

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
MR. JUSTICE PERELL

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)  
)

MONDAY, THE 27<sup>TH</sup> DAY  
OF SEPTEMBER, 2010

BETWEEN:

**DENNIS FISCHER, SHEILA SNYDER,  
LAWRENCE DYKUN, RAY SHUGAR  
and WAYNE DZEOBA**

Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT, LTD.,  
CI MUTUAL FUNDS INC.  
FRANKLIN TEMPLETON INVESTMENTS CORP.,  
AGF FUNDS INC. and AIC LIMITED**

Defendants

Proceeding Under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the Plaintiff Ray Shugar ("Shugar") for an Order certifying this action as a class proceeding for the purposes of settlement only as against AGF Funds Inc. ("AGF"), approving the notice to the AGF Ontario Class Members and for other declaratory relief was heard this day at Osgoode Hall in the presence of counsel for the Plaintiffs and counsel for the Defendant, AGF;

**ON READING** the notice of motion and the material filed and on hearing submissions of counsel for the Plaintiffs and counsel for AGF;

1. **THIS COURT ORDERS** that the use of capitalized terms in this Order shall have the same meaning as found in the Settlement Agreement dated September 16, 2010 between *inter alia* Shugar and AGF (attached hereto as Schedule "A") except to the extent that the definition of a term in the Settlement Agreement and this Order conflict, in which case the definition of the term as set out in this Order shall govern.

2. **THIS COURT ORDERS** that, subject to paragraph 18 herein, this action, as against AGF, be and is hereby certified as a class proceeding, for purposes of settlement only, under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6.

3. **THIS COURT ORDERS** that the AGF Ontario Class is described as:

- (a) all persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or other ownership units of one or more of the AGF Funds during the period from August 1, 2000 to June 30, 2003.

4. **THIS COURT ORDERS** that Shugar be and is hereby appointed as Representative Plaintiff for the AGF Ontario Class.

5. **THIS COURT DECLARES** that the causes of action asserted in this Action on behalf of the AGF Ontario Class are negligence, breach of duty, breach of fiduciary duty, unjust enrichment and oppression pursuant to section 241 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

6. **THIS COURT DECLARES** that the relief sought by the AGF Ontario Class is general damages for breach of fiduciary duty, breach of trust and/or negligence, special damages, punitive, aggravated and exemplary damages, compound pre-judgment and post-judgment

interest in accordance with the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and costs of this action on a substantial indemnity basis.

7. **THIS COURT ORDERS** that the common issues for the AGF Ontario Class are:

- (a) Did AGF owe a fiduciary duty to the members of the AGF Ontario Class to take steps to prevent “market timing” activities in the AGF Funds?
- (b) If so, did AGF breach such a fiduciary duty and, if so, what was the nature of the breach?
- (c) Did AGF owe a duty of care to the members of the AGF Ontario Class to take steps to prevent “market timing” activities in the AGF Funds?
- (d) If so, did AGF breach such a duty of care and, if so, what was the nature of the breach?

8. **THIS COURT ORDERS** that the law firm of Rochon Genova LLP be and is hereby appointed counsel to the AGF Ontario Class.

9. **THIS COURT ORDERS** that the Ontario Settlement Approval Motion and the motion by Ontario Plaintiffs’ Counsel for approval of its legal fees and disbursements in respect of the Ontario Action shall be heard by this Court on December 17, 2010 at Osgoode Hall, Toronto, Ontario.

10. **THIS COURT ORDERS** that Rochon Genova LLP shall cause the Notice of Certification substantially in the form attached hereto as Schedule “B” to be published on one occasion prior to October 22, 2010 in the list of publications attached hereto as Schedule “C”.

11. **THIS COURT ORDERS** that Ontario Plaintiffs' Counsel will place the Notice of Certification (attached hereto as Schedule "B") on its website until December 17, 2010.

12. **THIS COURT ORDERS** that potential members of the AGF Ontario Class may opt-out of the class proceeding by sending written notice, signed by such person, clearly requesting exclusion and indicating his or her name and address, telephone number, social insurance number, fax number (if any) and email address (if any), by prepaid mail, fax or courier to:

**ROCHON GENOVA LLP**  
121 Richmond Street West, Suite 900  
Toronto, Ontario M5H 2K1

Attention: Joel Rochon  
Fax: (416) 363-0263

13. **THIS COURT ORDERS** that notice from members of the AGF Ontario Class wishing to opt-out of the class proceeding must be received at the office of Rochon Genova LLP by no later than 5:00 p.m. on December 6, 2010, after which time a member of the AGF Ontario Class may not opt-out.

14. **THIS COURT ORDERS** that any member of the AGF Ontario Class who does not opt out in accordance with paragraphs 12 and 13 of this Order shall be bound by any future Orders in this action and shall be bound by the terms of the Settlement Agreement if approved by this Court.

15. **THIS COURT ORDERS** that on or before December 9, 2010, Rochon Genova LLP shall serve on AGF and file with this Court a report identifying all persons who have opted-out of the class proceeding.

16. **THIS COURT ORDERS** that AGF Ontario Class Members who wish to file with the Court an objection to or comment on the Settlement or on the motion by Ontario Plaintiffs'

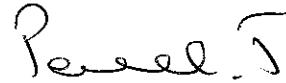
Counsel for approval of its fees and disbursements shall provide a written submission to Ontario Plaintiffs' Counsel by no later than December 6, 2010 at the address set forth in paragraph 12 above and Ontario Plaintiffs' Counsel shall file all such submissions with the Court prior to the hearing of the Ontario Settlement Approval Motion.

17. **THIS COURT ORDERS** that the written objection delivered by AGF Ontario Class Members in accordance with paragraph 16 of this Order shall include the following:

- (a) The objecting Class Member's name, address, telephone number, social insurance number, e-mail address (if any) and fax number (if any);
- (b) A brief statement of the nature of the objection, and the reason for the objection; and
- (c) A statement as to whether the objecting Class Member intends to appear at the hearing of the Ontario Settlement Approval Motion and, if so, whether such attendance will be in person or by counsel. If the attendance will be by counsel, the Class Member shall provide the relevant contact information for the designated counsel.

18. **THIS COURT ORDERS** that this Order, including without limiting the generality of the foregoing, the certification of this action against AGF and the definition of the AGF Ontario Class and the common issues which are set forth herein, is without prejudice to any position that the non-settling defendants, CI Mutual Funds Inc. and AIC Limited, may take in this or any other proceeding (or appeal) on any issue, including, without limitation, the issue of whether any action should be certified as a class proceeding.


19. **THIS COURT ORDERS** that if the Settlement is terminated because one or more of the specified conditions in section 8 of the Settlement Agreement is not satisfied or waived, then i) this Order, including the certification of the Ontario Action as against AGF as a class proceeding for the purposes of settlement, shall be set aside and be of no further force or effect, and without prejudice to the positions of the Parties in the Appeal, the Motion for Authorization and/or any subsequent proceedings between the Parties; and ii) this action as against AGF shall be immediately decertified as a class proceeding pursuant to section 10 of the *Class Proceedings Act, 1992*.

A handwritten signature in cursive script, appearing to read "Pavel S", is written above a horizontal line.

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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

SEP 27 2010

AS DOCUMENT NO.:  
À TITRE DE DOCUMENT NO.:  
PER / PAR: 

**Schedule "A"**

**SETTLEMENT AGREEMENT**

**B E T W E E N :**

**RAY SHUGAR**

- and -

**AGF FUNDS INC.**

**A N D B E T W E E N :**

**GILLES GIRARD,**

**PIERRETTE GIRARD**

- and -

**FONDS AGF INC.**

**WHEREAS** the Plaintiffs Pierrette and Gilles Girard filed the Québec Motion against AGF alleging, among other things, that AGF permitted, or failed to prevent, market timing in the AGF Québec Funds;

**AND WHEREAS** the Plaintiff Ray Shugar commenced the Ontario Action against AGF alleging, among other things, that AGF permitted, or failed to prevent, market timing in the AGF Funds;

**AND WHEREAS** by Order dated January 12, 2010, Mr. Justice Perell denied certification in the Ontario Action;

**AND WHEREAS** on February 10, 2010, the Plaintiffs in the Ontario Action served a Notice of Appeal of Mr. Justice Perell's January 12, 2010 Order;

**AND WHEREAS** the Québec Motion has been argued before Justice Claude Champagne of the Québec Superior Court, however no decision has yet been rendered by Justice Champagne in respect of that motion;

**AND WHEREAS** the Parties wish to resolve the issues raised in the Ontario Action and the Québec Motion without any admission of liability;

**NOW THEREFORE** in consideration of the mutual covenants and agreements set forth below, the Parties agree as follows:

Definitions

1. In this Settlement Agreement:

- (a) “**Affected Investors**” has the same meaning as given to this term in the OSC Plan of Distribution;
- (b) “**Appeal**” means the appeal filed by the Plaintiffs in the Ontario Action from the Order of Mr. Justice Perell dated January 12, 2010;
- (c) “**AGF**” means AGF Funds Inc./*Fonds AGF Inc.*, now known as AGF Investments Inc.;
- (d) “**AGFML**” means AGF Management Limited, the parent company of AGF;
- (e) “**AGF Funds**” means:
  - (i) AGF Aggressive Global Stock Fund;
  - (ii) AGF Asian Growth Class;
  - (iii) AGF European Asset Allocation Fund (for the period prior to August 16, 2002, at which time the fund merged into AGF World Balanced Fund);
  - (iv) AGF European Equity Class;
  - (v) AGF Germany Class;
  - (vi) AGF Global Government Bond Fund;
  - (vii) AGF International Stock Class;
  - (viii) AGF International Value Fund;
  - (ix) AGF Japan Class;
  - (x) AGF RSP European Equity Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World Companies Fund);
  - (xi) AGF RSP International Equity Allocation Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World



- Companies Fund);
- (xii) AGF RSP International Value Fund;
  - (xiii) AGF RSP World Equity Fund(for the period prior to June 16, 2003 at which time the fund merged into AGF RSP World Companies Fund);
  - (xiv) AGF RSP World Companies Fund;
  - (xv) AGF Short-Term Income Class;
  - (xvi) AGF World Balanced Fund;
  - (xvii) AGF World Companies;
  - (xviii) AGF World Equity Class (renamed AGF Global Equity Class July 9, 2001);
  - (xix) Global Strategy Europe Plus Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF European Equity Class); and
  - (xx) Global Strategy Europe Plus RSP Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF RSP European Equity Fund);
- (f) **“AGF Ontario Class”** means all persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or other ownership units of one or more of the AGF Funds during the period from August 1, 2000 to June 30, 2003;
  - (g) **“AGF Ontario Class Members”** means members of the AGF Ontario Class;
  - (h) **“AGF Ontario Opt-Outs”** means members of the AGF Ontario Class who opt out of the Ontario Action;
  - (i) **“AGF OSC Settlement Amount”** means the “Settlement Amount” as defined in the OSC Plan of Distribution;
  - (j) **“AGF Québec Funds”** means:
    - (i) Fonds International de titres actifs AGF (AGF Aggressive Global Stock Fund);
    - (ii) Catégorie Croissance asiatique AGF (AGF Asian Growth Class);
    - (iii) Catégorie d’actions européennes AGF (AGF European Equity Class);
    - (iv) Catégorie de titres internationaux AGF (AGF International Stock Class);

- (v) Catégorie Japon AGF (AGF Japan Class);
  - (vi) Fonds International de titres Actifs AGF (AGF RSP International Equity Allocation Fund); and
  - (vii) Fonds d'Actions Mondiale AGF (AGF World Equity Class).
- (k) “**AGF Québec Group**” means any persons, physical or moral (of less than 50 employees) who were Québec residents and holders of units in the AGF Québec Funds between January 1, 2000 and December 31, 2003;
- (l) “**AGF Québec Group Members**” means members of the AGF Québec Group;
- (m) “**AGF Québec Opt-Outs**” means AGF Québec Group Members who opt out of the Québec Motion;
- (n) “**AGF Successor Funds**” means the funds in which unit holders of AGF Funds became unit holders upon the merger, amalgamation or termination of an AGF Fund;
- (o) “**Effective Date**” means the date on which the latest of the conditions in section 8 hereof have been satisfied or waived by AGF;
- (p) “**Ontario Action**” means the proceeding commenced in *Fischer et al. v. AGF et al.*, Court File No.: 06-CV-307599CP (Ontario Superior Court of Justice);
- (q) “**Ontario Plaintiffs’ Counsel**” means Rochon Genova LLP;
- (r) “**Ontario Settlement Approval**” means the issuance of an order by the Ontario Superior Court of Justice in the form attached hereto as Schedule “B” or as modified by the Ontario Superior Court of Justice and the expiration of any applicable appeal period;
- (s) “**Ontario Settlement Approval Motion**” means the motion returnable before the Ontario Superior Court of Justice for approval of the Settlement;
- (t) “**OSC Plan of Distribution**” means the AGF Plan of Distribution approved by the Ontario Securities Commission on June 30, 2005 (a copy of which is attached hereto as Schedule “E”);
- (u) “**Party or Parties**” means the parties to this Settlement Agreement being Ray Shugar, Pierrette and Gilles Girard and AGF or any one of them;
- (v) “**Québec Motion**” means the Motion for Authorization to institute a class action entitled “*Requête ré-ré-ré amendée pour autorisation d’exercer un recours collectif*”, dated April 17, 2009, in Court File No.: 500-06-000256-046 of the Québec Superior Court;

- (w) **“Québec Plaintiffs’ Counsel”** means Sylvestre Fafard Painchaud;
- (x) **“Québec Settlement Approval”** means a decision by the Québec Superior Court in the form attached hereto as Schedule “D” or as modified by the Québec Superior Court and the expiration of any applicable appeal period;
- (y) **“Québec Settlement Approval Motion”** means the motion presentable before the Québec Superior Court for approval of the Settlement;
- (z) **“Releasers”** mean, jointly and severally, individually and collectively, the Plaintiffs, the AGF Ontario Class Members, the AGF Québec Group Members and their respective successors, heirs, executors and administrators.
- (aa) **“Released Claims”** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, for damages whenever incurred, damages of any kind, including compensatory, punitive or other damages, or for liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers’ fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity that Releasers, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, relating in any way to any conduct occurring anywhere, in respect of market timing in the AGF Funds and AGF Successor Funds or relating to any conduct alleged (or which could have been alleged) in the Ontario Action or the Quebec Motion including, without limitation, any such claims that have been asserted, would have been asserted, or could have been asserted, directly or indirectly.
- (bb) **“Releasees”** means jointly and severally individually and collectively AGF and its present and former parents, subsidiaries, divisions, affiliates and all of their respective past, present and future officers, directors, employees, agents, shareholders, trustees, servants and representatives and the predecessors, successors, purchasers, heirs, executors and administrators.
- (cc) **“Settlement”** is the settlement agreed to in this Settlement Agreement; and
- (dd) **“Settlement Payment”** has the meaning set out in section 2 of this Settlement Agreement.

### Settlement Payment

2. Within 20 days of the Effective Date, in accordance with section 3 below, AGF shall pay the sum of \$3,500,000 (three million five hundred thousand) (the “Settlement Payment”) less: (a) any amounts approved by the Ontario Superior Court and Québec Superior Court in connection with this Settlement for legal fees and disbursements for Ontario Plaintiffs’ Counsel and Québec Plaintiffs’ Counsel respectively; and (b) disbursements incurred in connection with implementing the Settlement (including the cost of newspaper advertisements, postage costs,

etc.) to the AGF Funds or, for those AGF Funds that no longer exist, to the appropriate AGF Successor Funds.

3. The Settlement Payment shall be allocated amongst the AGF Funds or, for those AGF Funds that no longer exist, to the appropriate AGF Successor Funds, in the same proportion that the AGF OSC Settlement Amount was allocated amongst the AGF Funds, based on the amounts allocated to Affected Investors, pursuant to the OSC Plan of Distribution. For greater certainty, the percentage allocation shall be as set out in Schedule "F".

#### Releases and Dismissal

4. Upon the Effective Date, and for the consideration set forth in the Settlement Agreement, the Releasers forever and absolutely release the Releasees from the Released Claims.

5. The Releasers shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against the Releasees or against any other person who may claim contribution or indemnity from any Releasees in respect of any Released Claim or any matter related thereto.

6. The Ontario Action shall be dismissed with prejudice and without costs.

7. Except as may be required to enforce the Settlement, neither Ontario Plaintiffs' Counsel nor Québec Plaintiffs' Counsel nor anyone employed by, associated with, or a partner of Ontario Plaintiffs' Counsel or Québec Plaintiffs' Counsel may directly or indirectly participate, be involved in any, or in any way assist with respect to any claim made or action by any person which relates to or arises from the Released Claims, including any claim by a person who opts out of the AGF Ontario Class or AGF Québec Group.

#### Conditions

8. This Agreement is conditional upon the occurrence of the following:

- (a) certification of the Ontario Action as against AGF for the purposes of settlement only in accordance with an order issued by the Ontario Superior Court in the form attached hereto as Schedule "A", or as modified by the Ontario Superior Court;
- (b) receipt of Ontario Settlement Approval on or before January 31, 2011;
- (c) authorization of the Québec Motion as against AGF for settlement purposes only in accordance with a decision delivered in the form attached hereto as Schedule "C", or as modified by the Québec Superior Court;
- (d) receipt of Québec Settlement Approval on or before January 31, 2011;
- (e) the amount which the AGF Ontario Opt-Outs and AGF Québec Opt-Outs collectively received, or were entitled to receive, pursuant to the OSC Plan of Distribution shall not exceed 2% of the AGF OSC Settlement Amount; and

- (f) the number of AGF Ontario Opt-Outs and AGF Québec Opt-Outs combined shall not exceed 100.

9. The conditions in sections 8(b), 8(d), 8(e) and 8(f) above are solely for AGF's benefit and can be waived by AGF, in whole or in part, in its sole discretion at any time. With respect to the timing of the completion of the conditions in subsection 8(b) and 8(d), AGF shall exercise its discretion with respect to waiver in a reasonable manner.

10. If the conditions in sections 8(a) to 8(f) above are not satisfied or waived, this Settlement Agreement shall terminate and all discussions, actions, undertakings and agreements by and between the Parties in respect of the negotiation, execution and attempted implementation of this Settlement Agreement shall be without prejudice to the positions of the Parties in the Appeal, the Québec Motion and/or any subsequent proceedings between the Parties.

11. If this Settlement Agreement is not approved, is terminated or otherwise fails to take effect for any reason, the provisions of sections 10, 11, 16, 17(a) and 17(b) shall survive termination and continue in full force and effect. The definitions and Schedules shall survive only for the limited purpose of the interpretation of sections 10, 11, 16, 17(a) and 17(b) within the meaning of this Settlement Agreement, but for no other purposes. All other provisions of this Settlement Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately.

#### Appeal to Divisional Court

12. Within 10 days of certification of the Ontario Action as against AGF for the purposes of settlement, Ray Shugar shall abandon the Appeal as against AGF without costs and serve a notice of abandonment to this effect.

13. If the Settlement Agreement terminates because one or more of the conditions in subsections 8(a) to 8(f) above are not satisfied or waived, AGF will consent to the late service and filing by Ray Shugar of a notice of appeal in respect of the Order.

#### Class Counsel Fees

14. AGF agrees that it will take no position at either (a) the motion brought by Ontario Plaintiffs' Counsel for approval of legal fees and disbursements in respect of the Ontario Action (which motion shall be heard in conjunction with the Ontario Settlement Approval Motion) or (b) at the motion brought by Québec Plaintiffs' Counsel for approval of legal fees and disbursements in respect of the Québec Motion (which motion shall be heard in conjunction with the Québec Settlement Approval Motion).

15. The legal fees and disbursements approved by the Ontario Superior Court and the Québec Superior Court in connection with the motions referred to in section 14 above shall be paid at the same time that AGF makes the payment to the AGF Funds referenced in section 2 above.

#### Public Statements With Respect to the Settlement

16. The Parties agree that no public statements will be made concerning the Ontario Action

or the Québec Motion unless agreed to by the Parties. Nothing in this Settlement Agreement, however, precludes AGF or any of its affiliates from discussing the Settlement with their respective auditors, accountants, rating agencies or financial institutions or making such disclosure as is required by law. In addition, nothing in this Settlement Agreement restricts (a) the Ontario Plaintiffs' Counsel or Québec Plaintiffs' Counsel from responding to any question or request for information from an AGF Class Member or an AGF Québec Group Member; or (b) AGF or its affiliates from responding to any question or request for information from their clients or independent advisors or shareholders of AGFML.

#### General Provisions

17. The Parties agree that:

- (a) no provision in this Settlement Agreement shall be construed as an admission by any Party of the existence of any liability to another Party or to any other person with respect to any matter whatsoever;
- (b) any certification in the Ontario Action or authorization of the Québec Motion pursuant to the terms of this Agreement shall not constitute, and shall not be construed as, an admission on the part of the Parties that either the Ontario Action or the Québec Motion, or issues arising therein, is appropriate for prosecution or trial as a class proceeding;
- (c) any decision rendered by Justice Champagne with respect to the Québec Motion prior to the Québec Settlement Approval shall have no impact or effect on the terms of this Settlement;
- (d) references in this Settlement Agreement to the singular shall include the plural and *vice versa*, as the context requires;
- (e) the division of this Settlement Agreement into sections is for the convenience of reference only and shall not affect the construction or interpretation hereof;
- (f) subject to paragraph 17(g), this Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein;
- (g) as it relates to AGF Québec Group Members and the Québec Motion, this Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein;
- (h) this Settlement Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. There are no oral warranties or representations or other agreements between the Parties in connection with the subject matter hereof, except as expressly set forth and referred to herein. No amendment of this Settlement Agreement shall be binding unless executed in writing by the Parties to be bound thereby. No waiver of any provision of this Settlement Agreement shall be deemed or shall constitute a waiver of any other

provision nor shall any such waiver constitute a continuing waiver unless otherwise expressed to provide it;

- (i) this Settlement Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective heirs, administrators and executors, successors and assigns; and
- (j) this Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

18. The parties agree that this agreement be drafted in both the English and French language. In the event of a dispute or the need to interpret the content of the agreement, the English version will have precedence.

DATED at Toronto this \_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Ray Shugar

DATED at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Pierrette Girard

DATED at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Gilles Girard

DATED at Toronto this \_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Rochon Genova LLP

Per:

DATED at Montréal this \_\_\_ day of \_\_\_\_\_ 2010 \_\_\_\_\_  
Sylvestre Fafard Painchaud

Per:

DATED at Toronto this \_\_\_ day of \_\_\_\_\_ 2010 AGF Funds Inc./Fonds AGF Inc.

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**Schedule "A" to Settlement Agreement**

Court File No. 06-CV-307599CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
MR. JUSTICE PERELL ) \_\_\_\_\_ DAY, THE \_\_\_\_\_ DAY  
) OF AUGUST, 2010  
)

BETWEEN:

**DENNIS FISCHER, SHEILA SNYDER,  
LAWRENCE DYKUN, RAY SHUGAR  
and WAYNE DZEOBA**

Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT, LTD.,  
CI MUTUAL FUNDS INC.  
FRANKLIN TEMPLETON INVESTMENTS CORP.,  
AGF FUNDS INC. and AIC LIMITED**

Defendants

Proceeding Under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the Plaintiff Ray Shugar ("Shugar") for an Order certifying this action as a class proceeding for the purposes of settlement only as against AGF Funds Inc. ("AGF"), approving the notice to the AGF Ontario Class Members and for other declaratory relief was heard this day at Osgoode Hall in the presence of counsel for the Plaintiffs and counsel for the Defendant, AGF;

**ON READING** the notice of motion and the material filed and on hearing submissions of counsel for the Plaintiffs and counsel for AGF;

1. **THIS COURT ORDERS** that the use of capitalized terms in this Order shall have the same meaning as found in the Settlement Agreement dated ●, 2010 between *inter alia* Shugar and AGF (attached hereto as Schedule "A") except to the extent that the definition of a term in the Settlement Agreement and this Order conflict, in which case the definition of the term as set out in this Order shall govern.

2. **THIS COURT ORDERS** that, subject to paragraph 18 herein, this action, as against AGF, be and is hereby certified as a class proceeding, for purposes of settlement only, under the *Class Proceedings Act, 1992, S.O. 1992, c. 6*.

3. **THIS COURT ORDERS** that the AGF Ontario Class is described as:

- (a) all persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or other ownership units of one or more of the AGF Funds during the period from August 1, 2000 to June 30, 2003.

4. **THIS COURT ORDERS** that Shugar be and is hereby appointed as Representative Plaintiff for the AGF Ontario Class.

5. **THIS COURT DECLARES** that the causes of action asserted in this Action on behalf of the AGF Ontario Class are negligence, breach of duty, breach of fiduciary duty, unjust enrichment and oppression pursuant to section 241 of the *Canada Business Corporations Act, R.S.C. 1985, c. C-44*.

6. **THIS COURT DECLARES** that the relief sought by the AGF Ontario Class is general damages for breach of fiduciary duty, breach of trust and/or negligence, special damages, punitive, aggravated and exemplary damages, compound pre-judgment and post-judgment

interest in accordance with the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and costs of this action on a substantial indemnity basis.

7. **THIS COURT ORDERS** that the common issues for the AGF Ontario Class are:

- (a) Did AGF owe a fiduciary duty to the members of the AGF Ontario Class to take steps to prevent “market timing” activities in the AGF Funds?
- (b) If so, did AGF breach such a fiduciary duty and, if so, what was the nature of the breach?
- (c) Did AGF owe a duty of care to the members of the AGF Ontario Class to take steps to prevent “market timing” activities in the AGF Funds?
- (d) If so, did AGF breach such a duty of care and, if so, what was the nature of the breach?

8. **THIS COURT ORDERS** that the law firm of Rochon Genova LLP be and is hereby appointed counsel to the AGF Ontario Class.

9. **THIS COURT ORDERS** that the Ontario Settlement Approval Motion and the motion by Ontario Plaintiffs’ Counsel for approval of its legal fees and disbursements in respect of the Ontario Action shall be heard by this Court on ●, 2010 at Osgoode Hall, Toronto, Ontario.

10. **THIS COURT ORDERS** that Rochon Genova LLP shall cause the Notice of Certification substantially in the form attached hereto as Schedule “B” to be published on one occasion prior to ●, 2010 in the list of publications attached hereto as Schedule “C”.

11. **THIS COURT ORDERS** that Ontario Plaintiffs' Counsel will place the Notice of Certification (attached hereto as Schedule "B") on its website until • [the date of the approval hearing], 2010.

12. **THIS COURT ORDERS** that potential members of the AGF Ontario Class may opt-out of the class proceeding by sending written notice, signed by such person, clearly requesting exclusion and indicating his or her name and address, telephone number, fax number (if any) and email address (if any), by prepaid mail, fax or courier to:

**ROCHON GENOVA LLP**  
121 Richmond Street West, Suite 900  
Toronto, Ontario M5H 2K1

Attention: Joel Rochon  
Fax: (416) 363-0263

13. **THIS COURT ORDERS** that notice from members of the AGF Ontario Class wishing to opt-out of the class proceeding must be received at the office of Rochon Genova LLP by no later than 5:00 p.m. on • [45 days after the date set herein for the publication of the Certification Notice], 2010, after which time a member of the AGF Ontario Class may not opt-out.

14. **THIS COURT ORDERS** that any member of the AGF Ontario Class who does not opt out in accordance with paragraphs 12 and 13 of this Order shall be bound by any future Orders in this action and shall be bound by the terms of the Settlement Agreement if approved by this Court.

15. **THIS COURT ORDERS** that on or before •, 2010, Rochon Genova LLP shall serve on AGF and file with this Court a report identifying all persons who have opted-out of the class proceeding.

16. **THIS COURT ORDERS** that AGF Ontario Class Members who wish to file with the Court an objection to or comment on the Settlement or on the motion by Ontario Plaintiffs' Counsel for approval of its fees and disbursements shall provide a written submission to Ontario Plaintiffs' Counsel by no later than ●, 2010 [45 days after the date set herein for the publication of the Certification Notice] at the address set forth in paragraph 12 above and Ontario Plaintiffs' Counsel shall file all such submissions with the Court prior to the hearing of the Ontario Settlement Approval Motion.

17. **THIS COURT ORDERS** that the written objection delivered by AGF Ontario Class Members in accordance with paragraph 16 of this Order shall include the following:

- (a) The objecting Class Member's name, address, telephone number, ●, fax number (if any);
- (b) A brief statement of the nature of the objection, and the reason for the objection; and
- (c) A statement as to whether the objecting Class Member intends to appear at the hearing of the Ontario Settlement Approval Motion and, if so, whether such attendance will be in person or by counsel. If the attendance will be by counsel, the Class Member shall provide the relevant contact information for the designated counsel.

18. **THIS COURT ORDERS** that if the Settlement is terminated because one or more of the specified conditions in section 8 of the Settlement Agreement is not satisfied or waived, then i) this Order, including the certification of the Ontario Action as against AGF as a class proceeding for the purposes of settlement, shall be set aside and be of no further force or effect,

and without prejudice to the positions of the Parties in the Appeal, the Motion for Authorization and/or any subsequent proceedings between the Parties; and ii) this action as against AGF shall be immediately decertified as a class proceeding pursuant to section 10 of the *Class Proceedings Act, 1992*.

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## Schedule "B"

### IG INVESTMENT MANAGEMENT LTD., FRANKLIN TEMPLETON INVESTMENTS CORP., AGF FUNDS INC. NOTICE OF CERTIFICATION AND CLASS ACTION SETTLEMENT

*Read this notice carefully as it may affect your rights*

#### **PURPOSE OF THIS NOTICE**

This is a court-approved notice to class members of the Order made by the Superior Court of Justice for Ontario on \_\_\_\_\_, 2010 certifying for settlement purposes a class action in Fischer et al v. IG Investment Management, Ltd., Court file no. 06-CV-307599CP, as against IG Investment Management Ltd., ("IGIM") Franklin Templeton Investments Corp. ("Franklin Templeton") and AGF Funds Inc. ("AGF") (collectively "the Fund Companies"). In this action, the representative plaintiffs allege that the Fund Companies breached a fiduciary duty or duty of care to class members by permitting, or failing to prevent, market timing activities in certain mutual funds managed by the Fund Companies or failing to disclose accurately information about the management of the funds. The Fund Companies dispute the existence of any liability to the representative plaintiffs or to any members of the Class (as defined below). Similar allegations have also been made against the Fund Companies in *Huneault et al v. IG Investment Management Ltd. et al*, Court File No. 500-06-000256-046 (the "Québec proceeding"). The following persons are members of each class:

#### **IGM Class**

All persons, except persons residing in Québec who purchased and/or redeemed and/or held or otherwise acquired shares or other ownership units of one or more of the following funds from October 1, 2000 to November 30, 2002:

- IG AGF Asian Growth Fund

- IG Scudder European Growth Fund (which changed its name to IG Mackenzie Ivy European Fund on July 12, 2002)
- IG Templeton International Equity
- IG Templeton World Allocation Fund
- Investors European Growth Fund
- Investors European Mid-Cap Growth Fund
- Investors Global Fund
- Investors Japanese Growth Fund
- Investors Pacific International Fund
- Investors World Growth Portfolio
- Rothschild Select: GS International Equity Fund (which changed its name to IG AGF International Equity Fund on October 9, 2001) (the "IG Funds").

#### **Franklin Templeton Class**

All persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or ownership units during the period February 1, 1999 to February 28, 2003 in one of the following funds:

Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Global Smaller Companies Fund, and Templeton Emerging Markets Fund ("Franklin Templeton Funds").

#### **AGF Ontario Class**

All persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or ownership units during the period August 1, 2000 to June 30, 2003 in one of the following funds:

- AGF Aggressive Global Stock Fund

- AGF Asian Growth Class
- AGF European Asset Allocation Fund/ (for the period prior to August 16, 2002, at which time the fund merged into AGF World Balanced Fund)
- AGF European Equity Class
- AGF Germany Class
- AGF Global Government Bond Fund
- AGF International Stock Class
- AGF International Value Fund
- AGF Japan Class
- AGF RSP European Equity Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP International Equity Allocation Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP International Value Fund
- AGF RSP World Equity Fund (for the period prior to June 16, 2003 at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP World Companies Fund
- AGF Short-Term Income Class
- AGF World Balanced Fund
- AGF World Companies
- AGF World Equity Class (renamed AGF Global Equity Class July 9, 2001)
- Global Strategy Europe Plus Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF European Equity Class)
- Global Strategy Europe Plus RSP Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF RSP European Equity Fund) (“**AGF Funds**”)

If you are a member of the IG Class, Franklin Templeton Class or AGF Ontario Class, you may be affected by this notice.

### OPTING OUT

In order to opt-out of the class proceeding, you must ensure that a written notice to that effect is received at the offices of Rochon Genova LLP (“**Class Counsel**”) by registered mail or fax by 5:00 pm on ●, 2010. The written notice shall be signed, include your name, address, telephone number, fax number (if any) and email address (if any), and clearly request exclusion from the IG Class, Franklin Templeton Class or AGF Ontario Class. Class Counsel’s address is:

Rochon Genova LLP  
121 Richmond Street West, Suite 900  
Toronto, Ontario M5H 2K1

Attention: Joel Rochon  
Fax No. (416) 363-0263

If you do not opt out prior to this date, you will be deemed to be a member of the Class and will be bound by any future Orders in this action and shall be bound by the settlement referenced below if the settlement is approved by the Court. You may wish to obtain independent legal advice with respect to this matter if you choose to opt out of the proceedings.

### SETTLEMENT APPROVAL HEARING

Class Counsel will ask the Court to approve a settlement of the class action and approve Class Counsel’s fees and disbursements in connection with the class action on \_\_\_\_\_, 2010 beginning at \_\_\_\_\_ a.m. at Osgoode Hall, Toronto, Ontario.

Under the terms of the proposed settlement, in full and final settlement of the claims in both this proceeding and the Québec proceeding:

- a) IG will pay \$2.8 million to the IG Funds



b) Franklin will pay \$5 million to the Franklin Templeton Funds

c) AGF will pay \$3.5 million to the AGF Funds

These amounts will be reduced by:

i) amounts approved by the Ontario Superior Court for legal fees and disbursements for Ontario plaintiffs' counsel, ii) legal fees and disbursements approved by the Québec Superior Court for plaintiffs' legal counsel in connection with a parallel class action brought in Québec against the Fund Companies on behalf of individuals resident in Québec, and iii) the disbursements incurred in implementing the settlement. The Settlement Payments by each Fund Company shall be allocated in accordance with the Settlement Agreement which will be submitted for approval by the Superior Court of Justice for Ontario at the above-mentioned time and place.

At the settlement approval hearing, the Court will consider any objections to or comments concerning either the proposed settlement or Class Counsel's motion for approval of its fees and disbursements. Objections and/or comments are to be made in writing and shall be mailed or faxed to Class Counsel at the address listed above on or before \_\_\_\_\_, 2010. Class Counsel will ensure that any objections and/or comments received are filed with the Court in advance of the settlement approval hearing.

Further particulars concerning this proceeding, the proposed settlement, and the Order of the Superior Court of Justice for Ontario dated ●, 2010 can be obtained from the Rochon Genova LLP website at: [www.rochongenova.com](http://www.rochongenova.com) or by writing to Rochon Genova at the above address.

Questions about this notice should NOT be directed to the Court.

## Schedule "C"

The Globe and Mail (National)

Vancouver Sun

Calgary Herald

Regina Leader Post

Winnipeg Free Press

London Free Press

Ottawa Citizen

Toronto Star

Halifax Chronicle Herald

**DENNIS FISCHER, ET AL.**  
Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT LTD., ET AL.**  
Defendants  
Court File No. 06-CV-307599CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT Toronto

**ORDER**

**Rochon Genova LLP**  
Suite 900  
121 Richmond Street West  
Toronto, ON M5H 2K1

**Joel P. Rochon**  
**Sakie Tambakos**  
Tel: 416-363-1867  
Fax: 416-363-0263

Solicitors for the Plaintiffs

**Schedule "B" to Settlement Agreement**

Court File No. 06-CV-307599CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
MR. JUSTICE PERELL ) \_\_\_\_\_ DAY, THE \_\_\_\_\_ DAY  
) OF \_\_\_\_\_, 2010  
)

**BETWEEN:**

**DENNIS FISCHER, SHEILA SNYDER,  
LAWRENCE DYKUN, RAY SHUGAR  
and WAYNE DZEOBA**

Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT, LTD.,  
CI MUTUAL FUNDS INC.  
FRANKLIN TEMPLETON INVESTMENTS CORP.,  
AGF FUNDS INC. and AIC LIMITED**

Defendants

Proceeding Under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the Plaintiff Ray Shugar ("Shugar") for an Order approving the settlement of this action as against the Defendant AGF Funds Inc. ("AGF"), approving Ontario Plaintiffs' Counsel's fees and disbursements in respect of the Ontario Action and for other declaratory relief was heard this day at Osgoode Hall in the presence of counsel for the Plaintiffs and counsel for the Defendant, AGF;

**ON READING** the notice of motion, the Certification Order dated ●, 2010, and the materials filed and on hearing submissions of counsel for the Plaintiffs and counsel for AGF;

1. **THIS COURT ORDERS** that the use of capitalized terms in this Order shall have the same meaning as found in the Settlement Agreement dated ●, 2010 between *inter alia* Shugar and AGF (attached hereto as Schedule "A") except to the extent that the definition of a term in the Settlement Agreement and this Order conflict, in which case the definition of the term as set out in this Order shall govern.

2. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the AGF Ontario Class.

3. **THIS COURT ORDERS** that the settlement of this action, as against AGF, on the terms set forth in the attached Settlement Agreement, be and is hereby approved pursuant to section 29(3) of the *Class Proceedings Act, 1992* and shall be implemented in accordance with its terms.

4. **THIS COURT ORDERS** that Shugar has authority to execute and implement the Settlement Agreement.

5. **THIS COURT ORDERS** that the Settlement Agreement is incorporated by reference into and forms part of this Order and is binding upon each member of the AGF Ontario Class who has not opted out and his or her heirs, executors, administrators, legal representatives, successors and assigns including those persons who are under disability and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed within respect of this action.

6. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, each AGF Ontario Class Member shall consent and shall be deemed to have consented to the dismissal as against the Releasee of any actions he, she or it has commenced without costs and with prejudice.

7. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, any other action commenced in Ontario by any AGF Ontario Class Member who has not validly opted out of this action shall be and is hereby dismissed against the Releasees without costs and with prejudice.

8. **THIS COURT ORDERS AND DECLARES** that this Order, including the Settlement Agreement, is binding upon each AGF Ontario Class Member including those persons who are minors or mentally incapable and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with in respect of this action.

9. **THIS COURT ORDERS AND DECLARES** that each member of the AGF Ontario Class who has not opted out and his or her heirs, executors, administrators, legal representatives, successors and assigns, have fully, finally and forever released and discharged AGF and its parent and affiliates and their respective current and past officers, directors, employees, servants and agents, (and the successors and assigns of each of them) (the "Released Party") from and in respect of all actions, causes of action, claims and demands for damages, indemnity, costs, interest and loss or injury of every nature and kind howsoever arising which the AGF Ontario Class Member now has, may have had or may hereafter have arising from or in any way related to the claims asserted or that reasonably could have been asserted in this action (the "Released Claims").

10. **THIS COURT ORDERS** each member of the AGF Ontario Class who has not opted out and his or her heirs, executors, administrators, legal representatives, successors and assigns shall not institute, continue, maintain or assert, either directly or indirectly, in Canada or elsewhere, either on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against the Released Party or any other person who may claim any form of contribution or indemnity or other relief over against the Released Party in respect of the Released Claims or any matter related thereto and are enjoined from doing so.

11. **THIS COURT ORDERS** that the action as against AGF be and is hereby dismissed without costs and with prejudice.

12. **THIS COURT ORDERS** that Ontario Plaintiffs' Counsel and any person employed by, associated with, or a partner of Ontario Plaintiff's Counsel shall not, directly or indirectly participate or be involved in or in any way assist with respect to any claim made or action by any person which relates to or arises from the Released Claims, including any person who opts out of the AGF Ontario Class or the AGF Québec Group.

13. **THIS COURT ORDERS AND DECLARES** that the approval of the Settlement Agreement is contingent upon approval by the Québec Court and this Order shall have no force and effect if such approval is not obtained in Québec.

14. **THIS COURT ORDERS** that should any of the conditions in paragraph 8 of the Settlement Agreement not be satisfied or waived, this Order shall be null and void and without prejudice to the rights of the Parties and this Order and any agreement between the Parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.

15. **THIS COURT ORDERS** that, in accordance with section 32 of the *Class Proceedings Act, 1992*:

(a) Ontario Plaintiffs' Counsel's fees are fixed at \$● plus taxes of \$●; and

(b) Ontario Plaintiff's Counsel's disbursements and taxes are fixed at \$●,

for a total of \$●.

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**Schedule "A"**

**Executed Settlement Agreement**

**DENNIS FISCHER, ET AL.**  
Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT LTD., ET AL.**  
Defendants  
Court File No. 06-CV-307599CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT Toronto

**ORDER**

**Rochon Genova LLP**  
Suite 900  
121 Richmond Street West  
Toronto, ON M5H 2K1

**Joel P. Rochon**  
**Sakie Tambakos**  
Tel: 416-363-1867  
Fax: 416-363-0263

Solicitors for the Plaintiffs

Schedule "C" to Settlement Agreement

**SUPERIOR COURT**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No. 500-06-000256-046

DATE : ●, 2010

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**PRESENT : THE HONOURABLE MR. JUSTICE CLAUDE CHAMPAGNE, J.S.C.**

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**GILLES GIRARD AND PIERRETTE GIRARD  
ET AL.**

Plaintiffs

c.

**FONDS AGF INC.**

Defendant

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**JUDGMENT**

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[1] **THIS** Motion for Authorization as against FONDS AGF INC. ("**AGF**"), as a class action for the purposes of settlement as against AGF, approving the notice to the AGF Québec Group Members and for other declaratory relief was heard this day in the presence of counsel for the Plaintiffs and counsel for the Defendant, AGF;

[2] **ON READING** the Motion for Authorization and the evidence filed by the parties and on hearing submissions of counsel for the Plaintiffs and counsel for AGF;

**FOR THESE REASONS, THE COURT:**

[3] **ORDERS** that the use of capitalized terms in this Order shall have the same

meaning as found in the Settlement Agreement dated •, 2010 between *inter alia* Pierrette and Gilles Girard, as Plaintiffs, and AGF, as Defendant, (attached hereto as **Schedule "A"**) except to the extent that the definition of a term in the Settlement Agreement and this Order conflict, in which case the definition of the term as set out in this Order shall govern;

[4] **ORDERS** that this action, as against AGF, be and is hereby certified as a class proceeding under the *Code of Civil Procedure* for the purpose of settlement;

[5] **ORDERS** that the AGF Québec Group is identified as any persons, physical or moral (of less than 50 employees) who were Québec residents and holders of units in the AGF Québec Funds between January 1, 2000 and December 31, 2003;

[6] **ORDERS** that the identical, similar or related questions of law or fact for the AGF Québec Group are:

- Did the Defendant AGF know or should it have known of the practice of market timing in the relevant funds?
- Did the Defendant AGF know or should it have known of the impact of market timing on the return of the shares of the AGF Québec Group?
- Did the Defendant AGF allow or fail to prevent market timing in the relevant funds?
- Did the Defendant AGF fail to meet its obligations with respect to the AGF Québec Group during the relevant period?
- What is the prejudice caused by market timing and suffered by the AGF Québec Group?

[7] **ORDERS** that Pierrette and Gilles Girard be and are hereby appointed as Representative Plaintiffs for the AGF Québec Group;

[8] **ORDERS** that the Québec Settlement Approval Motion and the motion by Québec Plaintiffs' Counsel for approval of its legal fees and disbursements in respect of the Québec Action shall be heard by this Court on a date to be set by this Court, approximately 90 days from the publication of the Notice of Certification, at the Courthouse of Montréal, Province of Québec;

[9] **ORDERS** that Sylvestre Fafard Painchaud shall cause the Notice of Certification substantially in the form attached hereto as **Schedule "B"** to be published on one occasion prior to •, 2010 in the list of publications attached hereto as **Schedule "C"**; **[note to draft: need translation for Quebec papers]**

[10] **ORDERS** that Sylvestre Fafard Painchaud will place the Notice of Certification (Schedule "B") on its website until • [the date of the approval hearing], 2010;

[11] **ORDERS** that members of the AGF Québec Group may opt-out of the class

action by serving by registered mail or fax a notice of desire to opt-out of the proceeding on:

**Sylvestre Fafard Painchaud**

740 Atwater Avenue  
Montréal (Québec) H4C 2G9

Attention: Normand Painchaud

Fax: (514) 937-6529

[12] **ORDERS** that notice from members of the AGF Québec Group wishing to opt-out of the class action must be received at the office of Sylvestre Fafard Painchaud by no later than 5:00 p.m. on • [45 days after the date set herein for the publication of the Certification Notice], 2010, after which time a member of the AGF Québec Group may not opt-out;

[13] **ORDERS** that any member of the AGF Québec Group who does not opt out in accordance with paragraphs [11] and [12] of this Order shall be bound by any future Orders in this action and shall be bound by the terms of the Settlement Agreement if approved by this Court;

[14] **ORDERS** that on or before •, 2010, Sylvestre Fafard Painchaud shall serve on AGF and file with this Court a report identifying all persons who have opted-out of the class action;

[15] **ORDERS** that AGF Québec Group Members who wish to file with the Court an objection to or comment on the Settlement or on the motion by Québec Plaintiffs' Counsel for approval of its fees and disbursements shall provide a written submission to Québec Plaintiffs' Counsel by no later than • [45 days after the date set herein for the publication of the Certification Notice], 2010 at the address set forth in paragraph [11] above and Québec Plaintiffs' Counsel shall file all such submissions with the Court prior to the hearing of the Québec Settlement Approval Motion;

[16] **ORDERS** that if the Settlement is terminated because one or more of the specified conditions in section 4 of the Settlement Agreement is not satisfied or waived, then i) this Order, including the certification of the Québec Action as against AGF as a class proceeding for the purposes of settlement shall be set aside and be of no further force or effect, and without prejudice to the positions of the Parties, the Motion for Authorization and/or any subsequent proceedings between the Parties; and ii) this action as against AGF shall be immediately decertified as a class proceeding.

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Claude Champagne, J.S.C.

**Schedule "A"**

**Executed Settlement Agreement**

## Schedule "B"

**IG INVESTMENT MANAGEMENT LTD.,  
FRANKLIN TEMPLETON INVESTMENTS CORP., AGF FUNDS INC.  
NOTICE OF AUTHORIZATION AND PROPOSED CLASS ACTION SETTLEMENT**

*Read this notice carefully as it may affect your rights*

### PURPOSE OF THIS NOTICE

This is a court-approved notice to group members of the Judgment rendered by the Québec Superior Court on \_\_\_\_\_, 2010 authorizing, for settlement purposes only, a class action in *Huneault et al. v. IG Investment Management Ltd. et al.*, Court file no. 500-06-000256-046, as against IG Investment Management Ltd., ("IGIM") Franklin Templeton Investments Corp. ("Franklin Templeton") and AGF Funds Inc. ("AGF") (collectively "**the Fund Companies**"). In this action, the representative plaintiffs allege that the Fund Companies were at fault towards group members by permitting, or failing to prevent, market timing activities in certain mutual funds managed by the Fund Companies. Similar allegations have also been made against the Fund Companies in an Ontario class action, *Fischer et al. v. IG Investment Management, et al.*, Court File No. 06-CV-307599CP ("the Ontario Action"). The Fund Companies dispute the existence of any liability to the representative plaintiffs or to any members of the following Québec groups:

#### IGIM [Québec Group]

**[TO BE COMPLETED BY IGIM QUEBEC COUNSEL]**

#### Franklin Templeton Québec Group

All persons, physical or moral (of less than 50 employees), who were Québec residents and holders of units, between January 1, 2000 and December 31, 2003, in one of the following funds:

Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Global

Smaller Companies Fund, and Templeton Emerging Markets Fund ("Franklin Templeton Funds").

#### AGF Québec Group

All persons, physical or moral (of less than 50 employees) who were Québec residents and holders of units between January 1, 2000 and December 31, 2004 in one of the following funds :

AGF Aggressive Global Stock Fund, AGF Asian Growth Class, AGF European Equity Class, AGF International Stock Class, AGF Japan Class, AGF RSP International Equity Allocation Fund and AGF World Equity Class.

If you are a member of the IGIM [Québec Group], Franklin Templeton Québec Group or AGF Québec Group, you may be affected by this notice.

### OPTING OUT

In order to opt-out of the class proceeding, you must ensure that a written notice to that effect is received at the offices of Sylvestre Fafard Painchaud ("**Québec Plaintiffs' Counsel**") by registered mail or fax by 5:00 pm on •, 2010. The written notice shall be signed, include your name and address, social insurance number, telephone number, fax number (if any) and email address (if any), and shall clearly request exclusion from the IGIM [Québec Group], Franklin Templeton Québec Group or AGF Québec Group. Québec Plaintiffs' Counsel's address is:

Sylvestre Fafard Painchaud  
740 Atwater Avenue  
Montréal, Québec H4C 2G9

Attention: Normand Painchaud  
Fax No. (514) 937-6529

If you do not opt out prior to this date, you will be deemed to be a member of the above-described Québec groups and will be bound by any future judgment in this action and shall be bound by the settlement referenced below if the settlement is approved by the Court. You may wish to obtain independent legal advice with respect to this matter if you choose to opt out of the proceedings.

### **SETTLEMENT APPROVAL HEARING**

Québec Plaintiffs' Counsel will ask the Court to approve a settlement of the class action and approve Québec Plaintiffs' Counsel's fees and disbursements in connection with the class action on \_\_\_\_\_, 2010 beginning at \_\_\_\_\_ a.m. at the Montreal Courthouse, Montréal, Québec.

Under the terms of the proposed settlement, in full and final settlement of the claims in both this action and the Ontario action:

- a) IGIM will pay \$2.8 million to the IG Funds
- b) Franklin Templeton will pay \$5 million to the Franklin Templeton Funds
- c) AGF will pay \$3.5 million to the AGF Funds

These amounts will be reduced by:

- i) amounts approved by the Ontario Superior Court for legal fees and disbursements for Class Counsel in connection with a parallel class action brought in Ontario against the Fund Companies on behalf of individuals resident in Canada,
- ii) legal fees and disbursements approved by the Québec Superior Court for Québec Plaintiffs' Counsel and
- iii) disbursements incurred in implementing

the settlement. The Settlement Payments by each Fund Company shall be allocated in accordance with the Settlement Agreement which will be submitted for approval by the Québec Superior Court at the above-mentioned time and place.

At the settlement approval hearing, the Court will consider any objections to or comments concerning either the proposed settlement or Québec Plaintiffs' Counsel's motion for approval of its fees and disbursements. Objections and/or comments are to be made in writing and shall be mailed or faxed to Québec Plaintiffs' Counsel at the address listed above on or before \_\_\_\_\_, 2010. Québec Plaintiffs' Counsel will ensure that any objections and/or comments received are filed with the Court in advance of the settlement approval hearing.

This notice is only a summary of the terms of the settlement agreement. Further particulars concerning this proceeding, the proposed settlement, and the Judgment of the Québec Superior Court dated •, 2010 can be obtained from the Québec Plaintiffs' website at: [www.sfpavocats.ca](http://www.sfpavocats.ca) or by writing to Québec Plaintiffs' Counsel at the above address.

Questions about this notice should NOT be directed to the Court.



(iii)

**Schedule "C"**

Québec (City)	Le Soleil (French)
Montreal – (province of Quebec)	La Presse
Montreal	The Gazette

HBdocs - 8861190v4

Schedule "D" to Settlement Agreement

**SUPERIOR COURT**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No. 500-06-000256-046

DATE : ●, 2010

---

**PRESENT : THE HONOURABLE MR. JUSTICE CLAUDE CHAMPAGNE, J.S.C.**

---

**GILLES GIRARD AND PIERRETTE GIRARD  
ET AL.**

Plaintiffs

c.

**FONDS AGF INC.**

Defendant

---

**JUDGMENT**

---

[1] **THIS** Motion by the Plaintiffs Pierrette and Gilles Girard for an Order approving the settlement of this action as against FONDS AGF INC. ("**AGF**"), approving Québec Plaintiffs' Counsel's fees and disbursements in respect of the Québec Action and for other declaratory relief was heard this day in the presence of counsel for the Plaintiffs and counsel for the Defendant AGF;

[2] **ON READING** the motion, the Authorization Order dated ●, 2010, and the materials filed and on hearing submissions of counsel for the Plaintiffs and counsel for AGF;

**FOR THESE REASONS, THE COURT:**

[3] **ORDERS** that the use of capitalized terms in this Order shall have the same meaning as found in the Settlement Agreement dated •, 2010 between *inter alia* Pierrette and Gilles Girard, as Plaintiffs, and AGF, as Defendant, (attached hereto as **Schedule "A"**) except to the extent that the definition of a term in the Settlement Agreement and this Order conflict, in which case the definition of the term as set out in this Order shall govern;

[4] **ORDERS** that the settlement of this action, as against AGF, on the terms set forth in the attached Settlement Agreement, be and is hereby approved pursuant to section 1025 of the *Code of Civil Procedure* and shall be implemented in accordance with its terms;

[5] **ORDERS** that Pierrette and Gilles Girard have authority to execute and implement the Settlement Agreement;

[6] **ORDERS** that the Settlement Agreement is binding upon each member of the AGF Québec Group who has not opted out and his or her heirs, executors, administrators, legal representatives, insurers, successors and assigns;

[7] **ORDERS** that each member of the AGF Québec Group who has not opted out and his or her heirs, executors, administrators, legal representatives, insurers, successors and assigns, have fully, finally and forever released and discharged AGF and its parent and affiliates and their respective current and past officers, directors, employees, servants and agents, (and the successors and assigns of each of them) (the "**Released Party**") from and in respect of all actions, causes of action, claims and demands for damages, indemnity, costs, interest and loss or injury of every nature and kind howsoever arising which the AGF Québec Group Member now has, may have had or may hereafter have arising from or in any way related to the claims asserted or that reasonably could have been asserted in this action (the "**Released Claims**");

[8] **ORDERS** each member of the AGF Québec Group who has not opted out and his or her heirs, executors, administrators, legal representatives, insurers, successors and assigns shall not institute, continue, maintain or assert, either directly or indirectly, either on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against the Released Party or any other person who may claim any form of contribution or indemnity or other relief over against the Released Party in respect of the Released Claims or any matter related thereto and are enjoined from doing so;

[9] **ORDERS** that the action as against AGF be and is hereby discontinued without costs;

[10] **ORDERS** that should any of the conditions in paragraph 4 of the Settlement Agreement not be satisfied or waived, this Order shall be null and void and without prejudice to the rights of the Parties and this Order and any agreement between the Parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.

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Claude Champagne, J.S.C.

## Schedule "E" to the Settlement Agreement

### AGF FUNDS INC. PLAN OF DISTRIBUTION

This is the plan of distribution (the "Plan") contemplated under Schedule A ("Schedule A") of the settlement agreement (the "Settlement Agreement") between AGF Funds Inc. (the "Company") and staff of the Ontario Securities Commission ("OSC") that was approved by the OSC December 16, 2004. The Settlement Agreement related to trading by certain persons referred to in paragraph 16 of the Settlement Agreement ("Market Timing Traders") in certain mutual funds managed by the Company (the "Relevant Funds"). In the Plan, the terms "Market Timing Traders" and "Relevant Funds" have the meanings ascribed thereto in the Settlement Agreement.

Under Schedule A, the Company agreed to make payment to the unitholders (including former unitholders, but excluding the Market Timing Traders) of the Relevant Funds in the amount of \$29.2 million, plus interest accruing at the rate of 5% per annum from December 16, 2004 until the date of approval by both OSC staff and the Chair and a Vice-Chair of the OSC of a plan of distribution. In addition, the Company also will make payment under this Plan of \$1,040,548 ("IDA Amount") received by the Company from the Investment Dealers Association ("IDA") in connection with the settlements with certain IDA member firms which were approved by the IDA on December 16, 2004. In the Plan, the total amount of settlement to be paid, including such interest and IDA Amount, is called the "Settlement Amount".

#### PART I - DETERMINATION OF RECIPIENTS OF PAYMENTS

Schedule A requires that the Settlement Amount be allocated to the unitholders (including former unitholders, but excluding the Market Timing Traders) of the Relevant Funds. Such unitholders are defined in Schedule A (and are referred to in the Plan) as the "Affected Investors". The Plan shall not result in any payment to the Market Timing Traders. Under the Plan, a Market Timing Trader cannot be an Affected Investor.

Under the Plan, unless otherwise indicated, the characterization of an Affected Investor will be done at the "fund position level", as opposed to the "account level" or "client level". That is, an investor would be an "Affected Investor" in respect of a position within a specific fund and within a specific account. Positions in different accounts will be considered separately, even if such positions are held by the same beneficial investors or reside in the same Relevant Fund. Positions in different Relevant Funds will be considered separately, even if such positions reside within the same account.

Certain investors in the Relevant Funds ("Collective Investors") are themselves investment vehicles or collective investment arrangements that hold investments on behalf of other investors. Relevant trades in the Relevant Funds would have had an effect on the investors in some Collective Investors similar to the effect experienced by direct investors in the Relevant Funds. This is due to the fact that the price at which units of these Collective Investors may be sold by an investor (i.e., the net asset value) at all times reflects the current net asset values of the underlying Relevant Funds. Examples of such Collective Investors would be open-ended investment products, such as mutual funds or insurance company segregated funds that held a position, or were exposed to the returns of, a Relevant Fund at the times of the relevant trades. Subject to the *de minimis* principles described in Part IV, the Plan will "look through" these

Collective Investors and treat each investor in such a Collective Investor as an "Affected Investor" for purposes of determining the entitlement to, and the amount of, payment to such investor under the Plan. The Company is offering to make arrangements with any third-party administrators of such Collective Investors to acquire the necessary investor information to be able to deal in this manner with the investors in the Collective Investor. Where the Company does not receive the necessary investor information to "look through" such a Collective Investor by September 30, 2005 or the Company has been directed by such Collective Investor not to "look through," the Collective Investor will itself be treated as an "Affected Investor" and there will be no "look-through" to the underlying investors in that Collective Investor.

In the case of other Collective Investors, relevant trades in the Relevant Funds would not have had a similar effect on investors or beneficiaries of the Collective Investors as would have been experienced by the direct investors in the Relevant Funds. Examples of such Collective Investors would be closed-end structures, like GICs whose returns at maturity were linked to the performance of a Relevant Fund or non-redemable investment funds whose securities were traded on a secondary market. The price at which units of these Collective Investors could be sold would not necessarily reflect the current net asset values of the underlying Relevant Funds. In these cases, the Plan will treat the Collective Investor itself as an "Affected Investor" where applicable and there will be no "look through" to the underlying investors in that Collective Investor.

The units of the Company's mutual funds are often held in the name of investment dealers or mutual fund dealers on behalf of their clients, who are the beneficial owners of the units. The Company will "look through" the registered holders (i.e. the dealers) in these circumstances and treat the beneficial owners as the "Affected Investors". Due to the tax and other reporting requirements to which the Company is subject in the normal course of its business, the Company generally has access to contact and other information about these beneficial owners to enable it to treat the beneficial owners as the Affected Investors. Where the information required in order to treat the beneficial owners as the Affected Investors is incomplete, the Company will request the requisite information from the dealer of record. If, by August 31, 2005, the dealer does not provide such requisite information for a beneficial owner, and does not undertake to transmit the payment to the beneficial owner for whom the dealer holds the units for the Relevant Funds, the payment otherwise required to be made under the Plan to such beneficial owner will be treated as an uncashed cheque or returned electronic fund transfer and will be dealt with in accordance with Part V. The Company expects that there will be relatively few such instances.

## **PART II - CALCULATION OF PAYMENTS TO AFFECTED INVESTORS**

Following the determination of Affected Investors, the Company will calculate the effect of each relevant trade on each Affected Investor in each Relevant Fund. Some relevant trades may have affected Affected Investors adversely while other relevant trades may have benefited Affected Investors.

The Settlement Amount will be allocated amongst Affected Investors ("Adversely Impacted Investors") that have been determined to have experienced, in aggregate, an overall adverse effect ("Overall Adverse Effect") in a Relevant Fund when all relevant trades in the

Relevant Fund are considered. The allocation to each Adversely Impacted Investor of the Settlement Amount will be proportionate to that investor's Overall Adverse Effect in relation to the Overall Adverse Effect of all other Adversely Impacted Investors in all Relevant Funds. An Affected Investor that has been determined to have experienced an overall benefit from the relevant trades in a Relevant Fund will receive none of the Settlement Amount.

There will be no netting of unitholder positions from Relevant Fund to Relevant Fund. An account that has suffered an Overall Adverse Effect in respect of relevant trades in one Relevant Fund will not have its entitlement to a payment under the Plan reduced if that account may have benefited from relevant trades in another Relevant Fund. Similarly, there will be no netting in respect of a beneficial owner who owns more than one account holding one or more Relevant Funds; for example, the entitlement of a beneficial owner to payment in respect of one account will not be reduced by any benefit derived by the same beneficial owner in respect of another account.

Subject to the exceptions described in Part I relating to Collective Investors and the *de minimis* exception described in Part IV, the Company will treat each person who invested in a Relevant Fund through a Collective Investor as an Affected Investor for purposes of determining entitlement to, and calculating the amount of, a payment under the Plan.

### **PART III - PAYMENTS**

The Company will make payments under the Plan by sending a cheque to the last address of the Affected Investor (other than Collective Investors, which will be dealt with as described below) maintained in the records of the Company, which may be updated by the dealer's address information, if appropriate.

Recipients of payments will receive explanatory details with their payment.

The Company may combine payments across accounts and Relevant Funds held by any investor to reduce the number of cheques to be received by that investor. For example, payments will be aggregated into one cheque where an individual is to receive payments in respect of multiple Relevant Funds and/or multiple accounts.

#### *Registered Plans*

Some of the payments under the Plan will be payable to tax-deferred registered plans (such as registered retirement savings plans, registered retirement income funds or registered educational savings plans). The Company will make payments in respect of such plans to the annuitant or beneficial owner of such plans, as opposed to the plan itself.

#### *Collective Investors*

Where unitholders of Collective Investors are treated as Affected Investors under the Plan, the Company will make payments or make arrangements (subject to the *de minimis* principles described in Part IV) for payment by sending a cheque to each such unitholder at the last address of such unitholder on its books and records or the address provided by the

representatives of the Collective Investor. Such payments may be made at a later time than payments made to direct investors in the Affected Funds due to the additional administrative steps involved in the Company co-ordinating payments with the Collective Investor. The Company anticipates that such payments will be made no more than 90 days after the Company has received all information from the Collective Investor in a form reasonably acceptable to the Company to permit the calculation of the amounts to be paid to the unitholders of the Collective Investor. If the Company does not receive such information by September 30, 2005, the Company will treat the Collective Investor as the Affected Investor and there will be no "look-through" to the underlying investors in that Collective Investor.

Where *de minimis* principles apply to Collective Investors, the Company will make payments to the Collective Investor by cheque or electronic fund transfer.

Payments to any Collective Investors that have been merged or reorganized into another entity since the time of the relevant trades will be made to the appropriate successor entity. If there is no successor entity, then the payment will be treated as an uncashed cheque or electronic fund transfer not completed and treated as described in Part V.

#### **PART IV - DE MINIMIS PRINCIPLES**

##### *General Principles*

As provided in Part III, payments may be aggregated across all accounts and Relevant Funds held by an investor ("Client"). A *de minimis* principle will be applied such that no payment will be made to a Client in an amount of less than \$2.00 (before deduction of any applicable withholding tax). Any amount not paid by the Company to clients as the result of the application of this *de minimis* principle will be paid to the Relevant Funds.

##### *Collective Investors*

As described in Part I, the Company generally will "look through" a Collective Investor and treat unitholders of the Collective Investor as direct unitholders of the Relevant Fund at the time of each relevant trade for purposes of determining such unitholder's entitlement to payment under the Plan. However, the Collective Investor itself will be treated as an "Affected Investor" under the Plan and the Company may elect not to "look through" to the unitholders of the Collective Investor if the total payment that the Collective Investor in the Relevant Fund would receive, in the absence of the "look-through" principle, would be less than either:

- (a) \$25,000.00; or
- (b) .05% of the total assets of the Collective Investor at the time of the approval of the Plan. (The total assets of the Collective Investor will be based on its most recently published financial statements at such time.)

In instances where the Company does not "look through" to the unitholders of the Collective Investor, amounts to be paid will be determined by treating the Collective Investor itself as an Affected Investor and payments will be made directly to such Collective Investor.



The Company will, however, have the right to "look through" to unitholders of Collective Investors even if the *de minimis* principles could be applied.

**PART V - CHEQUES NOT CASHED OR ELECTRONIC FUND TRANSFERS NOT COMPLETED**

The Company expects that some of the cheques paid to Affected Investors will not be cashed and that some of the electronic fund transfers will be returned. The Company will deposit into a trust account an amount equal to the total amount of the payments represented by such cheques not cashed and electronic fund transfers not completed within six months of their date of mailing or sending in accordance with the Plan. The Company will use reasonable efforts to attempt to locate any Affected Investors entitled to payment of \$200 or more if that person's payment has not been completed within such six month period; such efforts may include directory searches, internet searches and the employment of third parties to assist in the search, depending on the size of the payments to which those persons are entitled. The Company will bear all expenses of such procedures. From the expiry of such six month period through to June 1, 2008, upon locating an Affected Investor entitled to payment in accordance with the Plan, the Company will re-issue a cheque or effect another electronic fund transfer from the trust account.

Shortly after June 1, 2008, all amounts remaining in the trust account will be paid to the Relevant Funds (or the appropriate successor entity of any Relevant Fund that has been merged or reorganized in the interim). After such payments, the trust account will be closed and no further claims may be made in respect of such funds by any person.

Approved: June 30, 2005

**Schedule "F" to Settlement Agreement**

<b>Current Existing Fund</b>	<b>% Allocation</b>
AGF Global Equity Fund <sup>1</sup>	12.25%
AGF Global Value Fund <sup>2</sup>	3.86%
AGF Short Term Income Class	0.06%
AGF Global Government Bond Fund	0.32%
AGF European Equity Class <sup>3</sup>	11.14%
AGF World Balanced Fund <sup>4</sup>	7.68%
AGF Japan Class	3.77%
AGF Asian Growth Class	3.91%
AGF International Stock Class	54.00%
AGF Aggressive Global Stock Fund	3.02%
	<b>100%</b>

<sup>1</sup> Successor Fund to AGF RSP International Equity Allocation Fund, AGF RSP World Equity Fund, AGF RSP World Companies Fund, AGF World Companies Fund, AGF World Equity Fund

<sup>2</sup> Successor Fund to AGF International Value Fund, AGF RSP International Value Fund

<sup>3</sup> Successor Fund to AGF Germany Class, AGF RSP European Equity Fund, AGF Global Strategy Europe Plus Fund, AGF Global Strategy Europe Plus RSP Fund

<sup>4</sup> Successor Fund to AGF European Asset Allocation Fund

## Schedule "B"

### IG INVESTMENT MANAGEMENT LTD., FRANKLIN TEMPLETON INVESTMENTS CORP., AGF FUNDS INC. NOTICE OF CERTIFICATION AND CLASS ACTION SETTLEMENT

*Read this notice carefully as it may affect your rights*

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#### PURPOSE OF THIS NOTICE

This is a court-approved notice to class members of the Order made by the Superior Court of Justice for Ontario on \_\_\_\_\_, 2010 certifying for settlement purposes a class action in Fischer et al v. IG Investment Management, Ltd. et al, Court file no. 06-CV-307599CP, as against IG Investment Management Ltd., ("IGIM") Franklin Templeton Investments Corp. ("Franklin Templeton") and AGF Funds Inc. ("AGF") (collectively "the Fund Companies"). **This notice describes the nature of the class action and the proposed settlement. It describes the rights of the class members with respect to the certification of the class action and with respect to a motion for court approval of the settlement.**

In this action, the representative plaintiffs allege that the Fund Companies breached a fiduciary duty or duty of care to class members by permitting, or failing to prevent, market timing activities in certain mutual funds managed by the Fund Companies or failing to disclose accurately information about the management of the funds. Similar allegations have also been made against the Fund Companies in *Huneault et al v. IG Investment Management Ltd et al*, Court File No. 500-06-000256-046 (the "Québec Proceeding").

The Fund Companies dispute the existence of any liability to the representative plaintiffs or to any members of the classes (as defined below).

**If you are a member of the IG Class, Franklin Templeton Class or AGF Ontario Class, you may be affected by this notice.**

The following persons are members of the classes described below:

- **IG Class**

All persons, except persons residing in Québec who purchased and/or redeemed and/or held or otherwise acquired shares or other ownership units of one or more of the following funds from October 1, 2000 to November 30, 2002: IG AGF Asian Growth Fund, IG Scudder European Growth Fund (which changed its name to IG Mackenzie Ivy European Fund on July 12, 2002), IG Templeton International Equity Fund, IG Templeton World Allocation Fund, Investors European Growth Fund, Investors European Mid-Cap Growth Fund, Investors Global Fund, Investors Japanese Growth Fund, Investors Pacific International Fund, Investors World Growth Portfolio, Rothschild Select: GS International Equity Fund (which changed its name to IG AGF International Equity Fund on October 9, 2001) (the "IG Funds").

- **Franklin Templeton Class**

All persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or ownership units during the period February 1, 1999 to February 28, 2003 in one of the following funds:

Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Global Smaller Companies Fund, and Templeton Emerging Markets Fund ("Franklin Templeton Funds");

- **AGF Ontario Class**

All persons in Canada, except persons residing in Québec, who purchased and/or redeemed and/or held or otherwise acquired shares or ownership units during the period August 1, 2000 to June 30, 2003 in one of the following funds:

- AGF Aggressive Global Stock Fund
- AGF Asian Growth Class
- AGF European Asset Allocation Fund/ (for the period prior to August 16, 2002, at which time the fund merged into AGF World Balanced Fund)
- AGF European Equity Class
- AGF Germany Class
- AGF Global Government Bond Fund
- AGF International Stock Class
- AGF International Value Fund
- AGF Japan Class
- AGF RSP European Equity Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP International Equity Allocation Fund (for the period prior to June 14, 2003, at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP International Value Fund
- AGF RSP World Equity Fund (for the period prior to June 16, 2003 at which time the fund merged into AGF RSP World Companies Fund)
- AGF RSP World Companies Fund
- AGF Short-Term Income Class
- AGF World Balanced Fund
- AGF World Companies
- AGF World Equity Class (renamed AGF Global Equity Class July 9, 2001)
- Global Strategy Europe Plus Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF European Equity Class)

- Global Strategy Europe Plus RSP Fund (for the period prior to December 16, 2001 at which time the fund merged into AGF RSP European Equity Fund) ("AGF Funds")

December 6, 2010 **OPTING OUT**

Class Members have the right to opt out of the class proceeding.

In order to opt-out of the class proceeding, you must ensure that a written notice to that effect is received at the offices of Rochon Genova LLP ("Class Counsel") by registered mail or fax by 5:00 pm on December 6, 2010. The written notice shall be signed, include your name and address, social insurance number, telephone number, fax number (if any) and email address (if any), and shall clearly request exclusion from the IG Class, Franklin Templeton Class or AGF Ontario Class. Class Counsel's address is:

Rochon Genova LLP  
121 Richmond Street West, Suite 900  
Toronto, Ontario M5H 2K1

Attention: Joel Rochon  
Fax No. (416) 363-0263

If you do not opt out prior to this date, you will be deemed to be a member of one of the classes described above and will be bound by any future Orders in this action and shall be bound by the settlement referenced below if the settlement is approved by the Court. You may wish to obtain independent legal advice about the matter of whether to opt out of the proceedings.

#### SETTLEMENT APPROVAL HEARING

Class Counsel will ask the Court to approve a settlement of the class action against the Fund Companies and approve Class Counsel's fees and disbursements in connection with the class action on December 17, 2010 beginning at 10 a.m. at Osgoode Hall, Toronto, Ontario.

Under the terms of the proposed settlement, in full and final settlement of the claims in both this proceeding and the Québec proceeding and subject to the deductions described below:

- a) IGIM will pay \$2.8 million to the IG Funds
- b) Franklin Templeton will pay \$5 million to the Franklin Templeton Funds
- c) AGF will pay \$3.5 million to the AGF Funds

These settlement amounts will be reduced by:

- i) amounts approved by the Ontario Superior Court for legal fees and disbursements for Ontario Class Counsel, ii) legal fees and disbursements approved by the Québec Superior Court for plaintiffs' legal counsel in connection with the Québec Proceeding against the Fund Companies on behalf of individuals resident in Québec, and iii) the disbursements incurred in implementing the settlement.

Plaintiffs' counsel in the Ontario and Québec proceedings will be submitting for court approval a joint fee request of 25% of the value of each of the IGIM, Franklin Templeton and AGF settlement amounts, plus applicable taxes and disbursements of approximately \$●. Any fees and disbursements approved by the Ontario and Québec courts will be paid for by the Fund Companies out of the settlement amounts.

The settlement amount by each Fund Company, less amounts deducted for fees and disbursements approved by the Ontario and Québec courts, shall be allocated amongst the IGIM Funds, the Franklin Templeton Funds and the AGF Funds in accordance with the respective settlement agreements which will be submitted for approval by the Ontario Superior Court of Justice at the above-mentioned time and place.

### **OBJECTIONS TO THE SETTLEMENTS**

At the settlement approval hearing, the Court will consider any objections to or comments concerning either the proposed settlement or Class Counsel's motion for approval of its fees and disbursements. Objections and/or comments are to be made in writing and shall be mailed or faxed to Class Counsel at the address listed above on or before December 6, 2010. Class Counsel will ensure that any objections and/or comments received are filed with the Court in advance of the settlement approval hearing.

This Notice is only a summary of the settlement agreements with IGIM, Franklin Templeton and AGF. Further particulars concerning this proceeding, the proposed settlement, and the Order of the Ontario Superior Court of Justice dated ●, 2010 can be obtained from Class Counsel's website at: [www.rochongenova.com](http://www.rochongenova.com) or by writing to Rochon Genova at the above address.

Questions about this notice should NOT be directed to the Court.

to be received JPMP

**Schedule "C"**

The Globe and Mail (National)

Vancouver Sun

Calgary Herald

Regina Leader Post

Winnipeg Free Press

London Free Press

Ottawa Citizen

Toronto Star

Halifax Chronicle Herald

**DENNIS FISCHER, ET AL.**  
Plaintiffs

- and -

**IG INVESTMENT MANAGEMENT LTD., ET AL.**

Defendants

Court File No. 06-CV-307599CP

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT Toronto

**ORDER**

**Rochon Genova LLP**  
Suite 900  
121 Richmond Street West  
Toronto, ON M5H 2K1

**Joel P. Rochon**  
**Sakie Tambakos**  
Tel: 416-363-1867  
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Solicitors for the Plaintiffs