

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

TAJDIN ABDULLA

Plaintiff

- and -

CANADIAN SOLAR INC.,  
SHAWN XIAOHUA QU and ARTHUR CHIEN

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**DISTRIBUTION PROTOCOL**

1. This Distribution Protocol should be read in conjunction with the July 8, 2020 Settlement Agreement between Canadian Solar, Shawn Qu, Arthur Chien and Tajdin Abdulla (the “Settlement Agreement”).

**DEFINED TERMS**

2. The definitions set out in the Settlement Agreement apply to and are incorporated into this Distribution Protocol and, in addition, the following definitions apply:
  - (a) “**Acquisition Expense**” means the price per share paid by the Claimant (including brokerage commissions) to acquire Eligible Securities.
  - (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline.
  - (c) “**Claims Bar Deadline**” means ●;

- (d) “**Disposition Proceeds**” means the price per share actually received by a Claimant on the disposition of Eligible Securities, without deducting any commissions paid in respect of the dispositions;
- (e) “**FIFO**” means the principle of “first-in, first-out, whereby for the purpose of determining Claimant’s Notional Entitlement, the Eligible Securities are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held Eligible Securities at the commencement of the Class Period, that those securities be deemed to have been sold completely before Eligible Securities are sold or deemed sold;
- (f) “**Net Loss**” means that the Claimant’s total Disposition Proceeds in respect of all Eligible Securities are less than the Claimant’s Acquisition Expense; and
- (g) “**Notional Entitlement**” means a Claimant’s notional damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount is determined.

## **OBJECTIVE**

3. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Amount among Authorized Claimants in a manner analogous to the damages provisions of the securities legislation of Ontario.

## **PROCESSING CLAIM FORMS**

4. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:
  - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member.
  - (b) For a Claimant claiming on behalf of a Class Member or a Class Member’s estate, the Administrator shall be satisfied that
    - (i) the Claimant has authority to act on behalf of the Class Member or the Class Member’s estate in respect of financial affairs;

- (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
  - (iii) The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator, including up to date contact information for the Class Member or a representative of the Class Member's estate.
5. The Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Securities.

### **DEADLINE FOR CLAIMS**

6. Any person who wishes to claim compensation shall deliver to or otherwise provide the Administrator a Claim Form by the Claims Bar Deadline, which shall be 180 days from the commencement of the claims process, or such other date set by the Court. If the Administrator does not receive a substantially complete Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Net Settlement Amount. Notwithstanding the foregoing, the Administrator may in its sole discretion admit claims after the Claims Bar Deadline if doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class Members to do so.

### **CALCULATION OF NET LOSS AND NOTIONAL ENTITLEMENT**

7. The Net Settlement Amount will be distributed in accordance with this Distribution Protocol, as contemplated by the Settlement Agreement.
8. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount. A Claimant that has not suffered a Net Loss as calculated under this Distribution Protocol will not be entitled to receive any portion of the Net Settlement Amount.
9. The Administrator shall first determine whether a Claimant has sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant and the Administrator will go on to calculate the Authorized Claimant's Notional Entitlement.

- 10.** The Administrator will apply FIFO to distinguish the sale of Canadian Solar securities held at the beginning of the Class Period from the sale of Eligible Securities, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Securities.
- 11.** The date of purchase, sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.
- 12.** A Claimant's Notional Entitlement will be calculated as follows:

  - (a) For Eligible Securities disposed of during the 10 trading day period following the alleged corrective disclosure, that is, on or between June 2, 2010 and June 15, 2010, the Notional Entitlement shall be an amount equal to the number of Eligible Securities thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds for those securities;
  - (b) For Eligible Securities that were not disposed of before June 16, 2010, that is, after the conclusion of the 10 trading day period following the alleged corrective disclosure, the Notional Entitlement shall be the difference between the Acquisition Expense in respect of those securities and \$10.05, multiplied by the number of Eligible Securities held by the Claimant as of the end of the trading day on June 15, 2010; and
  - (c) For those Claimants who purchased Eligible Securities between May 26, 2009 and October 14, 2009, that is, during the Oppression Class Period but prior to the start of the Misrepresentation Class Period, the Claimant's Notional Entitlement for each purchase block, calculated pursuant to Sections 12(a) and/or 12(b), will be multiplied by 0.4.
- 13.** In determining whether a Claimant has sustained a Net Loss and when calculating an Authorized Claimant's Notional Entitlement, transactions in Eligible Securities in any foreign currency shall be converted to Canadian currency, based on the Bank of Canada noon exchange rate between the Canadian dollar and the foreign currency on the date on which the Administrator calculates the Notional Entitlements of Authorized Claimants. All Notional Entitlements shall be recorded in Canadian currency.

## **COMPLETION OF CLAIM FORM**

- 14.** If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family duly authorized by the Claimant to the satisfaction of the Administrator.

## **IRREGULAR CLAIMS**

- 15.** The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimants to be acting honestly and in good faith.
- 16.** Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
- 17.** The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believe that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
- 18.** Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant of its decision and that he or she may appeal the decision to the Ontario Superior Court of Justice. For greater certainty, a Claimant is not entitled to a notice or an appeal where a claim is allowed but the Claimant disputes the determination of Notional Entitlement or his, her or its individual compensation.
- 19.** Any appeal to the Court must be made within 45 days of the date of the notice advising of the disallowance. Any decision of the Court will be final with no right of appeal. If no appeal is made within this time period, the Claimant shall be deemed to have accepted the

Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

20. No action shall lie against Class Counsel or the Administrator for any decision made in the administration of this Distribution Protocol, or the Settlement Agreement, without an order from a Court authorizing such an action.
21. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

#### **ADDITIONAL RULES**

22. The Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD\$10.00. Such amounts shall instead be allocated *pro rata* to other eligible Authorized Claimants in accordance with the "Final Distribution" section of this Plan of Allocation.
23. Securities transferred between accounts belonging to the same Claimant(s) during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating Net Loss unless those Securities were initially purchased by the Claimant(s) during the Class Period. The Acquisition Expense for such securities shall be calculated based on the price initially paid for the Eligible Securities.
24. The Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant. If, for any reason, a Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with the "Final Distribution" section of this Plan of Allocation.

#### **FINAL DISTRIBUTION**

25. Each Authorized Claimant's actual compensation shall be equal to the ratio of his, her or its Notional Entitlement to the total Notional Entitlements of all Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.

- 26.** Compensation shall be paid to Authorized Claimants in Canadian currency.
- 27.** If the Settlement Trust is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after the date on which the Administrator distributes the Net Settlement Amount to Authorized Claimants, the Administrator shall, if feasible, reallocate such balance among Claimants in an equitable and economic fashion.
- 28.** In the event that, after one hundred and eighty (180) days from the date on which the Administrator distributes the Net Settlement Amount to Authorized Claimants, the Settlement Trust is in a positive balance and any such remaining balance is less than practically may be distributed to Authorized Claimants in the opinion of Class Counsel and the Administrator, such balance shall be allocated *cy pres* to Pro Bono Ontario.
- 29.** By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.