

FIRST NOTICE – LONG NOTICE

Please read this Notice carefully for details of the Proposed Settlement.

The Ontario Superior Court authorized this Notice.

WHAT THIS NOTICE CONTAINS:

A. BASIC INFORMATION

1. Why did I get this notice?
2. What is a class action?
3. What is this class action about?
4. Has there been a trial?
5. Why is there a proposed settlement?

B. WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

6. Who is included in the proposed settlement?
7. What if I am not sure whether I am included in the proposed settlement?

C. PROPOSED SETTLEMENT

8. What does the proposed settlement provide?
9. What am I giving up in the proposed settlement?
10. Can I opt out of the proposed settlement?

D. HOW TO RECEIVE A PAYMENT?

11. How will I receive a payment?
12. How will payments be calculated?

E. THE LAWYERS REPRESENTING YOU

13. Who is Class Counsel?
14. Do I have to pay Class Counsel anything?

F. PARTICIPATING IN THE PROPOSED SETTLEMENT HEARING

15. How do I tell the Court if I support the proposed settlement?
16. How do I tell the Court if I do not like the proposed settlement?

G. THE APPROVAL HEARING

17. When/where will the Court decide whether to approve the proposed settlement?
18. What if I do nothing?

H. GETTING MORE INFORMATION

How do I get more information?

A. BASIC INFORMATION

1. Why did I get this notice?

The Ontario Superior Court of Justice authorized this notice to let you know about a proposed settlement. [For the Direct Mailing Only – Based on CTS's records, we believe you may be a Class Member.]

This notice explains the lawsuit, the proposed settlement, and your legal rights.

2. What is a class action?

In a class action, one or more people called the “representative plaintiff(s)” sue on behalf of people who have similar claims, called the “class” or “class members”.

In a class action, the court can resolve all or some of the class members' claims at the same time. People who meet the definition of a "class member" are automatically included in the claim, unless they choose to "opt out". An opting out process has already taken place here.

3. What is this class action about?

The Representative Plaintiffs commenced the lawsuit and are represented by Cavalluzzo LLP (“Class Counsel”). CTS is defending the case and is represented by Cassels Brock & Blackwell LLP (“Defence Counsel”).

The lawsuit alleges that CTS violated statutory and contractual obligations when it shut down the CTS Plant in Streetsville. The lawsuit claimed damages for these alleged violations. CTS has denied all of the allegations advanced in this class action.

4. Has there been a trial?

This case proceeded to "summary judgment" in 2017, the summary judgment decision was appealed, and the appeal was allowed in part. After the appeal and an attempt to get the Supreme Court to hear the case, the Parties reached the proposed settlement.

5. Why is there a proposed settlement?

The Representative Plaintiffs and CTS have agreed to the proposed settlement.

By agreeing to the proposed settlement, the Parties avoid the costs and uncertainty of further trials and individualized assessment hearings and the potential delays in obtaining judgment. It also means that the Class Members will not need to testify in court.

The Representative Plaintiffs and Class Counsel think the proposed settlement is in the best interests of all Class Members.

B. WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

6. Who is included in the proposed settlement?

The class members (“**Class Members**”) included in the proposed settlement are:

All persons who were employed by one or both of the Defendants at their facility located at 80 Thomas Street, in Streetsville, Ontario who received notice of termination of their employment at any time on or after April 17, 2014 until final closure of this facility.

This class does not include:

- (a) employees who executed a full and final release in favour of the Defendants up to November 30, 2015;
- (b) employees who were dismissed for just cause;
- (c) employees who were absent due to disability; and,
- (d) Ugo Baldassare.

You are a Class Member if you meet this definition. Estates of Class Members may be eligible. A claim must be filed by the estate executor for any deceased Class Member.

If the settlement is approved, all Class Members will be bound by the proposed settlement and will be covered by the releases in the proposed settlement.

7. What if I am not sure whether I am included in the proposed settlement?

If you are not sure whether you are included in the proposed settlement, you may call Trilogy Class Action Services at 1-877-400-1211 (Toll Free) or visit www.ctscanadasettlement.com.

You may also contact the law firm representing the Class Members by calling 416-964-1115 or emailing CTSClassAction@cavalluzzo.com.

C. PROPOSED SETTLEMENT

8. What does the proposed settlement provide?

If approved, the settlement provides that Class Members are eligible for compensation as described in Section 12 below.

- compensation has been calculated for each person based on an assessment of what is fair and reasonable.
- you do not need to do anything to receive payment. However, it would help if you contact CTS to give them details so that they can pay you by direct deposit or by cheque, if you prefer. Details about that are found in Section 11, below.

The proposed settlement is for a total payment by CTS of \$1,047,297.85 (the “**Settlement Payment**”).

A full copy of the proposed Settlement Agreement is available for your review at: www.ctscanadasettlement.com.

9. What am I giving up in the proposed settlement?

Once the proposed settlement becomes final, you will have given up your right to sue CTS for the claims outlined in the Statement of Claim. In other words, you will be “releasing” CTS from liability for the claims set out by this Class Action. This means you cannot sue CTS for anything in respect of what happened to you when CTS shut down the Streetsville Plant.

The proposed Settlement Agreement describes the released claims with specific descriptions, so please read it carefully. If you have any questions about what this means, you may contact Class Counsel or you may engage your own lawyer. If you decide to retain your own lawyer, you are responsible for paying their legal fees.

10. Can I Opt Out of the Proposed Settlement?

No. You had an opportunity to opt out in 2016 and chose to not to do so. All Class Members agreed to remain part of the Class Action.

D. HOW TO RECEIVE A PAYMENT IF THE PROPOSED SETTLEMENT IS APPROVED

11. How will I receive a payment?

All Class Members will be sent payment whether they ask for it or not and whether they help by providing an address or banking details to assist with payment.

We are encouraging you to contact Trilogy Class Action Services to to provide your most recent contact details and your banking information. You can contact Trilogy Class Action Services by calling 1-877-400-1211 (Toll Free) or by emailing Inquiry@trilogyclassactions.ca. You can also send your information to the following address:

Trilogy Class Action Services
c/o CTS Canada Class Action Settlement
117 Queen Street,
P.O. Box 1000,
Niagara-on-the-Lake, ON L0S 1J0

If you do not do this, you risk having a cheque with your payment sent to the wrong address.

The Ontario Superior Court must decide whether to grant final approval of the proposed settlement (see “**The Approval Hearing**” below).

If the settlement is approved, we will provide more information about the claims process.

12. How will payments be calculated?

CTS and Cavalluzzo LLP have developed a spreadsheet that uses the results of prior court proceedings and that sets out figures that fairly resolve the outstanding issues. The payments each Class Member will receive were individually determined based on the detailed information available for each Class Member.

If you would like more information about your individualized payment, you may contact Trilogy Class Action Services by calling 1-877-400-1211 (Toll Free) or emailing Inquiry@trilogyclassactions.ca. The full settlement agreement is available at www.ctscanadasettlement.com. A detailed explanation for how each payment was calculated will be set out in Stephen Moreau's affidavit as part of a court "Motion Record". That Motion Record will be added to the website www.ctscanadasettlement.com shortly – please keep your eyes out for it if you wish to see further information.

E. THE LAWYERS REPRESENTING YOU

13. Who is Class Counsel?

Cavalluzzo LLP represents the Representative Plaintiffs and the Class Members. If you want to be represented by or receive advice from another lawyer, you may hire one at your own expense.

14. Do I have to pay Class Counsel anything?

You will not need to pay any legal fees out of your own pocket for services from Class Counsel relating to the Class Action. Class Counsel is asking for the approval of fees in the amount of \$174,724.92 plus HST of 13% on those fees. Class Counsel is also asking for approval of out of pocket disbursements in the amount of \$17,195.98. These amounts would be paid from the Settlement Payment. Only Class Members who gained additional damages from the Class Action relative to what they were offered in 2015 will have their individualized payments reduced by their proportionate share of the approved fees, HST, and disbursements. The baseline for the legal fee is 30% of any additional amounts Class Counsel obtained for those Class Members. Class Counsel are not seeking any fee for any amounts a Class Member could have been paid in 2015 in exchange for a Release.

If a Class Member retains other lawyers or a personal representative, that Class Member is responsible for paying their own lawyer or representative's fees, disbursements, and taxes.

F. PARTICIPATING IN THE PROPOSED SETTLEMENT HEARING

You may participate in the hearing to voice your support for the proposed settlement, to object to the proposed settlement if you disagree with all or part of it, and to voice support or disapproval of the proposed legal fees payments. The Court will consider your views.

Participation in the hearing is optional. You may choose to wait for the outcome of the hearing.

15. How do I tell the Court if I support the proposed settlement?

To express your support for the proposed settlement, the proposed legal fees, or both, you may write a letter or email that includes the following:

- Your name, address, and telephone number;
- A statement saying that you support the CTS Class Action proposed settlement, legal fees, or both;
- The reasons you support the proposed settlement, legal fees, or both, along with any supporting materials; and,
- Your signature.

You may mail or email your letter to:

CTS Class Action
c/o Cavalluzzo LLP, 474 Bathurst Street, Suite 300
Toronto, Ontario, M5T 2S6
Email: CTSClassAction@cavalluzzo.com

16. How do I tell the Court if I do not like the proposed settlement or legal fees?

To object to the proposed settlement, you may either:

- (a) **Make a written objection:** Write a letter or email that includes the following information:
 - Your name, address, and telephone number;
 - A statement saying that you object to the CTS Class Action proposed settlement or the legal fees or both;
 - The reasons you object to the proposed settlement, fees, or both, along with any supporting materials; and
 - Your signature.
- (b) **Make an oral objection at the approval hearing:** You must write a letter or email and indicate that you intend to appear at the hearing to object. The approval hearing before the Court is scheduled to be heard via ZOOM on March 16, 2021 at 10:00 a.m..

All objecting letters or emails must be sent on or before March 15,2021 to:

CTS Class Action
c/o Cavalluzzo LLP, 474 Bathurst Street, Suite 300
Toronto, Ontario, M5T 2S6
Email: CTSClassAction@cavalluzzo.com

G. THE APPROVAL HEARING

17. When/where will the Court decide whether to approve the proposed settlement and/or the legal fees?

The Ontario Superior Court will hold an Approval Hearing on **March 16, 2021 at 10:00 a.m.** The hearing will be heard via ZOOM. This is a public hearing, and you may attend if you wish. As a Class Member, you may also ask to speak, but you do not have to.

The hearing date could be moved to a different date or time without additional notice. If you plan to attend the hearing, we recommend you check Class Counsel website at <https://www.cavalluzzo.com/class-actions/details/cts-of-canada-plant-closure-action> or call 416-964-1115.

At the hearing, the Court will consider whether the proposed settlement is fair, reasonable, and in the best interests of the Class. If there are objections, the Court will listen to the people who asked to speak at the hearing.

After the hearing, the Court will decide whether to approve the proposed settlement. We cannot guarantee when the Judge will release his decision.

The Court will, at the same, consider whether the proposed legal fees are fair and reasonable.

18. What if I do nothing?

If you do nothing, you are deemed to have accepted the proposed settlement. The approval hearing will proceed and the Court will consider whether the proposed settlement is fair, reasonable, and in the best interests of the Class. You will have no further opportunity to make objections to the Court with respect to the proposed settlement.

H. GETTING MORE INFORMATION

19. How do I get more information?

This notice summarizes the proposed settlement. For full details, a copy of the proposed Settlement Agreement is available at: www.ctscanadasettlement.com.

If you have any questions, you may send them to:

Trilogy Class Action Services
c/o CTS Canada Class Action Settlement
117 Queen Street,
P.O. Box 1000,
Niagara-on-the-Lake, ON L0S 1J0

You may also contact Trilogy Class Action Services by calling 1-877-400-1211 (Toll Free) or emailing Inquiry@trilogyclassactions.ca.