claim is asserted shall be entitled to recover from such Releasor its actual costs, including actual legal fees, on a full indemnity basis, in defending the action, suit, cause of action, proceeding, complaint, claim or demand.

5. With respect to any and all Settled Claims and Settled Defendants' Claims, the parties stipulate and agree that upon the Effective Date, U.S. Lead Plaintiff, the Canadian Representative Plaintiffs and the Defendants shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgments shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state, province or territory of the United States or Canada, or principle of common law or otherwise, which provides that a general release does not

extend to claims which a creditor or releasor does not know or suspect to exist in his, her or its favor at the time of executing the release, which if known, might have materially affected his, her or its settlement and release of individuals and entities. U.S. Lead Plaintiff, the Canadian Representative Plaintiffs, and Class Members may hereinafter discover facts in addition to, or different from, those which he, she or it now knows or believes to be true with respect to the subject matter of the Settled Claims, but the U.S. Lead Plaintiff and the Canadian Representative Plaintiffs shall expressly fully, finally and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgments, shall have, fully, finally, and forever settled and released any and all Settled Claims. U.S. Lead Plaintiff, the Canadian Representative Plaintiffs and the Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendants' Claims was separately bargained for and was a key element of the Settlement.

6. Upon the Effective Date, the Defendant Releasors release and forever discharge each and every one of the Settled Defendants' Claims, and are forever barred and enjoined from prosecuting the Settled Defendants' Claims against the Released Plaintiff Parties.

7. Upon the Effective Date, this Stipulation shall operate conclusively as an estoppel and full defense in the event of any action, suit, cause of action, proceeding, complaint, claim or demand brought by any Defendant Releasors against any of the Released Plaintiff Parties with respect to Settled Defendants' Claims and this Stipulation may be pleaded in the event of any such action, suit, cause of action, proceeding, complaint, claim or demand and relied upon for the purpose of an application to dismiss the action, suit, cause of action, proceeding, complaint, claim or demand on a summary basis. In the event that any Defendant Releasor initiates or seeks to prosecute in any action, suit, cause of action, proceeding, complaint, claim or demand of any kind, a Settled

Defendants' Claim against any of the Released Plaintiff Parties, the Released Plaintiff Party against whom the Settled Defendants' Claim is asserted shall be entitled to recover from such Defendant Releasor its actual costs, including actual legal fees, on a full indemnity basis, in successfully defending the action, suit, cause of action, proceeding, complaint, claim or demand.

SETTLEMENT CONSIDERATION

8. In consideration for the full and final release and discharge provided for in ¶3 hereof, including all claims against Released Parties for legal fees, costs, interest, disbursements, settlement, Taxes, administration, mailing, and any other costs involved in the full and final completion and implementation of the Settlement and the dismissal of the Actions with prejudice, Defendants' Insurers shall pay the sum of FIVE MILLION TWO HUNDRED THOUSAND U.S. DOLLARS (USD \$5,200,000) to the Escrow Agent within fourteen (14) calendar days after both (i) entry of the U.S. Pre-Approval Order by the U.S. Court and (ii) consent certification on a national basis by the Ontario Court by entry of the Canadian Pre-Approval Order.

9. The Escrow Agent shall hold the Gross Settlement Fund in the Escrow Agent Account as agent for the Class, and all funds held by the Escrow Agent shall be deemed to be in the custody of the Courts until such time as the funds shall be distributed to Authorized Claimants or returned to Defendants' Insurers upon termination of the Settlement pursuant to this Stipulation and/or further order of the Courts. The Gross Settlement Fund shall bear all risks related to the investment of the Gross Settlement Fund.

10. If the Settlement is terminated pursuant to this Stipulation (¶¶40-43), the Escrow Agent shall pay the Gross Settlement Fund within twelve (12) calendar days to Defendants' Insurers, less any: (i) Taxes paid or due with respect to any interest or other income earned thereon or in respect thereof; (ii) reasonable costs of administration and notice actually incurred and paid or

payable from the Gross Settlement Fund (as described in ¶16 hereof); (iii) applicable withholding taxes; and (iv) reasonable and administrative costs charged by the financial institution holding the Escrow Agent Account.

11. The parties hereto agree that the Gross Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-1, and that the Escrow Agent as administrator of the Gross Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall be responsible for filing tax returns and any other tax reporting for or in respect of the Gross Settlement Fund and paying from the Gross Settlement Fund any Taxes owed with respect to the Gross Settlement Fund. The parties hereto agree that the Gross Settlement Fund shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Gross Settlement Fund as a Qualified Settlement Fund from the earliest date possible. Canadian Superior agrees to provide promptly to the Escrow Agent the statement described in Treasury Regulation §1.468B-3(e).

12. (a) The Gross Settlement Fund shall be used to pay (i) for all costs incurred and associated with any and all notices to Class Members (and any translations of same into the French language); (ii) any other of the administration costs referred to in ¶16 hereof; and (iii) the attorneys' fees and expense award referred to and subject to ¶18 hereof. The balance of the Gross Settlement Fund after the above payments and payment of any Taxes shall be the "Net Settlement Fund." The Net Settlement Fund shall be transferred following the Effective Date by the Escrow Agent to the Claims Administrator for distribution to Authorized Claimants as provided in the Plan of Allocation and ¶28 hereof.

(b) All Taxes shall be paid out of the Gross Settlement Fund, shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Escrow Agent without

prior order of the Courts. The Claims Administrator and/or the Escrow Agent shall, to the extent required by law, be obligated to withhold from any distributions to Authorized Claimants and other persons entitled thereto pursuant to this Stipulation any funds necessary to pay Taxes including the establishment of adequate reserves for Taxes as well as any amount that may be required to be withheld under Treasury Regulation 1.468B-1(2) or otherwise under applicable law in respect of such distributions. Further, the Gross Settlement Fund shall be applied to indemnify and hold harmless the Defendants and their counsel for Taxes (including, without limitation, taxes payable by reason of any such indemnification).

(c) None of the Released Parties or their respective counsel shall have any responsibility for or liability whatsoever with respect to (i) any act, omission or determination of Plaintiffs' Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Gross Settlement Fund; (iii) the Plan of Allocation; (iv) the determination, administration, calculation or payment of any claims asserted against the Gross Settlement Fund; (v) any losses suffered by, or fluctuations in the value of, the Gross Settlement Fund; or (vi) the payment of withholding of any Taxes, expenses and/or costs incurred in connection with the taxation of the Gross Settlement Fund or the filing of any returns.

(d) Authorized Claimants shall provide any and all such information that the Claims Administrator may reasonably require and is required by applicable law in respect of Taxes and filings and reportings for and in respect of Taxes, before any distributions are made to Authorized Claimants as contemplated hereby, and the Claims Administrator may, without liability to the Authorized Claimants, delay such distribution unless and until such information is provided in the form required by the Claims Administrator.

ADMINISTRATION

13. The Claims Administrator shall administer the Settlement subject to the jurisdiction of the U.S. Court with respect to the U.S. Class and the Ontario Court with respect to the Canadian Class.

14. To the extent reasonably necessary to effectuate notice of the Settlement, within twenty-one (21) calendar days of the execution of this Stipulation, Canadian Superior shall, at its own expense, provide to the Claims Administrator, to the extent reasonably available, information from Canadian Superior's transfer records concerning the identity and last known address of Class Members during the Class Period, which information the Claims Administrator shall treat as confidential and the Claims Administrator shall take all necessary steps to maintain the confidentiality of such information. This provision shall be subject to all applicable Canadian or U.S. laws concerning the transfer (or inability to transfer) such information.

15. The Escrow Agent, acting solely in its capacity as escrow agent, shall be subject to the jurisdiction of the Courts.

16. The Escrow Agent may pay from the Gross Settlement Fund, without further approval from Defendants' Insurers, all reasonable costs and expenses associated with identifying and notifying the Class Members and effecting mailing and/or publication of notices to the Class approved by the Courts, and the administration of the Settlement including, without limitation, the actual costs of printing and mailing and/or publication of such notices, translation of same into the French language, reimbursements to nominee owners for the actual costs incurred in forwarding the notices and other settlement-related documents to their beneficial owners, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice and processing the submitted claims. Should either of the Courts require that this Settlement

Agreement be translated into the French language, the costs and expenses of such translation shall be borne by the Settlement Fund. In the event that the Settlement is terminated, as provided for in ¶40 herein, reasonable and proper notice and administration costs paid or accrued in connection with this paragraph shall not be returned to Defendants' Insurers.

ATTORNEYS' FEES AND EXPENSES

17. Contemporaneously with their motion for final approval of the Settlement, U.S. Lead Plaintiff's Counsel will bring a motion to the U.S. Court for an award of attorneys' fees and expenses payable from the Gross Settlement Fund. Canadian Class Counsel will similarly bring a motion to the Ontario Court for an award of their counsel fees and reimbursement of expenses to be paid from the Gross Settlement Fund contemporaneously with their motion for approval of the Settlement. Based on the language concerning the fees sought as set forth in the Notice, Defendants will take no position and will not make submissions on such motions. Plaintiffs' Counsel may make additional motions to the Courts for reimbursement of further expenses including additional notice and administration expenses payable from the Gross Settlement Fund incurred subsequent to any initial motion for attorneys' fees and expenses.

18. Such fees and expenses as are awarded by the U.S. Court to U.S. Lead Plaintiff's Counsel or by the Ontario Court to Canadian Class Counsel from the Gross Settlement Fund shall be payable by the Escrow Agent within five (5) calendar days of award by the applicable court, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiffs' Counsel's obligations to make appropriate refunds or repayments to the Gross Settlement Fund plus accrued interest at the same rate as is earned by the Gross Settlement Fund under the Escrow Agent Account, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral

attack, either or both of the fee or expense awards is reduced or reversed. Such reimbursement shall be made no later than fifteen (15) calendar days after such reduction or reversal.

19. The fees and expenses to be paid to U.S. Lead Plaintiff's Counsel and Canadian Class Counsel from the Gross Settlement Fund shall be such amounts as are approved by the Courts. The procedure for, and the allowance or disallowance of any motion for attorneys' fees and expenses, are not a condition of or a part of the Settlement, are to be considered by the Courts separately from the Courts' consideration of the fairness, reasonableness, and adequacy of the Settlement, and shall not affect the validity of the Settlement. Any order or proceeding related to any request for attorneys' fees or expenses, or any appeal from any order or proceedings related thereto, shall not affect or delay the Effective Date and the finality of the Judgments approving the Settlement.

20. The Released Parties shall have no responsibility for, or any liability whatsoever with respect to, any payment of counsel fees and expenses to U.S. Lead Plaintiff's Counsel or to Canadian Class Counsel.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

21. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon each Authorized Claimant's recognized claim as defined in the Plan of Allocation.

22. It is understood and agreed by the parties that any Plan of Allocation proposed to the Courts is not part of the Stipulation and is to be considered by the Courts separately from the Courts' consideration of the fairness, reasonableness and adequacy of the Settlement, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the Finality of the Judgments approving the Stipulation and the Settlement set forth herein, or any other orders entered pursuant to the Stipulation.

23. This is not a claims made settlement. Defendants' Insurers shall not be entitled to receive any of the Gross Settlement Fund following the Effective Date. Defendants shall have no involvement in reviewing or challenging claims by claimants.

ADMINISTRATION OF THE SETTLEMENT

24. Any Class Member who does not submit a timely and valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund but will otherwise be bound by all of the terms of the Stipulation and the Settlement, including the terms of the Judgments to be entered in the Actions and the releases provided for herein, and will be barred from bringing any action, suit, cause of action, proceeding, complaint, claim or demand against the Released Parties concerning the Settled Claims.

25. The Claims Administrator shall process the Proofs of Claim and, after the Effective Date, the Claims Administrator shall distribute the Net Settlement Fund to Authorized Claimants in accordance with the Plan of Allocation approved by the Courts. Defendants and the Released Parties shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund.

26. Payment pursuant to the Settlement shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgments to be entered in the Actions, and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

27. All proceedings with respect to the administration, processing and determination of Proofs of Claim, and the determination of all controversies relating thereto, excluding disputed

questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the U.S. Court with respect to U.S. Class Members and to the jurisdiction of the Ontario Court with respect to Canadian Class Members.

28. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date, and after all claims have been processed, and all claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to contest with the Claims Administrator such rejection or disallowance in accordance with the Plan of Allocation.

29. Within one hundred and twenty (120) days after the first mailing of the long-form of the Pre-Approval Notice or such other time as may be set by the Courts, each Class Member claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and as are reasonably available to the Class Member.

30. No Class Member shall have any claims against U.S. Lead Plaintiff's Counsel, Canadian Class Counsel or against any of the Released Parties or their counsel based on the investments, costs, expenses, administration, allocations, payments and distributions that are made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation approved by the Courts, or further order(s) of the Courts.

NOTICE AND HEARING FOR APPROVAL OF THE SETTLEMENT

31. The parties herein will use their best efforts to secure the Courts' respective approval of the Settlement and dismissal of the Actions with prejudice. The parties herein agree to stay all proceedings and steps in the Actions other than the proceedings provided for in this Stipulation, until the Effective Date or the termination of this Stipulation as provided herein, whichever occurs first.

32. (a) Promptly after this Stipulation has been fully executed, U.S. Lead Plaintiff shall apply to the U.S. Court, on notice to the Defendants, for entry of the U.S. Pre-Approval Order, substantially in the form annexed hereto as Exhibit "C," including approval of the Pre-Approval Notices.

(b) Promptly after this Stipulation has been fully executed, Canadian Class Counsel shall contemporaneously apply to the Ontario Court, on notice to the Defendants, for entry of the Canadian Pre-Approval Order, substantially in the form annexed hereto as Exhibit "A," including approval of the Pre-Approval Notices.

TERMS OF ORDER AND FINAL JUDGMENT

33. If the Settlement contemplated by this Stipulation is approved by the U.S. Court, U.S. Lead Plaintiff's Counsel and U.S. counsel to the Defendants shall jointly request that a Judgment be issued and entered substantially in the form annexed hereto as Exhibit "D," effecting the Settlement, dismissing the U.S. Action with prejudice and causing members of the U.S. Class to be bound by the terms of the Settlement, including the releases provided herein.

34. If the Settlement contemplated by this Stipulation is approved by the Ontario Court, Canadian Class Counsel and Canadian counsel to the Defendants shall request that a Judgment be issued and entered substantially in the form annexed hereto as Exhibit "B," effecting the Settlement, dismissing the Canadian Actions with prejudice, and causing members of the Canadian Class to be bound by the terms of the Settlement, including the releases provided herein.

35. The Defendants consent to certification of the Actions as class actions as provided for in the aforementioned U.S. Pre-Approval Order, Canadian Pre-Approval Order or Judgments solely for the purpose of effectuating the Settlement. If the Settlement is not approved or is otherwise terminated pursuant to the terms in this Stipulation or the Effective Date for any reason does not

occur, any orders certifying the Actions as class proceedings and certifying the U.S. Class and the Canadian Class and all preliminary and/or final findings regarding the Courts' certification orders shall be automatically set aside on consent upon notice to the Courts, and the Actions shall proceed as though the Actions had never been certified and such findings in respect of class certification had never been made, without prejudice to any party to either request or oppose class certification on any basis.

OPT OUTS & OPT OUT THRESHOLD

36. Putative Class Members shall have the right to exclude themselves, or opt out, from the U.S. Class or Canadian Class, as the case may be, and thereby from the U.S. Action and Canadian Actions and this Settlement. Putative Class Members who wish to elect to opt out must complete the corresponding Opt-out Request and file it with the Claims Administrator by the Opt-out Deadline. Putative Class Members who validly opt out shall be excluded from any and all rights and obligations under the Settlement. Putative Class Members who do not opt out in the manner and time prescribed above shall be deemed to have elected to participate in this Settlement regardless of whether such individual or person timely files a Proof of Claim.

37. Within five (5) calendar days following the Opt-out Deadline, the Claims Administrator shall provide to Defendants' Counsel and Plaintiffs' Counsel a complete, written list, including addresses and contact information of all individuals and persons who have opted out and copies of the completed Opt-out Request containing complete information as to the number of Canadian Superior shares purchased during the Class Period by each individual or person who has elected to opt out.

38. Simultaneously herewith, Plaintiffs' Counsel and Defendants' Counsel are executing a "Supplemental Agreement" setting forth certain conditions under which this Settlement may be

terminated by Defendants if the number of Class Members who exclude themselves from the combined Class by timely filing valid Opt-out Requests exceeds the Opt-out Threshold. The Supplemental Agreement shall not be filed with the Court unless it is ordered by one or both of the Courts or unless a dispute arises with respect to its terms or application. In such event, the parties shall request that a redacted Supplemental Agreement be filed. The Opt-out Threshold may be disclosed to the Courts for purposes of the approval of the Settlement, as may be required by the Courts, but such disclosure shall be carried out to the fullest extent possible in accordance with the practices of the respective Courts so as to maintain the Opt-out Threshold as confidential. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, with the exception of the provisions of ¶¶ 1, 10, 16, 35, 38, 43 and 44 which shall continue to apply.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

39. The "Effective Date" of Settlement shall be the date when all of the following conditions of settlement shall have occurred:

(a) approval by the U.S. Court of the Settlement, following notice to the U.S. Class and a hearing, as prescribed by Rule 23 of the (United States) Federal Rules of Civil Procedure;

(b) the issuance and entry by the U.S. Court of a Judgment, substantially in the form set forth in Exhibit "D" hereto, which has become Final;

(c) approval of the Settlement by the Ontario Court in the Canadian Actions, following notice to the Canadian Class and a hearing pursuant to the Ontario *Class Proceedings Act, 1992*;

(d) the issuance and entry by the Ontario Court of a Judgment, substantially in the form set forth in Exhibit "B" annexed hereto, which has become Final;

(e) the expiry of time under the terms of the Supplemental Agreement for Canadian Superior to elect to terminate the Settlement and this Stipulation as provided for under the Supplemental Agreement and ¶41 herein; and

(f) the expiry of time under the terms of this Stipulation to terminate the Settlement as provided for in ¶40 herein.

40. U.S. Lead Plaintiff, the Canadian Representative Plaintiffs and Defendants shall each have the right to terminate the Settlement and thereby this Stipulation by providing written notice of their or its election to do so to one another (by means of delivery by facsimile to Plaintiffs' Counsel and Defendants' Counsel) within thirty (30) calendar days of any of the following: (a) any one of the Courts refusing to issue the U.S. Pre-Approval Order or the Canadian Pre-Approval Order, as the case may be, in any material respect as set forth in Exhibits "A" and "C" hereto; (b) any one of the Courts refusing to approve this Settlement as set forth in this Stipulation for one or more of the Actions; (c) any one of the Courts refusing to issue the Canadian Judgment or the U.S. Judgment, as the case may be, in any material respect as set forth in Exhibits "B" and "D"; or (d) the date upon which a judgment is modified or reversed in any material respect by any level of appellate court. For purposes of this section of the Stipulation, no order of any of the Courts, or modification or reversal on appeal of any order of any of the Courts solely concerning the Plan of Allocation, the administration of the Settlement, or the Persons performing such administrative functions, or the amount, advancement, or award of any fees or expenses awarded by any of the Courts to any of the plaintiff's counsel, including attorneys' fees and expenses, shall constitute grounds for termination of the Stipulation.

41. Notwithstanding anything else in this Stipulation, Defendants may (but only unanimously), in accordance with the terms set forth in the Supplemental Agreement elect in writing to terminate the Settlement and this Stipulation if the Opt-out Threshold is exceeded or as otherwise provided in the Supplemental Agreement.

42. Notwithstanding anything else in this Stipulation, the U.S. Lead Plaintiff and the Canadian Representative Plaintiffs may jointly elect in writing to terminate the Settlement and this Stipulation if the Gross Settlement Fund is not timely paid to the Escrow Agent Account.

43. Except as otherwise provided herein, in the event that the Settlement is terminated, the parties to this Stipulation shall be deemed to have reverted to their respective status in the Actions immediately prior to the execution of this Stipulation and, except as otherwise expressly provided, the parties shall proceed in all respects as if this Stipulation and any related orders and judgments had not been entered.

NO ADMISSION OF WRONGDOING

44. This Stipulation shall be construed solely as a reflection of the parties' desire to facilitate a resolution of the claims in these Actions. The parties agree that no party was or is a prevailing party in the Actions. This Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) shall not be offered or received against any or all of the Defendants as evidence of, or construed or deemed to be evidence of, any presumption, concession, or admission by any of those Defendants with respect to the truth of any fact alleged by any of the plaintiffs or the validity of any claim that has been or could have been asserted in the Actions or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Actions or in any litigation, or of any liability, negligence, fault, or wrongdoing of the Defendants;

(b) shall not be offered or received against the Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any or all of the Released Parties;

(c) shall not be offered or received against the Defendants as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing or in any way referred to for any other reason as against any of the Defendants, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Courts, Defendants may refer to it to effectuate the liability protection granted them hereunder;

(d) shall not be construed against any of the Defendants as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial;

(e) shall not be construed or received in evidence as an admission, concession or presumption against U.S. Lead Plaintiff, Canadian Representative Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Defendants have any merit, or that damages recoverable under the Actions would not have exceeded the Gross Settlement Fund; and

(f) shall not be construed or received in evidence as an act of attornment to the jurisdiction of any court by U.S. Lead Plaintiff or Canadian Representative Plaintiffs or the Defendants by reason of their participation or the participation of their respective counsel in proceedings taken pursuant to the Stipulation to approve the Settlement.

MISCELLANEOUS PROVISIONS

45. The parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the U.S. Lead Plaintiff, Canadian Representative Plaintiffs, and Class Members against the Released Parties with respect to the Settled Claims. Accordingly, U.S. Lead Plaintiff, Canadian Representative Plaintiffs and the Defendants agree not to assert in any forum that the Actions were brought by the plaintiffs or defended by Defendants in those actions in bad faith or without a reasonable basis. The parties hereto shall assert no claims of any violation of Rule 11 of the (United States) Federal Rules of Civil Procedure relating to the prosecution, defense or settlement of the Actions. The parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the parties, and reflect a settlement that was reached voluntarily after consultation with experienced and independent legal counsel. The U.S. Judgment will contain a finding that the parties to the U.S. Action complied with the requirements of Rule 11 of the (United States) Federal Rules of Civil Procedure.

46. Neither the U.S. Lead Plaintiff, the Canadian Plaintiffs, nor any Class Members recognize any infirmity in the claims asserted in the Actions or any other action. Nonetheless, they recognize the expense and length of continued proceedings necessary to prosecute the Actions through trial and appeals, and also have taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as the Actions, as well as the delays inherent in such litigation. They are further mindful of the inherent problems of proof under, and defenses to, the securities law, oppression, common law and other violations asserted in the Actions, and believe that the Settlement provided for in this Stipulation confers substantial benefits upon the Class. U.S. Lead Plaintiff and the Canadian Representative Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

47. Defendants have vigorously denied, and continue to deny any wrongdoing and liability whatsoever and each and all claims and contentions alleged in the Actions and deny that the U.S. Lead Plaintiff, the Canadian Representative Plaintiffs and members of the Class have suffered any damages, loss, or harm whatsoever by reason of any conduct or omission of the Defendants. Defendants state they are agreeing to this Settlement solely because it will eliminate the substantial burden, expense and uncertainties of further litigation and the concomitant distraction of resources and efforts from their businesses.

48. U.S. Lead Plaintiff, Canadian Representative Plaintiffs, and the Defendants agree to cooperate fully with one another in seeking the Courts' approval of the Settlement and the orders and judgments referred to in this Stipulation concerning notice and approval of the Settlement, and to agree promptly upon and execute all such other documentation as may be reasonably required to obtain final approval by the Courts of the Settlement.

49. The administration and consummation of the Settlement as embodied in this Stipulation as it pertains to U.S. Class Members shall be under the authority of the U.S. Court and it shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to U.S. Lead Plaintiff's Counsel and enforcing the terms of this Stipulation as it relates to U.S. Class Members. The administration and consummation of the Settlement as embodied in this Stipulation as it pertains to Canadian Class Members shall be under the authority of the Ontario Court and it shall retain jurisdiction for the purpose of entering orders providing for counsel fees and expenses to Canadian Class Counsel and enforcing the terms of this Stipulation as it relates to Canadian Class Members.

50. All of the Exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

51. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

52. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all parties hereto or their successors-in-interest.

53. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation or a waiver by any other party.

54. This Stipulation shall be binding upon, and inure to the benefit of, the successors, heirs, executors, administrators, trustees and assigns of the parties hereto and, upon the Effective Date, members of the U.S. Class and the Canadian Class and their respective successors, heirs, beneficiaries, current and former plan members and contributors, executors, administrators, trustees and assigns.

55. The construction and interpretation of this Stipulation and the Supplemental Agreement shall be governed by the laws of the State of New York (in the case of the U.S. Class), and the Province of Ontario (in the case of the Canadian Class), each without regard to conflicts of laws, except to the extent that federal law of Canada requires that federal law governs, in which case the laws of Canada shall apply.

56. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the parties, it being recognized that it is the result of arm's-length negotiations between the parties and that all parties have contributed substantially and materially to the preparation of this Stipulation.

57. This Stipulation, its Exhibits and the Supplemental Agreement constitute the entire agreement concerning the Settlement of the Actions, and no representations, warranties or inducements have been made by any party hereto concerning this Stipulation, its Exhibits and/or the Supplemental Agreement other than those contained and memorialized in such documents.

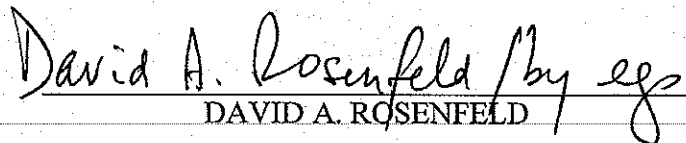
58. All counsel and any other person executing this Stipulation and any of the Exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

59. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

60. This Stipulation shall be prepared and executed only in the English language and shall not be translated.

IN WITNESS WHEREOF, the parties hereto have caused this Stipulation to be executed, by their duly authorized counsel, dated June 9, 2011.

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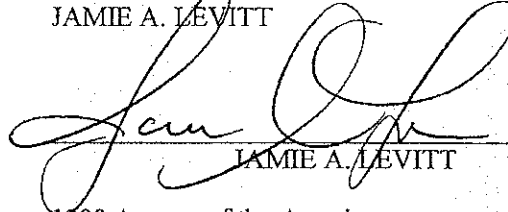
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