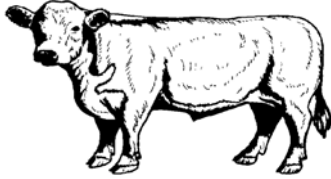


XL FOODS CLASS ACTION NOTICE OF SETTLEMENT APPROVAL AND CLAIMS PROCESS



READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS

This notice is directed at anyone in Canada or the United States who purchased and/or consumed Recalled XL Beef or who purchased Unidentifiable Beef.

IMPORTANT DEADLINE:

Claims Bar Deadline - for Class Members that wish to file a claim for compensation from the Global Settlement Agreement. See page 4 for further details.

August 17, 2016

“**Recalled XL Beef**” means beef products that were processed at the XL Foods Brooks, Alberta facility on August 24, 27, 28, 29 or September 5, 2012, recalled by XL Foods and identified in the alerts issued by Canadian Food Inspection Agency and the U.S. Food Safety and Inspection Service.

“**Unidentifiable Beef**” means any beef or beef product purchased (for private, non-commercial consumption) between August 24, 2012 and October 21, 2012 and disposed of on or after September 16, 2012 as a result of the notice or communication regarding the alerts issued by the Canadian Food Inspection Agency or the U.S. Food Safety and Inspection Service regarding the recall of beef products that were processed at the XL Foods Brooks, Alberta facility on August 24, 27, 28, 29 or September 5, 2012.

WHAT IS A CLASS ACTION?

A class action is a lawsuit filed by one person on behalf of a large group of people.

WHAT IS THIS CLASS ACTION ABOUT?

A class action lawsuit has been commenced against XL Foods Inc. (“XL Foods”) in connection with the fall 2012 recall of beef products processed at the XL Foods facility in Brooks, Alberta. The recall was issued as a result of a possible *E. coli* contamination.

The class action alleges that XL Foods negligently produced certain beef products processed at the Brooks facility. Specifically, the claim alleges that XL Foods was negligent in the design and implementation of control, sampling and testing procedures and that, upon discovering the possible *E. coli* contamination, XL Foods was negligent in managing the resulting product recall.

The class action seeks to recover damages for: (a) economic loss for individuals who purchased Recalled XL Beef or Unidentifiable Beef and disposed of the beef without receiving a refund; and (b) personal injury for individuals who consumed Recalled XL Beef and experienced illness or injury as a result.

Symptoms associated with *E. coli* exposure typically appear one to ten days after exposure and include: severe stomach cramps; watery or bloody diarrhea; vomiting; nausea; headache; and little or no fever. Some people can develop more serious consequences, such as kidney failure, seizures and stroke. *E. coli* exposure can also exacerbate pre-existing medical conditions.

WHO IS AFFECTED BY THE CLASS ACTION?

On October 8, 2013, the Alberta court certified the action as a class action. This means that the court has determined that this action can proceed as a class action.

The action was certified on behalf of the following “class” or “class members”:

All natural persons in Canada or in the United States who:

- (a) purchased Recalled XL Beef (for private, non-commercial consumption) and suffered an economic loss;
- (b) purchased Unidentifiable Beef (for private, non-commercial consumption) and suffered an economic loss; or
- (c) consumed Recalled XL Beef and suffered a physical illness or injury.

WHAT ARE THE DETAILS ABOUT THE SETTLEMENT THAT HAS BEEN APPROVED?

On April 23, 2015, the parties executed a settlement agreement (the “Global Settlement Agreement”) to resolve the litigation in its entirety. The Global Settlement Agreement provides for XL Foods to pay CDN \$4 million (the “Settlement Amount”) to resolve claims relating to:

1. economic loss suffered by class members as a result of having purchased Recalled XL Beef and/or Unidentifiable Beef;
2. personal injuries suffered by class members as a result of having consumed Recalled XL Beef; and
3. claims by Canadian provincial health care providers in relation to expenses that they incurred in treating personal injuries suffered by class members as a result of having consumed Recalled XL Beef.

In return for the Settlement Amount, XL Foods will receive releases and the class action will be dismissed. The Global Settlement Agreement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of XL Foods who has denied, and continues to deny, the allegations made against it.

The Global Settlement Agreement was approved by the Alberta court on September 23, 2015 as being fair, reasonable, and in the best interests of class members.

HOW WILL THE SETTLEMENT MONIES GET PAID OUT?

The Alberta Court approved a protocol for distributing the settlement funds, plus accrued interest, less court-approved legal fees and other expenses. Payments to Quebec class members are subject to deductions payable to the Fonds d'aide aux recours collectifs, calculated in accordance with the governing regulations. A copy of the Distribution Protocol can be viewed at www.xlbeefclassaction.com.

The settlement monies will be paid to three categories of claimants:

- Category 1: class members who purchased Recalled XL Beef or Unidentifiable Beef and suffered an economic loss (i.e., claims for a refund of the purchase price);
- Category 2: class members who consumed Recalled XL Beef and suffered an injury or illness as a result; and
- Category 3: Canadian provincial health care providers who incurred expenses treating class members who consumed Recalled XL Beef and suffered an injury or illness as a result.

If there is not sufficient monies to pay all claims in full, all claims will be reduced on a proportional basis (i.e., based on the value of your claim in proportion to the value of all claims).

All Eligible Claimants will be assigned a minimum value of \$20. The \$20 valuation target is not an estimate of any damages suffered. It is an administrative threshold designed to maintain a feasible economic and administrative platform for the settlement distribution.

Category 1: Economic Loss Claims

You are eligible for settlement benefits for economic losses (i.e., refund claims) if:

- you reside in Canada or the United States; and
- (i) you purchased and disposed of Recalled XL Beef or Unidentifiable Beef, and (ii) did not receive a refund of the purchase price; or
- (i) you purchased Recalled XL Beef; (ii) you or another individual consumed the Recalled XL Beef and experienced illness or injury as a result, and (iii) you did not receive a refund of the purchase price.

Settlement monies payable to class members with economic loss claims will be distributed as follows:

- Class members with proof of purchase will receive the amount of their purchases.
- Class members without proof of purchase will receive the amount of their stated purchases, to a maximum of CDN \$25.
- The total economic loss claims without proof of purchase are capped at CDN \$500,000. If that cap is exceeded, the claims will be reduced on a proportional basis (i.e., based on the value of your claim in proportion to the value of all claims). If the cap is exceeded, but there are settlement funds remaining after all other approved claims are paid in full, the excess settlement funds will be used to increase payments to class members without proof of purchase up to a maximum of CDN \$25.

Category 2: Personal Injury Claims

You are eligible for settlement benefits for personal injury if:

- you reside in Canada or the United States; and
- you consumed Recalled XL Beef; and
- you experienced illness or injury as a result.

Settlement monies payable to class members with bodily injuries will be distributed as follows:

- based on: (i) the level of evidence provided by the Class Member to substantiate the claims; and (ii) the severity of injuries suffered by the Class Member. See Schedule A of the Distribution Protocol for more information.
- The total personal injury claims without medical records are capped at CDN \$500,000. If that cap is exceeded, the claims will be reduced on a proportional basis (i.e., based on the value of your claim in proportion to the value of all claims). If the cap is exceeded, but there are settlement funds remaining after all other approved bodily injury and provincial health care claims are paid in full, the excess settlement funds will be used to increase payments to class members without medical records in accordance with Schedule A of the Distribution Protocol.

Category 3: Provincial Health Care Costs

Canadian provincial health care providers are eligible for settlement benefits for their costs in treating class members with approved personal injury claims.

Settlement monies payable to provincial health care providers will be distributed as follows:

- based on the documented costs incurred by the health care provider in respect of the approved personal injury claim.
- If there is not sufficient monies to pay all claims in full, all claims will be reduced on a proportional basis (i.e., based on the value of the health care provider's claim in proportion to the value of all claims).

WHAT IF THERE ARE SETTLEMENT FUNDS REMAINING AFTER ALL VALID CLAIMS HAVE BEEN PAID?

If there are remaining settlement funds after all valid claims are paid, the excess will be paid in equal shares to the following organizations:

- Food Banks Canada: a Canadian charitable organization representing and supporting the food bank community across Canada. Food Banks Canada will use the money to fund its National Food Sharing System program.
- Feeding America: an American charitable organization representing and supporting the food bank community across the U.S. Feeding America will use the money to fund its National Produce Program.

HOW DO I APPLY TO RECEIVE SETTLEMENT FUNDS?

To be eligible for settlement benefits, class members must file a properly completed claim, together with the required supporting documents, no later than August 17, 2016, subject to further Court order. Claims that are not made within the deadline will not be eligible for compensation.

Claims must be filed using the online claims process at www.xlbeefclassaction.com. If you do not have internet access, but wish to file a claim, please contact the Claims Administrator at 1-800-951-3201. Class Members may be assisted by the lawyers listed below or another lawyer of their own choosing in the completion of their claim, in which case the Class Member will be responsible for any legal expenses arising from those additional individual services.

WHO ARE THE LAWYERS WORKING ON THE CLASS ACTION AND HOW ARE THEY PAID?

The following law firms act on behalf of the class:

Siskinds LLP

680 Waterloo Street
London, ON N6A 3V8

Toll Free:

1-800-461-6166 ext. 2278

Email:

xlfoodsclassaction@siskinds.com

James H Brown and Associates

2400 Sunlife Place

10123 99 Street

Edmonton, AB T5J 3H1

Toll Free: 1-800-616-0088

Email:

rmallett@jameshbrown.com

D'Arcy & Deacon LLP

310 - 525 11 Avenue SW

Calgary, AB T2R 0C9

Tel:

1-403-245-0111

Email:

cdocken@darcydeacon.com

You do not need to pay out-of-pocket for the lawyers working on the class action. The lawyers will be paid from the settlement funds.

The Alberta Court has approved payment to Class Counsel of legal fees of CDN \$1,285,000, plus disbursements of approximately CDN \$100,000 and applicable taxes. A legal fee of CDN \$1,285,000 represents approximately 33% of the settlement amount after deducting disbursements and applicable taxes.

WHERE CAN I ASK MORE QUESTIONS?

For more information, please visit www.xlbeefclassaction.com. If you have questions that are not answered online, please email info@cacservicesgroup.com or call toll-free 1-800-951-3201