

**NOTICE OF PROPOSED SETTLEMENT
CANADIAN CLASS ACTION: CARLSON V TRANSALTA CORPORATION ET AL**

PURPOSE OF NOTICE

The purpose of this notice is to advise that a proposed settlement has been reached in the class action against TransAlta Corporation, TransAlta Energy Marketing Corp., TransAlta Generation Ltd., and TransAlta Generation Partnership (collectively, the **Defendants**). The class action sought compensation for alleged overcharging of consumers of electricity in Alberta as a result of four outages in 2010 and 2011 at two electricity generating facilities owned by TransAlta Generation Partnership (the **Outages**). The Defendants deny the allegations made in the lawsuit and makes no admission as to the truth of those allegations.

The proposed settlement has been conditionally approved by the Court of Queen's Bench of Alberta, subject to any objections from Class Members (defined below). Class Members have until **December 18, 2019** to object to the proposed settlement of the class action. The procedure for objecting to the proposed settlement is outlined below.

WHO IS INCLUDED IN THE CLASS ACTION?

The proposed settlement applies to all individuals and commercial purchasers of power in Alberta during the Class Period, being from November 19, 2010 to February 16, 2011, specifically the dates of the Outages on November 19, 2010; November 23, 2010; December 13-14, 2010; and February 16, 2011 (**Class Member**).

WHAT IF I DON'T WANT TO BE IN THE CLASS ACTION?

If you are a Class Member and do not wish to be bound by the class action and/or by the proposed settlement, you must "opt out". To opt out, you must fully complete an Opt Out form and submit it to Class Counsel (at the contact information provided below) by the opt out deadline of **December 18, 2019**. Opt out forms are available at www.transalta.com or may be requested from Class Counsel.

WHAT PROPOSED SETTLEMENT HAS BEEN REACHED FOR THE CLASS ACTION?

The Defendants have agreed, in exchange for a full release of all claims made against them in relation to the class action, to pay an all-inclusive sum of \$300,000 in full and final settlement of the action, broken down as follows:

1. \$150,000 as a *cy-près* donation to Mother Earth's Children's Charter School;
2. \$140,000, inclusive of applicable taxes, to Class Counsel for its legal fees and disbursements;
and
3. \$10,000, inclusive of applicable taxes, to Class Counsel for payment to the Representative Plaintiff for conduct money and expenses, and for an honorarium, in recognition of the Representative Plaintiff's efforts in furthering the action.

The Defendants do not admit liability and the settlement reflects a compromise of the disputed claims. The proposed settlement will become final and effective by **December 18, 2019** if no objections from Class Members have been received.

OBJECTING TO THE PROPOSED SETTLEMENT AND OPPORTUNITY TO APPEAR

If you wish to object to the proposed settlement, you must submit a written objection, referencing Action No. 1603-08659, to Class Counsel and counsel for the Defendants at the addresses below. Your written

objection must be sent no later than **December 18, 2019**. Following your written objection, you may participate in a second Settlement Approval Hearing before the Court of Queen's Bench of Alberta, to be scheduled on a date that is mutually convenient for all parties and any objectors.

CLASS COUNSEL

James H. Brown & Associates

Attn: Richard Mallett
10123 – 99 Street N.W.
Edmonton, Alberta T5J 3H1
Tel: 780-428-0099
Fax: 780-428-7788

Guardian Law Group LLP

Attn: Clint Docken
342 – 4 Avenue SE
Calgary, Alberta T2G 1C9
Tel: 403-457-7778
Fax: 403-457-7778

There is **no charge** to speak with Class Counsel.

Information can also be obtained from www.guardian.law.

COUNSEL FOR THE DEFENDANTS

Norton Rose Fulbright Canada LLP

Attn: Steven H. Leitzl
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P4H2

This Notice has been approved by the Court of Queen's Bench of Alberta.