

HEPATITIS C 86-90 SETTLEMENT

SOP – Requests to PT Governments for Monthly Payments and Payment of Plan Disbursements

The purpose of this SOP is to set out the procedure by which monthly payments for Plan Disbursements and Other Fees and Disbursements will be requested from the PT Governments as well as the procedure for payment to approved claimants.

A. Calculation of Monthly Payment Amounts and Request for Payment from PT Governments

(i) Other Fees and Disbursements – Trustee

The Trustee will total the amounts to be paid pursuant to paragraphs (b), (c), (d) and (e) of the definition of Other Fees and Disbursements in Section 1.01 of the Funding Agreement in respect of the preceding month. Such amounts will include monthly budget payments to the various administrative service providers (including the Trustee, Investment Advisor, Investment Consultant, Auditor and Actuary), as well as other expenses incurred in the administration of the Settlement Agreement and Plans, as approved by the Courts. The Trustee will apply the Sharing Proportion of each PT Government in respect of the preceding month's Other Fees and Disbursements, complete Chart "C" of the Monthly PT Request for Payment (Schedule "A"), and forward a copy to the Administrator on the first business day after the end of the month.

(ii) Plan Disbursements

The Administrator will determine Plan Disbursements to be paid to Approved Claimants whose payments have been approved and where release agreements (Schedule "C") have been duly executed and received by the fifteenth day of the preceding month. The Administrator will calculate the amounts to be paid and will complete Chart "B" of the Monthly PT Request for Payment which sets out the Plan Disbursements for each PT Government, the facts upon which this monthly calculation is based (ie. claimant number, disease level and payment amount) and the residence information set out in the application of each Approved Claimant. Such amounts shall not include the restricted payment of \$5,000 in Section 4.01(1)(b) of the Plans, shall not exceed the 70% limitation in Sections 4.02 and 6.01 of the Plans, and shall not exceed the \$75,000 limitation in Sections 4.02 and 6.01 of the Plans (the "Holdback Amounts"). Each month, the Administrator will requisition funds from the Trustee, by letter (see "Request for Funds" in Schedule "A"), equal to the amount of all Plan Disbursements to be paid by the Administrator for claims approved in the previous month.

(iii) Notice of Payments

Upon completion of Chart "B" of the Monthly PT Request for Payment, the Administrator will complete Chart "A" of the Monthly PT Request for Payment by adding the total monthly Plan Disbursements and total monthly Other Fees and Disbursements to determine the total monthly payment owed by each PT government. In accordance with Section 4.04 of the Funding Agreement, within five business days after the end of the month, each PT government will be notified of the monthly payment to be made in respect of the Plan Disbursements and Other Fees

and Disbursements in the preceding month. The Monthly Request for Payment will be sent to the FPT Governments, Trustee, Joint Committee, Fund Counsel and Richard O'Brien (Senior Director of FPT Affairs). The list of PT Government contacts for notification is attached as Schedule "B".

B. Receipt of Monthly Payments from PT Governments

In accordance with Section 6.01 of the Funding Agreement and the Payment Terms of Royal Trust confirmed by each of the PT Governments (Schedule "D"), monthly payments are to be made to the Trustee, Royal Trust, upon notification and within ten business days after the end of each month. Funds are to be paid to Royal Trust by electronic fund transfer, wire transfer or cheque. Royal Trust is to be advised of the method of monthly payment by each PT Government.

In the event that a PT Government is delayed in remitting a requested monthly payment within the time period provided set out above, Royal Trust will loan the outstanding amount pursuant to the Payment Terms so that claimant payments will not be delayed. The Government that has been covered by Royal Trust will be notified the day following such borrowing and will be required to repay Royal Trust within 30 days. Interest on the funds advanced by Royal Trust will be charged at the Prime Rate.

C. Transfer of Plan Disbursements to Administrator's Bank Account

Within 10 business days after the end of each month, the Trustee will transfer an amount equal to the amount requisitioned by the Administrator for Plan Disbursements, pursuant to Section 6.01 of the Funding Agreement. The funds will be transferred electronically to a Royal Bank account situated in Ottawa. In accordance with the Payment Agreement (Schedule "E"), the account will be in the name of Royal Trust as Trustee for the 1986-1990 Hepatitis C Fund, however, the Administrator will be authorized to make approved payments to Class Members from the account. The Administrator will not have any ownership interest in the funds.

D. Payments by Trustee for Other Fees and Disbursements

In the month following the receipt of a order of a Court approving any costs as referred to in the definition of Other Fees and Disbursements in Section 1.01 of the Funding Agreement, the Trustee will pay an amount equal to the amount of such costs, in accordance with Section 6.05 of the Funding Agreement. For costs payable on an ongoing basis, the Trustee will pay such costs in the month following delivery of an invoice for services rendered.

E. Notional Tracking of Holdback Amounts

The Administrator will maintain notional accounts for each approved claimant in respect of the restricted payment of \$5,000 in Section 4.01(1)(b) of the Plans, the 70% limitation in Sections 4.02 and 6.01 of the Plans, and the \$75,000 limitation in Sections 4.02 and 6.01 of the Plans (the "Holdback Amounts"). Such amounts will be paid to qualifying approved claimants, with interest, in the event the Courts decide to amend the restrictions pursuant to Section 7.03 of the Plans.