

SCHEDULE "A"

**AVANDIA CLASS ACTION
NATIONAL AMENDED SETTLEMENT AGREEMENT**

Made as of October 11, 2018, as amended on June 3, 2019

Between

ALBERT CARL SWEETLAND AND MARY PATRICIA ADDICOTT-ANDREWS

and

GLAXOSMITHKLINE INC. AND GLAXOSMITHKLINE LLC

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AVANDIA NATIONAL SETTLEMENT AGREEMENT

1. PREAMBLE & RECITALS

The Parties hereby enter into this Settlement Agreement providing for the settlement of the Avandia class proceeding commenced in the Supreme Court of Nova Scotia under Halifax Court File No. 315567 (the “Nova Scotia Proceeding”) pursuant to the terms and conditions set forth herein, subject to the approval by the Courts as set forth herein;

WHEREAS, the Nova Scotia Proceeding was certified as an “all users” national class action by the Supreme Court of Nova Scotia pursuant to an Order issued on December 7, 2016 (the “Certification Order”);

WHEREAS, the Parties intend by this Settlement Agreement to resolve all claims for damages due in any way to the use of Avandia by (a) all persons in Canada, including their estates, who were prescribed and ingested Avandia (the “Primary Class”); and (b) the spouses (including common-law spouses and same-sex spouses), children, grandchildren, parents, grandparents and siblings of deceased members of the Primary Class (the “Family Class”) who do not Opt Out of the Nova Scotia Proceeding;

WHEREAS, Class Counsel shall bring a motion on consent for leave to amend the pleadings in the Nova Scotia Proceeding and, if deemed necessary by the Court, to formally amend the Certification Order issued December 7, 2016, to remove Mary Patricia Addicott Andrews as a representative plaintiff and substitute Barbara Fontaine as a representative plaintiff for the Family Class;

WHEREAS, individual actions have been commenced in Ontario by Siskinds LLP arising from the same subject matter as the Nova Scotia Proceeding;

WHEREAS, proposed class proceedings have been filed, but not certified, in other jurisdictions across Canada, arising from the same subject matter as the Nova Scotia Proceeding;

WHEREAS, counsel to the Parties have conducted settlement negotiations;

WHEREAS, the Defendants have denied and continue to deny any wrongdoing or liability of any kind;

WHEREAS, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement provides substantial benefits to Class Members and is fair, reasonable and in the best interests of Class Members based on an analysis of the facts and applicable law, taking into account the extensive burdens and expense of litigation, including the risks and uncertainties associated with protracted trials and appeals, as well as the fair, cost-effective and assured method provided in this Settlement Agreement of resolving the claims of Class Members;

WHEREAS, the Defendants have similarly concluded that this Settlement Agreement is desirable in order to avoid the time, risk, uncertainty and expense of defending multiple and protracted litigation, and to resolve finally and completely the pending and potential claims of Class Members;

WHEREAS, Class Counsel have obtained approval of the settlement provided for in this Settlement Agreement from, and have the authority to sign this Settlement Agreement on behalf of the Related Counsel Firms;

WHEREAS, the Parties, in accordance with Protocols established for the management of multi-jurisdictional class actions, seek to conclude all outstanding Avandia litigation in Canada, including all putative class actions and representative actions;

WHEREAS, The Honourable Justice Michael J. Wood of the Supreme Court of Nova Scotia is the Designated Settlement Administrative Judge within the meaning of the Canadian Judicial Protocol for the Management of Multi-Jurisdictional Class Actions;

WHEREAS, the Parties shall seek the Settlement Approval Order;

WHEREAS, the Provincial and Territorial Health Insurers (“Provincial Health Insurers”) have confirmed, or shall confirm, that they approve, and will not object to court approval of, the settlement provided for in this Settlement Agreement, they will accept ten percent (10%) of the allocation made by the Claims Administrator for each Settling Claimant in satisfaction of all Rights of Recovery that they may have, whether by subrogation or by independent right of action, respecting the Settling Claimant’s use of Avandia, and they will execute and deliver to the Claims Administrator a Provincial Health Insurer Release in exchange for each payment;

WHEREAS, if the Settlement Approval Order is obtained, the Parties shall seek the Dismissal Orders;

NOW THEREFORE, subject to the issuance of the Settlement Approval Order and the Dismissal Orders, this Settlement Agreement embodies the terms of the resolution of claims of Class Members and of the Provincial Health Insurers.

2. DEFINITIONS

Unless a particular section of this Settlement Agreement explicitly provides for another interpretation, the following terms, as used in this Settlement Agreement and its exhibits, shall have the meanings set forth below. Terms used in the singular shall be deemed to include the plural, and *vice versa*, where appropriate. Feminine pronouns and female references shall be deemed to include the masculine, and *vice versa*, where appropriate.

- (a) “**Administrative Account**” means the interest bearing trust account with one of the Canadian Schedule 1 banks under the control of the Claims Administrator.
- (b) “**Approved Claimants**” shall mean Class Members who are approved by the Claims Administrator or are Pre-Approved Claimants, as defined herein, to receive compensation pursuant to this Settlement Agreement.
- (c) “**Claim Deadline**” shall mean the date eight (8) months after the date on which the Settlement Approval Notice is first published, or such other date as may be approved by the Supreme Court of Nova Scotia.
- (d) “**Claim Form**” shall mean the form developed by the Claims Administrator, in consultation with Class Counsel and Defendants’ Counsel, which Class Members shall complete in order to file a claim under this Settlement Agreement.
- (e) “**Claims Administration Costs**” shall mean all costs, other than Class Counsel Legal Fees, required to implement this Settlement Agreement, including without limitation, costs required to satisfy the notice provisions.
- (f) “**Claims Administration Protocol**” shall mean Schedule A to the Compensation Protocol.
- (g) “**Claims Administrator**” shall mean, subject to the approval of the Supreme Court of Nova Scotia, RicePoint Administration Inc.
- (h) “**Class**” shall mean (a) All persons in Canada, including their estates, who were prescribed and ingested Avandia (the “Primary Class”); and (b) the spouses (including common-law spouses and same-sex spouses), children, grandchildren, parents, grandparents and siblings of deceased members of the Primary Class (the “Family Class”).

- (i) **“Class Counsel”** shall mean the law firms of Wagners and Siskinds LLP.
- (j) **“Class Counsel Legal Fees”** shall mean all legal fees, disbursements and applicable taxes in respect of all legal services provided by Class Counsel, Related Counsel Firms, or any other law firm for the benefit of the Class, as approved by the Supreme Court of Nova Scotia.
- (k) **“Class Members”** shall mean members of the Primary Class and Family Class.
- (l) **“Compensation Protocol”** shall mean the Court-approved plan, substantially in the form attached hereto as Exhibit “A”, for administering this Settlement Agreement and distributing the Escrow Settlement Payment.
- (m) **“Courts”** shall mean the Supreme Court of Nova Scotia, the Ontario Superior Court, the Court of Queen’s Bench for Saskatchewan, Superior Court of Québec, the Supreme Court of British Columbia, the Court of Queen’s Bench of Alberta, the Court of Queen’s Bench of Manitoba, the Court of Queen’s Bench of New Brunswick, the Supreme Court of Prince Edward Island, and the Supreme Court of Newfoundland and Labrador.
- (n) **“Defendants”** shall mean those entities named as defendants in the Nova Scotia Proceeding.
- (o) **“Defendants’ Counsel”** shall mean the law firm of Gowling WLG (Canada) LLP.
- (p) **“Dismissal Orders”** shall mean those orders that grant approval, recognition, dismissal and/or discontinuance of the cases listed in Exhibit “B”, as may be necessary and appropriate, to conclude related litigation and give effect to this Settlement Agreement across Canada.

- (q) “**Effective Date**” shall mean the date on which the Settlement Approval Order becomes a Final Order and all of the Dismissal Orders have been obtained and become Final Orders.
- (r) “**Escrow Account**” means the interest bearing trust account with one of the Canadian Schedule 1 banks under the control of the Claims Administrator.
- (s) “**Escrow Settlement Payment**” means the Settlement Payment plus any interest accruing thereon after payment of taxes and all Non-Refundable Expenses.
- (t) “**Execution Date**” shall mean the date on which this Settlement Agreement has been signed by Class Counsel and Defendants’ Counsel, collectively.
- (u) “**Final Order**” means any order contemplated by this Settlement Agreement from which no appeal lies or in respect of which any right of appeal has expired without the initiation of proceedings in respect of that appeal, or proposed appeal such as the delivery of a notice of appeal or application for leave to appeal.
- (v) “**Hearing Notice**” shall mean the notice approved by the Supreme Court of Nova Scotia, substantially in the full and abridged forms attached hereto as Exhibit “C”, which advises Class Members of Certification and the hearing to approve the settlement provided for in this Settlement Agreement.
- (w) “**Hearing Notice Date**” shall mean the date on which the Hearing Notice is first published, which date shall be agreed upon by the Parties, or such other date as may be approved by the Supreme Court of Nova Scotia.
- (x) “**Hearing Notice Order**” shall mean the order of the Supreme Court of Nova Scotia that approves the Hearing Notice.
- (y) “**Maximum Settlement Amount**” shall mean a fund of up to CAD\$6,750,000.00.

- (z) “**Minimum Settlement Amount**” shall mean a fund of CAD\$4,116,666.67.

- (aa) “**Non-Refundable Expenses**” shall mean the costs of publishing and distributing the Hearing Notice, including the associated professional fees, and any Claims Administration Costs incurred prior to payment of the Minimum Settlement Amount by the Defendants.

- (bb) “**Notice**” means the Hearing Notice and the Settlement Approval Notice.

- (cc) “**Notice Plan**” shall mean the method approved by the Supreme Court of Nova Scotia, substantially as described at Exhibit “D” hereto, by which the Hearing Notice and the Settlement Approval Notice are disseminated.

- (dd) “**Opt Out**” shall mean a person who would have been a Class Member but for his or her timely and valid request for exclusion pursuant to the process set out in section 8.1 of this Settlement Agreement.

- (ee) “**Opt Out Deadline**” shall mean the date sixty (60) days after the date of publication of the Hearing Notice, or such other date as may be approved by the Supreme Court of Nova Scotia.

- (ff) “**Opt Out Form**” shall mean the form for requesting exclusion from the Class as defined in the Nova Scotia Proceeding, attached hereto as Exhibit “E”.

- (gg) “**Opt Out Threshold**” shall mean the number of Opt Outs required to trigger the Defendants’ right to elect to terminate this Settlement Agreement as described in section 7.1(a) of this Settlement Agreement, fixed by way of a supplementary agreement and kept confidential subject to the direction of the Supreme Court of Nova Scotia.

- (hh) “**Parties**” shall mean the Plaintiffs and the Defendants.

- (ii) **“Plaintiffs”** shall mean the persons appointed by the Supreme Court of Nova Scotia as representative plaintiffs in the Nova Scotia Proceeding;
- (jj) **“Pre-Approved Claimants”** shall mean the claimants listed in the confidential Schedule who the Parties agree are deemed to be Approved Claimants, who satisfy the criteria for a myocardial infarction (“MI”), coronary artery bypass grafting (“CABG”), and cardiac stenting procedures (“Stenting”) claim, or congestive heart failure (“CHF”) claim, as set out in the Compensation Protocol.
- (kk) **“Provincial Health Insurers”** shall mean all provincial and territorial Ministries of Health or equivalents, provincial and territorial governments, and/or provincial and territorial plans funding medical services throughout Canada.
- (ll) **“Provincial Health Insurer Release”** shall mean the form of Release, attached hereto as Exhibit “F”, to be executed in exchange for any payment hereunder to a Provincial Health Insurer.
- (mm) **“Provincial Health Insurer Rights of Recovery”** or **“Rights of Recovery”** shall mean the statutory authority for the recovery of costs of insured health or medical services, as defined in the empowering legislation of each jurisdiction, as set out in the attached Exhibit “G”.
- (nn) **“Related Counsel Firms”** shall mean Consumer Law Group (including Arias, Sanguinetti Stahle and Torrijos LLP), McPhadden Samac Tuovi Haté, Higgerty Law (counsel, Clint Docken, formerly of Docken & Company), and Ches Crosbie Barristers.
- (oo) **“Released Parties”** shall mean the Defendants as well as their respective predecessors, successors, parents, subsidiaries, affiliates, associated companies and divisions, and each of their respective current and former shareholders, officers,

directors, employees, lawyers, attorneys, agents, insurers, trustees, assigns, owners, consultants, suppliers, distributors and partners.

- (pp) **“Settlement Agreement”** shall mean this Avandia National Settlement Agreement, inclusive of the recitals and exhibits attached hereto.
- (qq) **“Settlement Approval Notice”** shall mean the notice approved by the Supreme Court of Nova Scotia, substantially in the full and abridged forms attached hereto as Exhibit “H”, which advises Class Members of the approval of the settlement provided for in this Settlement Agreement.
- (rr) **“Settlement Approval Order”** shall mean the order of the Supreme Court of Nova Scotia approving the settlement provided for in this Settlement Agreement.
- (ss) **“Settlement Notice Order”** shall mean the order of the Supreme Court of Nova Scotia that approves the Settlement Approval Notice.
- (tt) **“Settlement Payment”** shall mean the payment of an amount not to exceed CAD\$6,750,000, inclusive of all interest, taxes, costs, Class Counsel Legal Fees, and Claims Administration Costs, as compensation for the Settling Claimants and the Provincial Health Insurers.

3. ORDERS APPROVING SETTLEMENT

The Settlement Approval Order

3.1 The Plaintiffs shall, as soon as is reasonably possible, file a motion with the Supreme Court of Nova Scotia seeking the Settlement Approval Order.

3.2 Defendants’ retain their rights to appeal the certification of the Nova Scotia Proceeding in the event that the Settlement Approval Order is not obtained or this Settlement Agreement is otherwise terminated in accordance with its provisions.

The Dismissal Orders

3.3 Once the Supreme Court of Nova Scotia has granted the Settlement Approval Order, the Defendants will file motions seeking the Dismissal Orders.

3.4 Class Counsel and Related Counsel Firms will support the Defendants in seeking the Dismissal Orders.

4. NOTICE TO THE CLASS

The Notices

4.1 The Parties hereby agree to the form, contents and method of dissemination of the Notices, as specified in the draft Hearing Notice Order, Settlement Approval Notice Order and Notice Plan, subject to the Supreme Court of Nova Scotia's approval of same, which shall be sought by way of the Plaintiffs' motion.

4.2 The costs of publishing and distributing the Hearing Notice, including the associated professional fees, will be shared equally by the Parties; provided, however, that Defendants' share of such costs and fees and any other contribution towards disbursements and administration expenses shall not, under any circumstance, exceed CAD\$250,000.00.

Notice of Termination

4.3 If this Settlement Agreement is terminated and the Court orders that a notice of termination be given to the Class, the Defendants will cause the notice of termination, in a form approved by the Supreme Court of Nova Scotia, to be published and disseminated as such Court directs.

4.4 The Parties shall share equally in any costs incurred in the publication and distribution of the notice of termination.

Cooperation

4.5 The Parties shall cooperate, assist one another and the Claims Administrator and undertake all reasonable actions in order to ensure that the Notices are disseminated in a timely manner by the Claims Administrator.

5. THE SETTLEMENT BENEFITS

Allocation of Settlement Payment

5.1 The Maximum Settlement amount of up to CAD\$6,750,000 will be allocated, calculated, and payable as follows:

- (a) The Defendants shall pay the Minimum Settlement Amount of CAD\$4,116,666.67, inclusive of:
 - (i) CAD\$250,000.00 as a contribution towards disbursements and administration expenses;
 - (ii) CAD\$3,666,666.67 for up to 200 Settling Claimants (as defined in Section 5.3), including the Pre-Approved Claimants, who satisfy the criteria for a myocardial infarction ("MI"), coronary artery bypass grafting ("CABG"), and cardiac stenting procedures ("Stenting") claim, as set out in the Compensation Protocol and in the Claims Administration Protocol; and
 - (iii) CAD\$200,000.00 for up to 60 Settling Claimants who meet the criteria for payment of a congestive heart failure ("CHF") claim, as set out in the Compensation Protocol and in the Claims Administration Protocol.

- (b) The Defendants shall pay up to an additional CAD\$2,633,333.33 based on the following:
 - (i) CAD\$18,333.33 for each Settling Claimant who meets the criteria for payment of a MI, CABG, or Stenting claim, as set out in the Compensation Protocol and

in the Claims Administration Protocol, in excess of the 200 Settling Claimants referred to in section 5.1(a)(ii), up to an aggregate total of 300 such claimants (i.e., up to an additional CAD\$1,833,333.33, reaching an aggregate total of CAD\$5,500,000 for such claims, regardless of whether more than 300 such claims are made); and

- (ii) CAD\$3,333.33 for each Settling Claimant who meets the criteria for payment of a CHF claim, as set out in the Compensation Protocol and in the Claims Administration Protocol, in excess of the 60 Settling Claimants referred to in section 5.1(a)(iii), up to an aggregate total of 300 such claimants (i.e., up to an additional CAD\$800,000, reaching an aggregate total of CAD\$1,000,000 for such claims, regardless whether more than 300 such claims are made).
- (c) To the extent that there are more than 300 Settling Claimants who meet the criteria for payment of an MI, CABG, or Stenting claim, then any unused portion of the aggregate capped total of CAD\$1,000,000 available for payment of Settling Claimants who meet the criteria for payment of a CHF claim, may be used for Settling Claimants who meet the criteria for payment of MI, CABG, or Stenting claims in excess of 300.
- (d) The Defendants' maximum payment caps for MI, CABG, and Stenting claims and for CHF claims shall in no way limit the number of claimants who shall be afforded an opportunity to settle, and may settle, such claims. For clarity, if more claims come forward to be paid than would permit CAD\$18,333.33 to be paid for each MI, CABG, or Stenting claim and/or more than CAD\$3,333.33 to be paid for each CHF claim because of the caps on the Defendants' payment obligation, then such per claim averages would effectively be adjusted downward, on a pro rata basis, on account of payment to the greater number of Settling Claimants.

- (e) Except for the Pre-Approved Claimants, the validity of all claims for payment shall be adjudicated in accordance with the Compensation Protocol and the Claims Administration Protocol by the Claims Administrator.
- (f) No Class Member shall be eligible to receive a settlement payment under both section 5.1(a)(ii) and 5.1(a)(iii).

Payment by Defendants

5.2 The Defendants shall, no later than thirty (30) business days after the Effective Date, pay CAD\$4,116,666.67 (less such amount paid by Defendants for the costs of publishing and distributing the Hearing Notice and associated professional fees pursuant to section 4.2) into the Administrative Account, controlled by the Claims Administrator, to be held in trust for the benefit of the Class and Provincial Health Insurers.

5.3 The Defendants shall, no later than thirty (30) business days after the receipt of a report from the Claims Administrator on the number of Approved Claimants who have provided fully executed and witnessed Releases in the form provided (“Settling Claimants”), pay the balance of the Settlement Payment as determined pursuant to section 5.1(b) into the Escrow Account, controlled by the Claims Administrator, to be held in trust for the benefit of the Class Members and Provincial Health Insurers.

Taxes and Interest

5.4 All interest earned on the monies in the Administrative Account and in the Escrow Account shall accrue to the benefit of the Class and Provincial Health Insurers and shall become and remain part of the Escrow Settlement Payment.

5.5 All taxes payable on any interest which accrues in relation to the Settlement Payment, shall be the responsibility of the Class and Provincial Health Insurers and shall be paid by

Class Counsel or the Claims Administrator, as appropriate, from the Escrow Settlement Payment.

6. DISTRIBUTION OF THE SETTLEMENT PAYMENT

6.1 On or after the Effective Date, the Claims Administrator shall distribute the Escrow Settlement Payment to pay, *pro rata*, the claims of Settling Claimants, in accordance with the Compensation Protocol and the Claims Administration Protocol, including, from the *pro rata* share allocated to each Settling Claimant, ten percent (10%) payment to the corresponding Provincial Health Insurer, after payment of the following:

- (a) to pay Class Counsel Legal Fees, as approved by the Supreme Court of Nova Scotia;
- (b) to pay all of the costs and expenses reasonably and actually incurred in connection with the provision of Settlement Approval Notice in accordance with the Notice Plan;
- (c) to pay the remaining Claims Administration Costs, including the professional fees of the Claims Administrator; and
- (d) to pay any taxes required by law to be paid to any governmental authority.

6.2 Payments made to the Provincial Health Insurers shall be in full and final satisfaction of all subrogated claims and independent actions for recovery of claims (Rights of Recovery) they may have in relation to the use of Avandia by Settling Claimants, for the costs of services (pursuant to the legislation of each jurisdiction, as set out in Exhibit "G"), whether already provided or to be provided to Settling Claimants, and the Provincial Health Insurers shall have no other claim of recovery (pursuant to the legislation of each jurisdiction, as set out in Exhibit "G") in relation to the Settling Claimants.

7. TERMINATION OF THE SETTLEMENT AGREEMENT

General

7.1 Termination rights are as follows:

- (a) The Defendants shall have the right to terminate this Settlement Agreement in the event that:
 - (i) the Opt Out Threshold is exceeded;
 - (ii) any of the Provincial Health Insurers or Related Counsel Firms were not to confirm, or were to rescind, their approval of this Settlement Agreement or were to object to court approval of the settlement provided for in this Settlement Agreement;
 - (iii) a Dismissal Order were to be denied by one or more of the Courts; or
 - (iv) a Dismissal Order entered by one or more of the Courts were to be reversed on appeal.

- (b) Each of the Parties shall have the right to terminate this Settlement Agreement in the event that:
 - (i) the Settlement Approval Order were to be denied and, following appeal, the denial of the Settlement Approval Order were to become a Final Order; or
 - (ii) the Settlement Approval Order were to be entered, but reversed on appeal and the reversal were to become a Final Order.

Effect of Termination

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

- (a) it shall be null and void and shall have no force or effect, and the Parties shall not be bound by its terms, except as specifically provided in this Settlement Agreement;
- (b) all negotiations, statements and proceedings relating to this Settlement Agreement shall be deemed to be without prejudice to the rights of the Parties, and the Parties shall be deemed to be restored to their respective positions existing immediately before this Settlement Agreement was executed; and
- (c) Non-Refundable Expenses shall not be returned to the Defendants.

Survival

7.3 Notwithstanding section 7.2(a) of this Settlement Agreement, if this Settlement Agreement is terminated, the provisions of this section, and sections 4.3, 4.4 and 7.4 through 7.7, and the definitions applicable thereto of this Settlement Agreement, shall survive termination and shall continue in full force and effect. The definitions and Schedules shall survive only for the limited purpose of interpreting these sections of this Settlement Agreement, but for no other purposes.

Accounting

7.4 If this Settlement Agreement is terminated, Class Counsel shall account to the Supreme Court of Nova Scotia and the Parties for all payments made from the administrative Account and/or the Escrow Account by no later than ten (10) days after such termination.

Termination Orders

7.5 If this Settlement Agreement is terminated, Class Counsel shall, within thirty (30) days after termination, apply to the Supreme Court of Nova Scotia, on notice to the Claims Administrator, for an order:

- (a) declaring this Settlement Agreement null and void and of no force or effect except for the provisions of those sections listed in section 7.3 of this Settlement Agreement; and
- (b) requesting an order setting aside the Settlement Approval Order in accordance with the terms of this Settlement Agreement.

7.6 Subject to section 7.7 of this Agreement, the Parties shall consent to the orders sought in any motion made pursuant to section 7.5 of this Settlement Agreement.

7.7 If there is any dispute about the termination of this Settlement Agreement, the Supreme Court of Nova Scotia shall determine any dispute by motion on notice to the Parties.

8. OPT OUT PROVISIONS

Opting Out

8.1 Class Members may exclude themselves from the Class by exercising their rights to opt out pursuant to section 19 of the *Class Proceedings Act*, SNS 2007, c 28, by submitting a complete and signed Opt Out Form to Wagners in accordance with the Hearing Notice Order, within sixty (60) days of the Hearing Notice Date.

8.2 Class Members who do not opt out shall be bound by the Settlement Approval Order.

8.3 In the event that an Opt Out seeks to retain Class Counsel or any Related Counsel Firms for any purpose related to the Proceeding, Class Counsel or any Related Counsel Firms hereby agree to refuse to represent the Opt Out.

Opt Out Report

8.4 Class Counsel shall provide Defendants' Counsel with a report advising as to the number of Opt Outs, the reasons for their opting out and details of the Opt Out's individual claim, if known, and a copy of all information provided, including the Opt Out Form, within thirty (30) days of the Opt Out Deadline.

Opt Out Threshold

8.5 In the event the Opt Out Threshold is exceeded, the Defendants may terminate this Settlement Agreement by giving notice in writing to Class Counsel of their intent to do so within thirty (30) days of the report referenced in section 8.4. The failure to deliver notice in accordance with this section shall be deemed a waiver of the Opt Out Threshold.

8.6 The Defendants shall maintain their right to waive the Opt Out Threshold.

9. RELEASES AND DISMISSALS

Exclusive Remedy

9.1 This Settlement Agreement shall be the exclusive remedy for all claims by, through, or under Class Members who do not Opt Out, including subrogation claims respecting their Avandia use.

9.2 On the Effective Date, each Class Member who does not Opt Out, whether or not he or she submits a claim or otherwise receives compensation, shall be deemed by this Settlement Agreement to have completely and unconditionally released, forever discharged, and acquitted the Released Parties from any and all claims arising out of the purchase and use of Avandia in Canada prior to the Hearing Notice Date.

9.3 In order to receive a settlement payment, a Claimant shall release all Avandia-related claims against any and all individuals and entities alleged to have Avandia-related liability, including all Defendants in the Avandia litigation in Canada, and against all GSK entities, their predecessors and successors, and all parents, subsidiaries, and affiliates and their representatives and, in any event, shall be deemed to release all Avandia-related claims upon receipt of their settlement payment.

9.4 In consideration of the Settlement Payment as aforesaid, Class Counsel and Related Counsel Firms agree, on behalf of the Class Members, that any prosecution of a settled claim

in breach of section 9.2 shall cause irreparable harm to the Released Parties, in respect of which a stay or injunction is an appropriate remedy. For the same consideration, Class Counsel agree on behalf of Class Members to cooperate with the Released Parties in seeking such a stay or injunction.

Third-Party Contribution or Indemnity Claims

9.5 Class Members who do not opt out and who commence or continue litigation against any person or entity who may make a claim for contribution and/or indemnity against the Defendants and/or any Released Party, shall limit the value and right of recovery of such claim against such person or entity to the quantum of damages, interest, costs and all losses and other compensation proven and apportioned against such person or entity, severally and not jointly with the Defendants and/or any Released Party.

10. SUBMITTING CLAIMS

10.1 Claims shall be submitted by Class Members, who do not Opt Out, by the Claim Deadline in the manner contemplated by the Compensation Protocol and the Claims Administration Protocol, or in any other manner approved by the Court.

11. LIMITATION DEFENCE

11.1 Except as provided herein, no Class Member who satisfies the criteria for payment pursuant to the Compensation Protocol and the Claims Administration Protocol shall be considered ineligible to receive a payment pursuant to this Settlement Agreement on the basis of any statute of limitation or repose, prescription period, or any other limitation or prescription defence.

11.2 Nothing in this Settlement Agreement shall constitute or be deemed to constitute a waiver by the Defendants of defences based on statutes of limitation or repose, prescription periods or any other limitation or prescription defence with respect to any Class Member who Opts Out.

12. AMENDMENTS TO THE SETTLEMENT AGREEMENT

12.1 The Parties may amend this Settlement Agreement in writing, by consent and upon approval of the Supreme Court of Nova Scotia.

13. LEGAL FEES AND DISBURSEMENTS

Fee Approval

13.1 Class Counsel shall bring a motion to the Supreme Court of Nova Scotia for the determination of Class Counsel Legal Fees to be paid from the Settlement Payment.

13.2 Class Counsel shall not be precluded from making additional motions to the Supreme Court of Nova Scotia for expenses incurred as a result of implementing the terms of this Settlement Agreement. All amounts awarded on account of Class Counsel Legal Fees shall be paid from the Escrow Settlement Payment.

13.3 The Released Parties hereby acknowledge and agree that they are not parties to the motions concerning the approval of Class Counsel Legal Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Legal Fees and they will not take any position or make any submissions to the Courts concerning Class Counsel Legal Fees.

Individual Claims

13.4 Class Members who retain lawyers, other than Class Counsel, to assist them in making their individual claims for compensation pursuant to this Settlement Agreement or to appeal the classification or rejection of their claim for compensation, shall be responsible for the legal fees and expenses of such lawyers.

~~13.5 If a Class Member retains Class Counsel to assist him or her in making his or her individual claim for compensation under this Settlement Agreement, Class Counsel hereby agree to cap their fees at fifteen (15) percent of the amount awarded to that Class Member.~~

~~13.6 Class Counsel shall request that the order approving Class Counsel Fees provides that the fee applicable to Class Members who retain non-Class Counsel lawyers to assist them in making their individual claims for compensation pursuant to this Settlement Agreement, including lawyers in Related Counsel Firms, be capped at fifteen (15) percent of the amount awarded to that Class Member.~~

14. MISCELLANEOUS PROVISIONS

Ongoing Authority

14.1 The Supreme Court of Nova Scotia shall retain exclusive and continuing jurisdiction over the approval, implementation and administration of this Settlement Agreement.

Recitals

14.2 The Parties represent and warrant that the recitals referred to in section 1 are accurate and agree that they form part of this Settlement Agreement.

Entire Agreement

14.3 This Settlement Agreement, including its recitals and exhibits, constitutes the entire agreement by and among the Parties with regard to the subject matter of this Settlement Agreement and, on the Effective Date, shall supersede any previous agreements and understandings between the Parties with respect to the subject matter of this Settlement Agreement.

Counterparts

14.4 This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Party Notification

14.5 Any notification, request, instruction or other document to be given by any Party to any other Party to this Settlement Agreement (other than class notification) shall be in writing.

Class Member Notification

14.6 All communications from the Claims Administrator to Class Members may be made by regular mail to such person's last mailing address provided by such person to the Claims Administrator.

Governing Law

14.7 For the purpose of the settlement of the Nova Scotia Proceeding, this Settlement Agreement shall be governed by and interpreted pursuant to the laws of Nova Scotia.

Severability

14.8 If any provision of this Settlement Agreement is held to be void or invalid, the same shall not affect any other provision and the remainder shall be effective as though such provision had not been contained herein.

Dates

14.9 Dates referred to in this Settlement Agreement may be altered with the written consent of the Parties and, as necessary, with the approval of the Courts.

French Translation


14.10 Defendants' Counsel shall prepare a French translation of this Settlement Agreement.

14.11 The Defendants shall be responsible for the costs incurred to translate settlement documents into French, as necessary or required by the Quebec court. The text of the translation shall be subject to approval by Class Counsel.

14.12 In case of any ambiguity or dispute about interpretation, the English version is official and shall prevail.

English Language Clause

14.13 Les parties ont convenu que cette Entente soit rédigée en anglais.

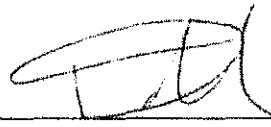


**Raymond F. Wagner, Q.C.
WAGNERS**



**Charles Wright
SISKINDS LLP**

**Jeff Orenstein
CONSUMER LAW GROUP**



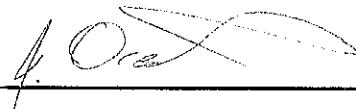
**David Woodfield
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