

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CARRIE EKLUND

Plaintiff

- and -

GOODLIFE FITNESS CENTRES INC.

Defendant

(Collectively, the "Parties")

PROCEEDING UNDER THE *CLASS PROCEEDINGS ACT, 1992*

MINUTES OF SETTLEMENT

WHEREAS, in October 2016, the plaintiff commenced a proposed class action seeking to represent certain current and former non-managerial employees of GoodLife Fitness Centres Inc. ("GoodLife") employed at GoodLife Fitness Clubs (the "Class Members"), claiming, among other things, compensation for unpaid wages, including overtime pay (the "Class Action");

AND WHEREAS, the Parties wish to fully and finally resolve all matters in dispute between them in relation to the Class Action;

NOW THEREFORE for good and valuable consideration received, the Parties stipulate and agree that the Class Action shall be fully and finally settled and resolved on the terms and

conditions set forth in these Minutes of Settlement (the “Settlement Agreement”), subject to approval by the Ontario Superior Court of Justice (the “Court”):

1. **Settlement** – The Settlement Agreement is conditional upon:
 - a. the Court issuing an order certifying this action as a class proceeding;
 - b. the Court approving this Settlement Agreement on the terms that follow; and
 - c. GoodLife not exercising its discretion to nullify the Settlement in accordance with paragraph 6(e) below.

The terms of the Settlement Agreement will only become effective upon approval by the Court of the Settlement Agreement, including the expiration of any appeal rights and/or the dismissal of any appeals in relation to such approval (the “Final Approval”).

2. **Objective** – In exchange for the consideration referred to in paragraph 5 herein, all claims by Class Members against GoodLife in relation to this Class Action are fully and finally resolved without further recourse or right of appeal.
3. **No Admission of Liability** – The Settlement Agreement is made without any admission of liability by GoodLife.
4. **Certification** – The Parties agree that, for the purposes of settlement, this Class Action shall be certified as a Class Proceeding pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, Chapter 6.

- a. The Parties agree that the Class Members shall be defined as follows:

All current and former non-managerial employees of GoodLife employed at its clubs in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland, Nova Scotia, and Prince Edward Island, for the period from October 12, 2014 to the date certification is granted (“Class Period”) in this action, save and except for those employed at its Fit4Less or franchise clubs, and save and except for all personal trainers employed by GoodLife in the Cities of Toronto, Ontario; Ajax, Ontario; and Peterborough, Ontario for the period commencing on December 5, 2017 and ongoing. To the extent any employees had both managerial and non-managerial roles during the Class Period, they will be in the class only in respect of their non-managerial roles.

- b. The Parties agree that this Class Action shall be certified on the basis of the following common issue:

Whether any Class Member worked hours of work, including overtime hours, during the Class Period, for which they were not paid or otherwise compensated in accordance with the requirements of the applicable provincial employment standards legislation.

5. Payment by GoodLife –

- a. GoodLife will make payment to the class members in accordance with Schedule “A” attached hereto within 90 days of Final Approval;
- b. All payments made under this paragraph 5(a) shall be subject to tax and source deductions as required by law and are inclusive of vacation pay;
- c. GoodLife will make a further payment of \$1,000,000, inclusive of HST, to Goldblatt Partners LLP, in satisfaction of Class counsel’s fees, taxes and disbursements within 90 days of Final Approval including approval of Class counsel’s fees; and

- d. GoodLife will make payment of a \$10,000 honorarium in favour of the Plaintiff, to Goldblatt Partners LLP, in trust, within 90 days of Final Approval.

6. **The Administration of Settlement –**

- a. **Directions from the Court –** Within 30 days of the execution of the Settlement Agreement, or such other date as the Court directs, the Parties will jointly schedule a case conference for the purpose of obtaining directions from the Court on the administration of the Settlement Agreement and the steps leading to its approval;
- b. **Notice –** Notice of the Settlement Agreement (the “Notice”), in a form agreed upon by counsel for the Parties and approved by the Court, shall be delivered and/or published, within 30 days of approval by the Court of the form of the Notice, by way of:
 - i. Email of the Notice to Class Members who are current employees of GoodLife at their GoodLife email address;
 - ii. Regular mail and/or email of the Notice to Class Members who are former employees of GoodLife to their last known mailing address or email if available within GoodLife’s records; and
 - iii. Copies of and/or links to the Notice on Class Counsel’s websites (<http://goldblattpartners.com/experience/class-action-cases/post/eklund-v-goodlife-fitness-centres/> and www.goodlifeclassaction.com)

c. **Returned notice** – GoodLife will provide Class Counsel with the names, last known address, phone number and email if available of the former employees for whom the Notice sent by regular mail at paragraph 6(b) was returned, within 10 days of receiving any returned mail. Class Counsel will advise GoodLife of any new addresses they may locate for the said former employees within 20 days of Final Approval, following which GoodLife will update its records for the purpose of payment. For those Class Members for whom Class Counsel does not provide updated addresses, such Class Members will not be entitled to receive any payment and those funds that would otherwise have been made payable to those Class Members will be available for distribution in accordance with the formula set out in Schedule “A”.

d. **Notice Costs** – GoodLife will pay the costs of the dissemination of the Notice;

e. **Opt Out** – Class Members may opt out within 30 days of the delivery of the Notice as contemplated in paragraph 6(b) or any date agreed by the Parties and approved by the Court (“Opt Out Deadline”). Class Counsel will provide GoodLife with a list of the Class Members who opted out by the Opt Out Deadline (the “Opt Outs”) within 10 days of the Opt Out Deadline. At its discretion, within 20 days of the delivery of the list of Opt Outs by Class Counsel, GoodLife may nullify the Settlement if the number of Class Members opting out exceeds:

i. 

ii. 

such that the Settlement Agreement will become null and void. This threshold shall remain confidential to the Parties such that it will not be included in the Notice (the “Opt Out Threshold”).

- f. **Nullification** – In the event that GoodLife exercises its discretion under paragraph 6(e), GoodLife will advise Class counsel and the parties will seek directions from the Court.
- g. **Motion for Settlement Approval and Fee Approval** – The Plaintiff will bring, at her own expense, a motion for certification and settlement approval, including approval of Class counsel fees, referred to in paragraph 5(c), which motion GoodLife will consent to, on a date to be set by the Court, upon the return of which motion any objections to the approval of the Settlement Agreement will be made in accordance with the directions of the Court;
- h. **If the Settlement is Not Approved** – In the event the Settlement Agreement is not approved by the Court, the Court will be asked by the Parties for further directions in respect of the proceeding of the Class Action;
- i. **If the Settlement is Approved** – In the event the Settlement Agreement is approved by the Court, GoodLife shall pay, within 90 days of Final Approval, the amounts set out in paragraph 5 above;
- j. GoodLife will provide confirmation in a form to be agreed by counsel of its compliance with the payment terms herein.

7. **Mediator Fees** – GoodLife will pay the fees for the mediation held on February 27 and 28, 2018 with George Adams.

8. **Binding on Each Class Member / Full and Final Release** - The Settlement Agreement is binding on each Class Member who does not opt out, and on the date of Final Approval, GoodLife will be fully and finally released from any and all claims, complaints, actions and demands by Class Members who have not opted out (“Settlement Class Members”) in relation to the Class Action and the issues raised or which could have been raised therein, whether known or unknown. For greater certainty, and without limiting the generality of the foregoing, GoodLife is released from the claims, complaints, actions and demands of any Settlement Class Member in relation to the Class Action, whether or not such Class Member receives compensation pursuant to the Settlement Agreement.

9. **Assurances** – The Parties will consent to such Order(s) and sign such other documentation as is reasonably required to give effect to the Settlement Agreement and undertake to seek no additional relief in respect to the Class Action nor make any submissions to the Court other than as may be required to obtain Final Approval of the Settlement Agreement.

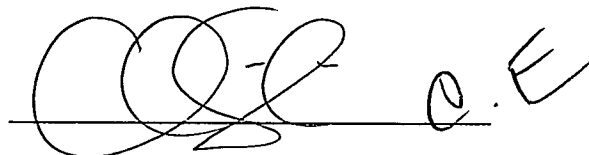
10. **Entire Agreement** – The Settlement Agreement constitutes the entire agreement among the parties, and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. The Settlement Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

11. **Applicable Laws** – The terms of the Settlement Agreement shall be interpreted and enforced in accordance with the laws of the Province of Ontario. The plaintiff, on her behalf and of all Settlement Class Members, hereby attorns to the jurisdiction of the Ontario Superior Court of Justice. A case management judge of the Ontario Superior Court of Justice shall maintain jurisdiction over the Settlement Agreement.

12. **Execution** – The Settlement Agreement may be executed in counterparts and a facsimile copy shall be valid in the same fashion as an original.

Date: March 1, 2018

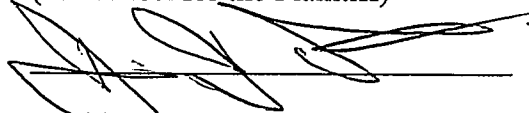
Signature:

A handwritten signature in black ink, consisting of several overlapping loops and a trailing 'E' shape, written over a horizontal line.

Charles Sinclair

(as counsel for the Plaintiff)

Signature:

A handwritten signature in black ink, consisting of several overlapping loops and a trailing 'P' shape, written over a horizontal line.

David Di Paolo

(as counsel for the Defendant)

SCHEDULE "A"

1. The \$7,500,000 Settlement Fund is to be allocated as follows:
 - a. \$5,500,000 to be distributed to those employees who held the role of personal trainers in the Class;
 - b. \$150,000 to be distributed to those employees who held the role of club opening specialists in the Class;
 - c. \$800,000 to be distributed to those who held the role of fitness advisers in the Class;
and
 - d. \$1,050,000 to be distributed to class members who worked in any category of employment within the class other than those referenced in subparagraphs (a), (b) and (c).

2. The Settlement Fund will be distributed as follows:
 - a. by payment to each Class Member who held the role of personal trainer during the Class Period on a pro rata basis based on the total number of recorded personal training services hours he or she has worked for GoodLife from October 12, 2014 to December 31, 2017;
 - b. by payment to each Class Member who held the role of club opening specialist during the Class Period on a pro rata basis based on the total number of full weeks worked from October 12, 2014 to March 30, 2017;

- c. by payment to each Class Member who held the role of fitness advisor during the Class Period on a pro rata basis based on the total number of recorded sales hours worked from October 12, 2014 to February 28, 2018; and
 - d. by payment to each Class Member who worked in any other non-managerial category of employment in its clubs during the Class Period on a pro rata basis based on the total number of recorded hours worked on a non-managerial basis, as defined in paragraph 3, from October 12, 2014 to February 28, 2018.
3. For paragraph 2(d) above, hours worked excludes the hours worked in paragraphs 2(a), 2(b) and 2(c).
4. In the event that the payment calculated as per paragraph 2 above is \$50 or less with respect to any particular Class Member, then such Class Member will not be entitled to receive any payment and those funds that would otherwise have been made payable to that Class Member will be available for distribution in accordance with the formula set out in paragraph 2 (“De Minimis Threshold”).
5. In the event that a cheque provided to any Class Member is returned as undeliverable or due to a change of address, GoodLife will notify Class Counsel within 10 days, and Class Counsel will have an opportunity to attempt to locate the Class Member. If the Class Member cannot be located within 6 months, their cheque will be considered uncashed and stale and the funds will be donated to the Canadian Cancer Society as of the stale date.

6. In the event that that a cheque provided to any Class Member pursuant to the present Settlement is uncashed after 6 months, the cheque will be considered stale and the funds will be donated to the Canadian Cancer Society as of the stale-date.
7. Winta Hagos will be excluded from receiving any payment under this settlement.
8. There will be no appeal of the administration and distribution of funds by GoodLife pursuant to the present settlement.
9. Within 16 months of the Final Approval, GoodLife will provide Class Counsel with a final report indicating the amount paid to each category in paragraph 1 of this Schedule and the amount paid to the Canadian Cancer Society. .