

**SUPERIOR COURT
(Class Action Chamber)**

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL**

N°: 500-06-000932-182

QING WANG

Representative Plaintiff

v.

HERITAGE EDUCATION FUNDS INC.

and

HERITAGE EDUCATIONAL FOUNDATION

and

CHILDREN'S EDUCATION FUNDS INC.

and

CHILDREN'S EDUCATION FOUNDATION OF CANADA

and

KNOWLEDGE FIRST FINANCIAL INC. (personally and in continuance of proceedings for
HERITAGE EDUCATION FUNDS INC.)

and

KNOWLEDGE FIRST FOUNDATION

Settling Defendants

SETTLEMENT AGREEMENT

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This Settlement Agreement (*as defined below*) is entered into as of the last date on the signature page by and between Qing Wang, individually and as representative of the Class action defined below (the “**Representative Plaintiff**”), and Heritage Education Funds Inc., Heritage Education Foundation, Children’s Education Funds Inc., Children’s Educational Foundation Canada, Knowledge First Financial Inc. (personally and in continuance of proceedings for Heritage Education Funds Inc.) and Knowledge First Foundation (collectively, the “**Settling Defendants**” and, collectively with the Representative Plaintiff, the “**Parties**”);

I. RECITALS

- A. **WHEREAS** on June 15, 2018, an *Application for authorization to institute a class action and to appoint the status of representative plaintiff* was filed by Qing Wang in the Québec Superior Court file no. 500-06-000932-182 (the “**Application for Authorization**”) against the Settling Defendants, C.S.T. Consultants Inc., Canadian Scholarship Trust Foundation, Kaleido Foundation (personally and in continuance of proceedings for Universitas Foundation Of Canada), Kaleido Growth Inc. (personally and in continuance of proceedings for Universitas Management Inc.), Global Resp Corporation and Global Educational Trust Foundation (“**Defendants**”) in relation to Group Registered Education Savings Plan(s) (“**Group RESP(s)**”) and in relation to enrolment fees, sales charges, membership fees and losses of contribution further of the cancellation of a Group RESP;
- B. **WHEREAS** Representative Plaintiff alleges that Defendants acted unlawfully by charging a fee exceeding \$200 for each Group RESP in contravention of *Regulation No. 15 respecting Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses*, RLRQ, c. V-1.1, r. 44, s. 331.1, sub. 1.1 (7);
- C. **WHEREAS**, for the Subclass Members (*as defined below*), Representative Plaintiff alleges that the fees charged and forfeited in excess of 20% upon early termination of the Group RESP plan are abusive;
- D. **WHEREAS** on March 31, 2021, the Superior Court of Quebec authorized a Class Action (*as defined below*) on behalf of the following class:

Class (“Main Class”)

All persons residing in Quebec who, at any time since July 19th, 2013, signed a contract with any of the Defendants in which they were a subscriber and/or contributor (either primary or joint) for a Registered Education Savings Plan (“RESP”), and who were charged a fee (referred to as “Enrolment Fee,” “Sales Charge” and/or “Membership Fee”), including the commissions of the distributor and its salesmen, exceeding \$200.00 per plan;

Subclass (“Subclass”)

All persons residing in Quebec: (1) who at any time since July 19th, 2013, signed a contract with any of the Defendants in which they were a subscriber and/or contributor (either primary or joint) for an RESP; (2) who cancelled their RESP after that date; and (3) lost more than 20% of their contributions on account of Enrolment Fees, Sales Charges or Membership Fees;

- E. **WHEREAS** by August 30, 2021, Class Members were noticed of the approval of the Class Action and thereby had the opportunity to opt out of the Class Action at that time;
- F. **WHEREAS** the Court-ordered deadline to opt out of this Class Action was September 30, 2021;
- G. **WHEREAS**, as part of the Pre-Approval Application (*as defined below*), Parties will seek to amend the definition of the Main Class and Subclass with respect to the Settling Defendants to include an end date of December 31, 2024;
- H. **WHEREAS** additional persons who contracted with the Settling Defendants between August 30, 2021, and December 31, 2024, are Class Members who did not receive the original notice and, consequently, have not had the opportunity to exercise their legal right to receive notice of authorization and to opt out of the Class Action;
- I. **WHEREAS** Representative Plaintiff believes that the Class Action is valid and well-founded; however, the Settling Defendants deny any wrongdoing or liability in relation to the Class Action and intended to raise numerous affirmative defences;
- J. **WHEREAS** based on an analysis of the Class Action, taking into account the risks, burdens and expense of litigation, including the risk and uncertainty associated with a lengthy trial and possible appeals, as well as the fair, cost-effective and assured method of resolving the Released Claims (*as defined below*) provided for in this Settlement Agreement,

Representative Plaintiff and Class Counsel (*as defined below*) have concluded that this Settlement Agreement and the settlement it contains provides benefits to the Class Members (*as defined below*) and is fair, reasonable and in the best interest of the Class Members who are included in this Settlement Agreement with the Settling Defendants;

- K. **WHEREAS** although the Settling Defendants deny the Representative Plaintiffs' allegations in the Proceedings, deny any wrongdoing of any kind whatsoever, and intended to raise numerous affirmative defences, the Settling Defendants also have similarly concluded that this Settlement Agreement is desirable in order to avoid the time, risks and expense of defending the Class Action and to resolve fully and finally the Released Claims raised by the Class Members part of this Settlement Agreement, and they have concluded that this Settlement Agreement in its entirety is fair and reasonable;
- L. **WHEREAS** the Parties wish to compromise and settle all issues pertaining to the Released Claims and ensure that there are no further proceedings, actions or disputes between them with regard to the Released Claims, and intend that this Settlement Agreement be so construed;
- M. **WHEREAS** this Settlement Agreement was entered into after extensive arm's length discussions and negotiations between the Parties, as represented by Class Counsel and Settling Defence Counsel (*as defined below*);
- N. **WHEREAS** Representative Plaintiff and Class Counsel undertake to reimburse any advances received by the FAAC (*as defined below*) in connection with the Class Action pursuant to section 30 of the *Act respecting the Fonds d'aide aux actions collectives*, RLRQ, c. F-3.2.0.1.1;
- O. **WHEREAS** the Parties agree that the Class Members included in this Settlement Agreement will be adequately informed of this Settlement Agreement via notice to them in the form and manner set out in this Settlement Agreement;
- P. **WHEREAS** Representative Plaintiff and Class Counsel agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed

to be an admission by, or evidence against the Settling Defendants, or evidence of the truth of any of the Representative Plaintiff's allegations against the Settling Defendants;

Q. **WHEREAS** Settling Defendants and Settling Defence Counsel agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by, or evidence against the Representative Plaintiff or the Class, or evidence of the truth or validity of any of the Settling Defendants' defences or arguments against Representative Plaintiff's claims; and

R. **WHEREAS** the Parties hereto therefore wish to, and hereby do, finally resolve the Class Action and all Released Claims (*as defined below*), subject to the approval of this Settlement Agreement by the Superior Court of Quebec.

NOW THEREFORE it is agreed that in consideration of the promises and mutual covenants set forth in this Settlement Agreement, the Released Claims will be settled and compromised under the terms and conditions contained herein.

II. DEFINITIONS

1. In this Settlement Agreement, in addition to the terms that are defined elsewhere herein, the following terms have the meanings specified below. The plural of any defined term includes the singular, and the singular of any defined term includes the plural, as the case may be.

- (a) **"Approval Application"** means the application brought by Class Counsel in the Class Action for approval of the Settlement Agreement and of Class Counsel Fees and Disbursements and the form and means of dissemination of the Settlement Approval Notice;
- (b) **"Approval Order"** means the Court order approving this Settlement Agreement and the Settlement Agreement herein, the form and means of dissemination of the Settlement Approval Notice;

- (c) **“Class Action”** means the class proceeding commenced by the Representative Plaintiff in the Superior Court of Quebec bearing Court File No. 500-06-000932-182;
- (d) **“Class Counsel”** means LPC Avocats;
- (e) **“Class Counsel Fees and Disbursements”** means the amount payable to Class Counsel in fees, disbursements, costs, interest, GST, QST, and other applicable taxes or charges of Class Counsel in respect of the prosecution of the Class Action, as approved by the Court;
- (f) **“Class Member”** means collectively the Main Class Members and the Subclass Members who are included in the present Settlement Agreement (i.e. who contracted with one of the Settling Defendants);
- (g) **“Co-Defendants”** means all defendants to the Class Action other than the Settling Defendants;
- (h) **“Compensation Amount”** means the amount available for Individual Compensation and is equal to the Settlement Amount after deduction of Class Counsel Fees and Disbursements, Representative Plaintiff’s disbursements, and any amount payable to the FAAC;
- (i) **“Court”** means the Superior Court of Quebec;
- (j) **“Distribution Protocol”** means the protocol for the distribution of the Compensation Amount approved by the Court. The Parties’ proposed form of Distribution Protocol is attached hereto as **Schedule A**;
- (k) **“Effective Date”** means the next business day after the day on which all appellate rights with respect to the Approval Order in the Class Action have expired (including a thirty (30) day appeal period) or have been exhausted in such a manner as to permit the consummation of the Settlement Agreement in accordance with the terms and conditions of the Settlement Agreement;

- (l) **“Execution Date”** means the date on which the last of the Parties signed this Settlement Agreement;
- (m) **“E-Transfer”** means the method used by the Settlement Administrator for payment of Individual Compensation sent by Interac electronic transfer to a Class Member’s email address or phone number determined pursuant to this Settlement Agreement;
- (n) **“FAAC”** means the *“Fonds d’aide aux actions collectives”* in the province of Quebec;
- (o) **“Final Order”** means the date upon which the Court grants an order approving this Settlement Agreement and the time to appeal the order has expired without any appeal being taken, or if an appeal is taken, all appeals and any time period for a further appeal have concluded;
- (p) **“Individual Compensation”** means any and all individual amounts paid by the Settlement Administrator on behalf of the Settling Defendants to a Class Member. This amount will differ depending on whether the person is a member of the Main Class or the Subclass;
- (q) **“Main Class Member”** means all persons residing in Quebec who, at any time since July 19th, 2013, signed a contract with any of the Settling Defendants in which they were a subscriber and/or contributor (either primary or joint) for a Group RESP, and who were charged a fee (referred to as “Enrolment Fee,” “Sales Charge” and/or “Membership Fee”), including the commissions of the distributor and its salesmen, exceeding \$200 per plan;
- (r) **“Notice of Settlement Approval Hearing”** means the Notice approved by the Court providing information regarding the right to object to the Settlement Agreement and setting the Objection Deadline and providing the date of the Settlement Approval Hearing. The proposed “Notice of Settlement Approval Hearing” is attached hereto as **Schedule B**;

- (s) **“Opt-Out Deadline”** means the last day on which a Person who became a Class Member between August 30, 2021, and December 31, 2024, inclusive, may opt out of the Class Action in accordance with the terms of the Settlement Agreement. This date shall be August 27, 2025. The Opt-Out Deadline shall be the same date as the Objection Deadline.
- (t) **“Person”** means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies;
- (u) **“Pre-Approval Application”** means the application brought by the Class Counsel in the Class Action for approval of the Notice of Settlement Approval Hearing, the Opt-Out Deadline, the Objection Deadline and appoint the Settlement Administrator;
- (v) **“Pre-Approval Order”** means the order made by the Court in the Class Action approving the form and means of the Notice of Settlement Approval Hearing, the Opt-Out Deadline, the Objection Deadline and appointing the Settlement Administrator;
- (w) **“Objection Deadline”** means the date as approved by the Court for any objections to be provided to the Settlement Administrator or Class Counsel. This date shall be August 27, 2025;
- (x) **“Released Claims”** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual, representative or otherwise in nature, whether personal or subrogated, damages of any kind including compensatory, punitive or other damages, whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers’ fees (including Class Counsel Fees and Disbursements), known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or at equity, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity,

ever had, now have or hereafter can, shall or may have, that relate to the facts alleged in the Class Action, at any time since July 13, 2013, hereof relating to any conduct alleged in the Class Action (including any similar claims arising out of or resulting from the payment of any fees related to a Group RESP and losses of contribution further to cancellation by a Class Member of a Group RESP);

- (y) **“Releasees” or “Released Parties”** means the Settling Defendants and each of their respective predecessors, assigns, parents, subsidiaries, affiliates, divisions, partners, agents, mandataries, insurers and each of their past and current officers, directors, employees, agents, shareholders and beneficiaries of any kind including their respective successors;
- (z) **“Releasors”** means, individually and collectively, Representative Plaintiff and Class Members part of this Settlement Agreement, and their respective successors, heirs, executors, administrators, trustees, assigns, devisees, agents, mandataries or representatives;
- (aa) **“Remainder”** means any portion of the Compensation Amount that is not distributed to the Class Members in accordance with the Distribution Protocol, and that is not spent on Settlement Administration Expenses when the Settlement Agreement has been fully administered;
- (bb) **“Representative Plaintiff”** means Qing Wang;
- (cc) **“Schedule”** means the Schedules attached to this Settlement Agreement;
- (dd) **“Settlement Administrator”** means Concilia Services Inc., subject to appointment by the Court;
- (ee) **“Settlement Administration Expenses”** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable to the Settlement Administrator;

- (ff) **“Settlement Agreement”** means this Settlement Agreement, including the recitals and all Schedules attached hereto;
- (gg) **“Settlement Amount”** means **\$634,072.93** non-reversionary, all-inclusive and final in capital, interest and disbursements, which amount is the entirety of the Settling Defendants’ liability under this Settlement Agreement and in connection with the Settlement Agreement. It is expressly agreed that the sum of **\$286,670** shall be allocated to Main Class Members, and **\$347,402.93** shall be allocated to Subclass Members. For the sake of greater clarity, the Settlement Amount will include any indemnity payable to any Class Members, Class Counsel’s fees and Disbursements, Representative Plaintiff’s Disbursements, taxes, and any amount payable to the FAAC, as the case may be, the whole in capital, interest and costs, but will exclude the Settlement Administration Expenses which will be fully assumed by the Settling Defendants (even if the Settlement Agreement is not approved);
- (hh) **“Settlement Approval Notice”** means the notice, approved by the Court, to the Class Members, informing Class Members of the manner in which they will receive an Individual Compensation and which is to be disseminated and published in manner described in paragraphs 33 to 36, substantially in the form attached as **Schedule C** hereto;
- (ii) **“Settlement Approval Hearing”** means the Court hearing held to determine whether the Settlement Agreement should be approved;
- (jj) **“Settling Defence Counsel”** means McCarthy Tétrault LLP;
- (kk) **“Settling Defendants”** means collectively Heritage Education Funds Inc., Heritage Education Foundation, Children’s Education Funds Inc., Children’s Educational Foundation Canada, Knowledge First Financial Inc. (personally and in continuance of proceedings for Heritage Education Funds Inc.) and Knowledge First Foundation;

- (ll) **“Settlement Fund”** means the non-reversionary fund administered by the Settlement Administrator in which the Settling Defendants will deposit the agreed upon all-inclusive Settlement Amount;
- (mm) **“Settlement Webpage”** means the bilingual webpage specific to the Class Action and the present Settlement Agreement maintained by Class Counsel on Class Counsel’s website (www.lpclex.com/RESP-settlement and www.lpclex.com/fr/EEEE-reglement), on which relevant documents and information will be made publicly available;
- (nn) **“Subclass Member”** means all persons residing in Quebec who: (1) at any time since July 19th, 2013, signed a contract with any of the Settling Defendants in which they were a subscriber and/or contributor (either primary or joint) for a Group RESP; (2) cancelled their RESP after that date; and (3) lost more than 20% of their contributions on account of Enrolment Fees, Sales Charges or Membership Fees.

III. SETTLEMENT AGREEMENT FOR SETTLEMENT PURPOSES ONLY

A. SCOPE AND EXTENT OF THE AGREEMENT

2. This Settlement Agreement is for settlement purposes only and is conditional upon obtaining a final Approval Order by the Court and the occurrence of the Effective Date of the Settlement Agreement. Neither the fact of, nor any provision contained in, this Settlement Agreement nor any action taken hereunder will constitute, or be construed as, an admission of the validity of any claim or any factual allegation that was or could have been made by the Representative Plaintiff, the Class Members, or by the Settling Defendants in the Class Action, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of the Settling Defendants in relation to the Released Claims.

B. NO ADMISSION OF LIABILITY

3. Whether or not this Settlement Agreement is approved or terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by the Settling Defendants or of the truth of any of the claims or allegations contained in the Proceedings or any other pleading filed by the Representative Plaintiff.

IV. COOPERATION BY THE PARTIES

4. The Parties shall use their best efforts to implement this Settlement Agreement in an expedited manner. The Parties shall cooperate to seek and obtain the Court's approval of this Settlement Agreement and all other matters addressed herein.

5. If the Settling Defendants intend to seek a sealing order with respect to commercially-sensitive information to be included in the materials submitted on any of the applications contemplated under this Settlement Agreement, they will notify Class Counsel in advance. The Representative Plaintiff will not object to any such Application for a sealing order.

V. PRE-APPROVAL PROCESS

A. PRE-APPROVAL APPLICATION

6. As soon as reasonably practicable after the Execution Date, Class Counsel shall bring an application before the Court seeking an order in substantially the form set out in **Schedule D** to: (i) approve the form and content of the Notice of Settlement Approval Hearing and its method of dissemination by email directly to Class Members, (ii) approve the Objection Deadline and the Opt-Out Deadline, (iii) appoint the Settlement Administrator to coordinate the Notice of Settlement Approval Hearing and to oversee the administration of the Settlement

Agreement if approved, (iv) order that the costs of the Settling Administrator fees be paid by the Settling Defendants, and (v) schedule the Settlement Approval Hearing for August 29, 2025;

7. Save for notification requirements under applicable provincial legislation or regulation, or the Court as to the status of the litigation, the Parties shall keep all of the terms of the Settlement Agreement confidential and shall not disclose them without the prior written consent of the Parties, except as required for the purposes of financial reporting, communications with insurers and auditors, the preparation of financial records (including tax returns and financial statements), negotiations in any parallel or related legal proceedings, and/or as necessary to give effect to the terms of the Settlement Agreement or as otherwise required by law until the signed Settlement Agreement is filed with the Court as part of the Pre-Approval Application.

8. Class Counsel and Settling Defence Counsel will make joint representations to the Court with a view to obtaining the Pre-Approval Order.

B. NOTICE OF SETTLEMENT APPROVAL HEARING

9. The Notice of Settlement Approval Hearing will be disseminated by email directly to Class Members within ten (10) days from the date when the Pre-Approval Order is made, or as ordered by the Court, in substantially the same form as **Schedule B** attached to this Settlement Agreement, in both English and French, or in some other form or manner as directed by the Court.

10. The Notice of Settlement Approval will provide the URL (by hyperlink where possible) for the Settlement Webpage where Class Members can obtain more information about the Class Action, the Settlement Agreement, the contact information for Settlement Administrator and of Class Counsel, as well as obtain the Notice of Settlement Approval Hearing, and other relevant information or documents.

11. Class Counsel will send an email containing a hyperlink to the Notice of Settlement Approval Hearing to all putative class members who signed-up on their website dedicated to this Class Action (www.lpclex.com/resp).

12. Prior to the Settlement Approval Hearing, the Settlement Administrator will provide a written report to the Parties confirming that the Notices of Settlement Approval Hearing were disseminated, which shall be filed in Court.

13. Persons who believe they are entitled to a Individual Compensation as a result of the Settlement Agreement and who have not received the Notice of Settlement Approval Hearing can send an email to Class Counsel at jzukran@lpclex.com by October 31, 2025.

14. As provided by Schedule B, Class Counsel will then contact Settling Defendants, which must respond within 10 days to verify whether the Person is entitled to a Individual Compensation, and will then contact the Person within 10 days to confirm whether compensation will be provided or not.

VI. SETTLEMENT ADMINISTRATION AND PROCESSING

A. DELIVERY OF DOCUMENTS, RECORDS OR INFORMATION TO THE SETTLEMENT ADMINISTRATOR

15. Within ten (10) days following the Pre-Approval Order (or before if needed), the Settling Defendants will provide to the Settlement Administrator, on a confidential basis, lists of all Class Members identified in their business records, along with the most current contact information available for those people. Separate lists will be provided for the members of the Main Class and for the members of the Subclass.

16. For Heritage Education Funds Inc., Heritage Education Foundation, Knowledge First Financial Inc., and Knowledge First Foundation, the lists of Class Members to be provided in paragraph 15 shall reflect Class Members for the class period and as of the date hereof, given that these Defendants ceased selling Group Plans respectively in May 2020 and May 2019. With respect to Children's Education Funds Inc. and Children Education Foundation of Canada, which continue to offer Group RESPs, the list of Class Members to be provided shall cover the class period and reflect information as of December 31, 2024.

17. If at any point during the settlement process the Settlement Administrator will require other documents, records or information from the Settling Defendants, the Settlement Administrator may make a request to the Settling Defendants, through Settling Defence Counsel, seeking such information. The Settling Defendants will then expeditiously provide the additional material to the Settlement Administrator or provide a written explanation to the Settlement Administrator as to why such material is not available, cannot be reasonably provided or will not assist the Settlement Administrator in the fulfillment of its duties pursuant to this Settlement Agreement. If documents, records or information requested by the Settlement Administrator pursuant to this paragraph are not provided to the Settlement Administrator within ten (10) days from the request, the Settlement Administrator and/or Class Counsel may seek directions from the Court with respect to this request upon a reasonable notice to Settling Defence Counsel.

B. SETTLEMENT ADMINISTRATOR'S OBLIGATIONS

18. Promptly after the Pre-Approval Order, the Settlement Administrator will carry out the settlement administration and processing obligations assigned to it under this Settlement Agreement.

19. The Settlement Administrator shall communicate its final report to the Parties, Class Counsel and Settling Defence Counsel regarding administration of the Settlement Agreement, including an account of the Settlement Fund, no more than seven (7) months following the completion of the distribution of the Compensation Amount (the "**Final Administration Report**").

C. SETTLEMENT WEBPAGE

20. Class Counsel, at its cost, shall ensure that the Settlement Webpage is maintained in both English and French, containing relevant information and relevant documents concerning the Class Action and the Settlement Agreement, including but not limited to, the Notice of Settlement Approval Hearing and the Settlement Approval Notices in both English and French and a copy of this Settlement Agreement, the Pre-Approval Order and the Approval Order. The Settlement Webpage shall be maintained for a period of at least thirty (30) days following the date of the closing judgment, as provided in paragraph 48 of this Settlement Agreement.

21. The Parties agree that the Settlement Webpage shall be in the same format and similar to the other settlement pages on Class Counsel's website. The language used on the Settlement Webpage shall be consistent with this Settlement Agreement and its Schedules, including the Court-approved notices.

VII. SETTLEMENT BENEFITS

22. None of the Releasees shall have any obligation to pay any amount other than the Settlement Amount and the Settlement Administration Expenses, for any reason, pursuant to or in furtherance of this Settlement Agreement.

A. MAIN CLASS

23. The portion of the Settlement Amount allocated to Main Class Members is \$286,670.00. This payment shall be made by the Settling Defendants as a collective recovery.

24. It is agreed that, from the amount of \$286,670.00, Class Counsel Fees and Disbursements in the amount of \$63,944.33 plus GST and QST shall be deducted, subject to the Court's approval.

25. The remaining amount of \$213,150.00 shall be allocated for Individual Compensation to Main Class Members, in accordance with the Distribution Protocol to be approved by the Court it being understood that the amount of Individual Compensation shall be distributed equally among all Main Class Members.

B. SUBCLASS

26. The portion of the Settlement Amount allocated to the Subclass Members is \$347,402.93. This payment shall be made by the Settling Defendants as a collective recovery.

27. From this amount, it is agreed that the following deductions shall be made,

- (a) Class Counsel Fees in the amount of \$104,220.87 plus GST and QST, subject to the Court's approval;

- (b) Class Counsel disbursements, including taxes, in the amount of \$24,870.11, subject to the Court's approval;
- (c) Reimbursement to the FAAC, in the amount of \$101,765.16, excluding GST and QST on part of this amount. Taxes not exceeding \$14,939.00 which were not paid by the FAAC shall be reimbursed to Class Counsel, all subject to the Court's approval;
- (d) Representative Plaintiff's Disbursement, including taxes, in the amount \$2,101.20, subject to the Court's approval.

28. After the above deductions, the remaining amount, shall be allocated for Individual Compensation to Subclass Members, in accordance with the Distribution Protocol to be approved by the Court, it being understood that the amount for Individual Compensation to Subclass Members shall be calculated on a *pro rata* basis, taking into account the fees, charges, and loss of contribution incurred by each Subclass Member in connection with the remaining amount for distribution to the Subclass Members.

29. For greater clarity, the Compensation Amounts for both the Principal Class and the Subclass represent the net amounts available for distribution to Class Members after deduction of all approved fees, disbursements, reimbursements, and taxes as set out above.

VIII. APPROVAL PROCESS

A. APPROVAL APPLICATION

30. Class Counsel shall bring an Approval Application before the Court seeking an order to approve this Settlement Agreement.

31. The Approval Application will be notified by Class Counsel to the FAAC at least five (5) days before the Settlement approval hearing.

32. At the Settlement approval hearing, Class Counsel and Settling Defence Counsel will make joint representations to the Court with a view to obtaining the Approval Order.

B. APPROVAL NOTICE

33. The Approval Notice will be disseminated within fifteen (15) days from the Effective Date of the Settlement Agreement in substantially the same form as **Schedule C** to this Settlement Agreement, in both English and French, or in some other form or manner as directed by the Court, as follows:

- (a) the Settlement Administrator will deliver a bilingual email (French and English) containing a link to the Approval Notice, substantially in the form set out in **Schedule C**, to every Class Member, using their email address; and
- (b) Class Counsel will post the Approval Notice on its bilingual webpage dedicated to the Class Action and on the Class Action Registry of the Superior Court of Québec;

34. The Approval Notice will provide the URL (by hyperlink where possible) for the Settlement Webpage where Class Members can obtain more information about the Class Action, the Settlement Agreement, contact information for Settlement Administrator and Class Counsel, as well as obtain the Settlement Agreement, Approval Notice, and other relevant information or documents.

35. The Approval Notice will also provide information to Class Members on how they will receive their Individual Compensation.

36. Within thirty (30) days from the date the Effective Date of the Settlement Agreement, the Settlement Administrator will provide written confirmation to the Parties that the Approval Notices were disseminated.

IX. OBJECTIONS TO THE SETTLEMENT AGREEMENT

37. Class Members have the right to object to the Settlement Agreement. They may do so by either sending a written objection to the Settlement Administrator or to Class Counsel by the Objection Deadline, or by appearing at the Settlement Approval Hearing and stating their objections. Objections, including any briefs or other papers or evidence in support thereof, should be in writing and sent to the Settlement Administrator or Class Counsel by the Objection Deadline.

38. Any objection regarding or related to the Settlement Agreement should contain: (i) a caption or title that identifies it as an Objection to the Settlement Agreement; (ii) information sufficient to identify and contact information for the objecting Class Member (or his or her lawyer, if any), such as name, address, email address and telephone number; and (iii) a clear statement of the nature and reasons for the Class Member's objection, and documents sufficient to establish the basis for his or her standing as a Class Member.

39. The Settlement Administrator or Class Counsel shall provide Settling Defendants, Settling Defence Counsel and/or Class Counsel with any notice of objection to the Settlement Agreement no later than five (5) business days after receipt.

X. OPT-OUT PROCESS

40. Notice of the authorization of the Class Action was previously given to Class Members, and the deadline for Persons who contracted with the Settling Defendants during the period July 19, 2013, to August 30, 2021, to opt out of the Class Action has passed on September 30, 2021. Those Class Members are no longer permitted to opt out of the Class Action. Only Class Members who contracted with the Settling Defendants during the period from August 30, 2021, to December 31, 2024, inclusive, have the right to opt out in accordance with the terms of this Settlement Agreement.

41. A Class Member may opt out of the Class Action by sending a written and signed election to opt out, by pre-paid mail or email, to the Settlement Administrator or to Class Counsel as directed in the Notice of Settlement Approval Hearing.

42. An election to opt out will only be effective if it is postmarked or emailed by the Opt-Out Deadline.

43. All written elections to opt out must be personally signed by the Class Member and must contain the following information in order to be effective:

- (a) the full name, current address, telephone number and email address (if applicable) of the Class Member;
- (b) the applicable file number of the proceeding (S.C.M. No. 500-06-000932-182)
- (c) statement that the Class Member requests to be excluded from the Class Action.

44. All Class Members who do not timely and validly opt out of the Class Action will, in all respects, be bound by all terms of the Settlement Agreement, as approved by the Approval Order as of the Effective Date.

45. The Settlement Administrator shall provide copies of all opt-out elections to Class Counsel and to Settling Defence Counsel within three (3) days after their receipt, such copies shall be provided in electronic form.

46. The Settlement Administrator shall, three (3) days before the respective scheduled Settlement Approval Hearing, communicate to Class Counsel and to Settling Defence Counsel, for filing with the Court, an report concerning this notice plan with the opt-out number received before the Opt-Out Deadline, with copies of such opt-out elections attached.

XI. PAYMENT OF THE SETTLEMENT AMOUNT BY THE SETTLING DEFENDANTS

47. No later than thirty (15) days after the Effective Date, the Settling Defendants shall pay the Settlement Amount to the Settlement Administrator which will be deposited into the Settlement Funds. Interest, if any, generated in the Settlement Funds will be for the benefit of the intended beneficiary of the payment.

C. CLOSING JUDGMENT

48. Within thirty (30) days upon the reception of the Final Administration Report, the Parties will submit a joint application for a closing judgment to be rendered by the Court on docket (the “**Closing Judgment**”).

XII. CLASS COUNSEL FEES AND OTHER COSTS

A. APPROVAL BY THE COURT

49. The Settling Defendants will not make any representations regarding Class Counsel Fees, except to confirm that, as part of the Settlement Agreement, which they consider fair and reasonable under the circumstances, they have agreed to pay up to the amounts set out in paragraphs 24 and 27 for Class Counsel Fees and the other amounts specified therein, as approved by the Court.

50. The Parties agree that the Settlement Agreement is not conditional upon the approval of the Class Counsel Fees and the other amounts specified in paragraphs 24 and 27 of this Settlement Agreement.

51. In the event that the Class Counsel Fees and the other amounts specified in paragraphs 24 and 27 of this Settlement Agreement are not approved by the Court or otherwise appealed, Representative Plaintiff agrees to not delay, defer nor postpone approval of the Settlement Agreement, that the Effective Date shall occur notwithstanding any such dismissal by the Court or appeal, and is not a cause of termination of this Settlement Agreement.

B. PAYMENT OF CLASS COUNSEL FEES AND DISBURSEMENTS

52. No later than ten (15) days after the Effective Date or after final Court adjudication concerning Class Counsel Fees, whichever is later, the Settlement Administrator shall pay Class Counsel the amounts of Class Counsel Fees and the other amounts specified in paragraphs 22 and 25 of this Settlement Agreement. This payment shall be made from the Settlement Funds and is part of the Settlement Amount.

53. In consideration of payment of the Settlement Amount, Class Counsel will not, directly or indirectly, claim from any Class Member or from the Settling Defendants any other fees, costs or disbursements of any kind nor based on any source.

XIII. NO OTHER FEES

54. The Settling Defendants have no obligation whatsoever to pay any other amounts as part of the Settlement Agreement beyond the Settlement Amount and the Settlement Administrator Expenses.

XIV. DISTRIBUTION OF THE REMAINING BALANCE

55. The Compensation Amount as set forth in the Distribution Protocol are all subject to distribution amount the Class Members in the form of collective recovery. Consequently, it is the intention that the entire Compensation Amount be distributed to Class Members and that there will be no remaining balance.

56. E-Transfers (or cheques if applicable) issued by the Settlement Administrator that are not deliverable to or retrieved by a Class Member, or which are not cashed or deposited by a Class Member, within thirty (30) days for E-Transfers and six (6) months for cheques of issuance will become stale-dated, ineligible for redemption, and shall not be reissued.

57. If, within six (6) months of the payments being issued by the Settlement Administrator to pay Individual Compensations, a balance exists in the Settlement Funds as a result of uncashed distributions or any other surplus monies, any Remainder shall be paid as follows:

- (a) The FAAC will be entitled to claim the percentage provided for at s. 1(1) of the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, RLRQ c F-3.2.0.1.1, r.2.
- (b) The remaining balance will be donated to a charity selected by Class Counsel, having some form of connection to this Class Action, and approved by the Court.

XV. TERMINATION OF THIS SETTLEMENT AGREEMENT

A. RIGHT OF TERMINATION

58. In the event that:

- (a) the Court declines to approve this Settlement Agreement or any part hereof;
- (b) the Court approves this Settlement Agreement in a materially modified form; or
- (c) any order approving this Settlement Agreement made by the Court does not become a Final Order,

and if the Parties, within thirty (30) days thereafter, using their best efforts and acting in good faith, are unable to agree on such modified terms as may be required to obtain the Court's approval, then the Representative Plaintiff and the Settling Defendants shall each have the option, but not the obligation, to terminate this Settlement Agreement by delivering a written notice to all Parties and the Court.

59. If Representative Plaintiff or Settling Defendants validly exercise the right to terminate the Settlement Agreement, then the Settlement Agreement shall be null and void and have no further force or effect, and shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation or in any other way for any reason.

B. EFFECT OF TERMINATION

60. In the event this Settlement Agreement is terminated in accordance with its terms:

- (a) it, and all orders made pursuant to it, shall have no further force or effect, and shall not be binding on the Parties, with the exception of paragraphs 61 to 63 of this Settlement Agreement;

- (b) the Settling Defendants will be responsible to pay the Settlement Administrator Expenses incurred up to the date of termination pursuant to this Settlement Agreement; and
- (c) the Parties, Class Counsel and Settling Defence Counsel shall:
 - (i) take all measures and make all representations necessary to ensure that each Party is returned to the same procedural position in the Class Action as if the Settlement Agreement had not been negotiated, made or filed with the Court, including but not limited to, bringing such applications as may be required to annul or vacate any orders already made; and
 - (ii) within ten (10) business days of such termination, make reasonable efforts to destroy all documents or other materials provided by a Party or its counsel under this Settlement Agreement or containing or reflecting information derived from such documents or other materials received from a Party or its counsel and, to the extent that any documents or information provided by a Party or its counsel have been disclosed to any third party for the purposes of the Settlement Agreement, shall make reasonable efforts to recover and destroy such documents or information. Class Counsel or Settling Defence Counsel shall provide a written confirmation of such destruction upon request.

C. SURVIVAL OF PROVISIONS AFTER TERMINATION

61. If this Settlement Agreement is terminated the provisions of Section XVII (Miscellaneous) and the Definitions (in Section II herein), shall survive the termination and continue in full force and effect.

62. The Definitions shall survive only for the limited purpose of the interpretation and implementation of the remaining provisions within the meaning of this Settlement Agreement, but for no other purposes.

63. All other provisions of this Settlement Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately. The Parties expressly reserve all of their respective rights if this Settlement Agreement does not become effective or if this Settlement Agreement is terminated.

XVI. RELEASE AND DISMISSAL

A. RELEASE

64. Effective on the Effective Date, and in consideration of payment of the Settlement Amount and for other valuable consideration set forth in this Settlement Agreement, the Releasors hereby fully and finally release, acquit, remise and forever discharge the Releasees from any and all claims, demands, rights, actions, suits, debts, liabilities, dues, accounts, covenants, contracts, proceedings and causes of action of any kind whatsoever, whether direct or indirect, known or unknown, asserted or un-asserted, matured or un-matured, under or pursuant to any statute, regulation, common law or equity, that the Class Members ever had, now have or will have in the future against the Settling Defendants in relation to the Released Claims.

B. NO FURTHER CLAIMS

65. Upon the Effective Date, the Releasors shall not now or hereafter institute, continue, maintain, intervene in or assert, either directly or indirectly, whether in Quebec or elsewhere, on their own behalf or on behalf of any class or any other person, any proceeding, cause of action, claim or demand against the Releasees, or any other person who may claim contribution or indemnity, or other claims over, relief from the Releasees, whether pursuant to statute or at common law or equity in respect of any Released Claim.

C. NO FURTHER LITIGATION

66. Representative Plaintiff, Class Counsel and El Masri avocat Inc. may not participate or be involved in or assist with respect to any claim made or action commenced by any Person

related to the Class Action and agree not to file a subsequent action which relates to or arises from the Released Claims against the Settling Defendants.

D. MATERIAL TERM

67. Without in any way limiting the ability of the Parties to assert that other terms in this Settlement Agreement are material terms, the releases and reservation of rights contemplated in this section shall be considered a material term of this Settlement Agreement and the failure of the Court to approve the releases and/or reservation of rights contemplated herein shall give rise to a right of termination pursuant to Section XV of this Settlement Agreement.

XVII. MISCELLANEOUS

A. APPLICATIONS FOR DIRECTIONS

68. The Representative Plaintiff, Settling Defendants, Class Counsel or the Settlement Administrator may bring applications to the Court for directions in respect of the implementation and administration of this Settlement Agreement at any time.

69. All applications contemplated by this Settlement Agreement shall be on reasonable notice to the Parties.

B. HEADINGS, ETC.

70. In this Settlement Agreement:

- (a) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and
- (b) the terms “this Settlement Agreement”, “hereof”, “herein”, and similar expressions refer to this Settlement Agreement and not to any particular section or other portion of this Settlement Agreement unless such section or portion is expressly specified.

C. CONFIDENTIALITY OF THE SETTLEMENT

71. The Parties agree that they will not issue any press release, whether joint or individual, concerning this Settlement Agreement or anything related thereto. The Parties further agree that they will not otherwise seek to obtain media coverage in relation to the Settlement Agreement, other than the notices to members as provided herein and that Class Counsel and Settling Defence Counsel will have the right to comment on the Settlement Agreement, without disparaging the other Party, if solicited by the press.

72. Nothing in this Settlement Agreement shall limit the ability of Class Counsel to provide notice of this Settlement Agreement or otherwise communicate with Class Members concerning their entitlements under the Settlement Agreement, either by email or by telephone, and such communications shall not lose their privilege unless otherwise ordered by any Court.

73. All orders entered during the course of the litigation relating to the confidentiality of information shall survive this Settlement Agreement.

D. ENTIRE AGREEMENT

74. This Settlement Agreement and its Schedules will constitute the entire agreement of the Parties and will not be subject to any change, modification, amendment, or addition without the express written consent of counsel on behalf of all Parties to the Settlement Agreement. This Settlement Agreement supersedes and replaces all prior negotiations and proposed agreements, written or oral.

E. AMENDMENTS

75. This Settlement Agreement may not be modified or amended except in writing and upon consent of all of the Parties and will be subject, if necessary to approval by the Court.

F. DATA RETENTION

76. The Settlement Administrator shall maintain and preserve records of all information collected in connection with its obligations under this Settlement Agreement until a Closing Judgment is rendered by the Court.

G. DISPUTES AND APPLICABLE LAW

77. Any disputes or controversies arising with respect to the interpretation, enforcement, or implementation of this Settlement Agreement must be made by application to the Court on reasonable notice.

78. This Settlement Agreement and the Schedules hereto shall be construed and enforced in accordance with, and governed by, the laws of the Province of Québec.

H. TRANSACTION

79. The Settlement Agreement constitutes a transaction pursuant to Articles 2631 and following of the *Civil Code of Québec*, RLRQ, c. CCQ-1991.

I. COMPUTATION OF TIME

80. The computation of time with respect to all time periods and deadlines provided for under this Settlement Agreement shall be done in accordance with Article 83 of the *Code of Civil Procedure*, RLRQ, c. C-25.01.

J. JURISDICTION

81. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Settlement Agreement and the Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement Agreement.

K. **WAIVER**

82. No waiver of any provision of this Settlement Agreement will be binding unless consented to in writing by the Parties.

83. The waiver by one Party of any provision or breach of the Settlement Agreement shall not be deemed a waiver of any other provision or any other breach of the Settlement Agreement.

L. **BINDING EFFECTS**

84. This Settlement Agreement shall be binding upon, and enure to the benefit of, the Representative Plaintiff, the Settling Defendants, the Releasors, the Releasees and all of their successors and assigns.

M. **COUNTERPARTS**

85. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature or signature sent by e-mail shall be deemed an original signature for the purposes of executing this Settlement Agreement and shall be binding.

N. **NEGOTIATED AGREEMENT**

86. This Settlement Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement shall have no force and effect.

O. **LANGUAGE**

87. The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; *les Parties*

reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais. The Settling Defendants will ensure that a French translation of this Settlement Agreement (including its Schedules) is made and filed prior to the filing of the Pre-Approval Application and shall assume all translation costs.

P. **COSTS**

88. Except as otherwise provided herein, the Parties shall bear their own respective costs.

Q. **SEVERABILITY**

89. In the event that any one or more of the provisions contained in this Settlement Agreement will for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision if the Parties mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement.

R. **RECITALS**

90. The recitals to this Settlement Agreement are true, constitute material and integral parts hereof and are fully incorporated into, and form part of, this Settlement Agreement.

S. **SCHEDULES**

91. All Schedules to this Settlement Agreement are material and integral parts hereof, and are incorporated by reference as if fully rewritten herein. In the event of any variance between the terms of this Settlement Agreement and any of the Schedules hereto, the terms of this Settlement Agreement shall govern and supersede the Schedule(s).

92. The Parties agree to act reasonably as it relates to any modifications to the Schedules that may be necessary to implement the terms of the Settlement Agreement.

T. ACKNOWLEDGEMENTS

93. Each of the Parties hereby affirms and acknowledges that:

- (a) he, she or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood the Settlement Agreement;
- (b) the terms of this Settlement Agreement and the effects thereof have been fully explained to him, her or the Party's representative by his, her or its counsel;
- (c) he, she or the Party's representative fully understands each term of the Settlement Agreement and its effect; and

U. TAXES

94. The Parties agree that the Representative Plaintiff, the Settling Defendants, Class Counsel, and Settling Defence Counsel are in no way liable for any taxes any Class Members may be required to pay as a result of receiving any benefits under this Settlement Agreement. No opinion concerning the tax consequences of this Settlement Agreement to any Class Member is given or will be given by the Parties or their respective counsel, nor is any Party or their counsel to provide any representation or guarantee respecting the tax consequences of this Settlement Agreement to any Class Member. Each Class Member is responsible for their own tax reporting and other obligations respecting this Settlement Agreement, if any.

V. AUTHORITY

95. Each counsel or other person executing this Settlement Agreement or any of its Schedules on behalf of any Party hereby warrants that such person has the full authority to do so.

W. NOTICE

96. Whenever, under the terms of this Settlement Agreement, a person is required to provide notice or otherwise communicate with the Settlement Administrator, Class Counsel, or

Settling Defence Counsel, such notice or communication will be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other Parties in writing:

As to Class Counsel:

Mtre Joey Zukran / Mtre Léa Bruyère
LPC Avocats
276 Saint-Jacques Street, Suite 801
Montréal (Québec) H2Y 1N3
Telephone: 514-379-1572
Email: jzukran@lpclex.com / lbruyere@lpclex.com

As to the Settlement Administrator:

Concilia Services Inc.
5900 Andover, Suite 1
Montréal (Québec) H4T-1H5
Telephone: 1-888-770-6892
Email: info@conciliainc.com

As to Settling Defence Counsel:

Mtre Julie-Martine Loranger / Mtre Kevin Anglehart
McCarthy Tétrault LLP
1000, de la Gauchetière West, MZ400
Montreal, Québec H3B 0A2
Tel.: 514-397-4204
Email: jmloranger@mccarthy.ca / kanglehart@mccarthy.ca

(the signature page follows)

IN WITNESS OF WHICH the Parties have executed this Settlement Agreement.

In Montreal, on July 11, 2025



LPC Avocats, Class Counsel
Per: Joey Zukran



Qing Wang, Representative Plaintiff

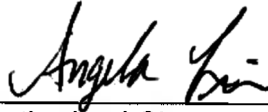


In Montreal, on July 11, 2025

EL MASRI AVOCAT INC.
Per: Jean El Masri

In Mississauga, ON On: July 14, 2025

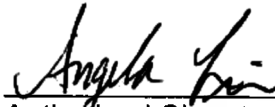
HERITAGE EDUCATION FUNDS INC.
Per:



Authorized Signatory

In Mississauga, ON On: July 14, 2025

HERITAGE EDUCATIONAL FOUNDATION
Per:



Authorized Signatory

In Burlington, ON On: July 14, 2025

CHILDREN'S EDUCATION FUNDS INC.
Per: Allison Haid Caughey




Authorized Signatory

In Burlington, ON On: July 14, 2025

CHILDREN'S EDUCATION FOUNDATION OF CANADA

Per: Allison Haid Caughey


Authorized Signatory

In Mississauga, ON On: July 14, 2025

KNOWLEDGE FIRST FINANCIAL INC.

Per:


Authorized Signatory

In Mississauga, ON On: July 14, 2025

KNOWLEDGE FIRST FOUNDATION

Per:


Authorized Signatory