

NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING
EKLUND V. GOODLIFE FITNESS CENTRES INC.

Court File No. CV-16-562080 00CP

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

TO: All current and former non-managerial employees of GoodLife Fitness Centres Inc. (“GoodLife”) employed at GoodLife’s fitness 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 (the “Class Period”), except for those individuals employed at Fit4Less or franchise clubs, and save and except for all personal trainers employed in the Cities of Toronto, Ajax and Peterborough, for the period commencing on December 5, 2017 and ongoing (the “Class”)

PURPOSE OF THIS NOTICE

On October 12, 2016, a class action lawsuit was commenced in the Ontario Superior Court of Justice by Carrie Eklund (“Ms. Eklund”) against GoodLife. The lawsuit asserts claims made on Ms. Eklund’s own behalf and on behalf of the Class and primarily alleges that GoodLife owes compensation to members of the Class for unpaid hours of work, including overtime hours (“Class Action”).

Following a mediation in February 2018, Ms. Eklund and GoodLife reached an agreement to certify and settle the Class Action, subject to approval of the Ontario Superior Court of Justice (the “Proposed Settlement”).

This notice describes the Proposed Settlement in greater detail, including who it applies to, the details of the settlement, and the process by which Class Members will be compensated.

The settlement must be approved by the Court before it is finalized. As a class member, you have a right to take part in the approval hearing if you wish. The process for taking part in the approval hearing is set out below.

MOTION FOR CERTIFICATION AND APPROVAL OF PROPOSED SETTLEMENT

The motion to approve the Proposed Settlement between GoodLife and Ms. Eklund will be heard at 10:00 a.m. on **June 20, 2018** at the Ontario Superior Court of Justice, Toronto, Ontario. At the hearing of the motion, the Court will determine whether the terms of the Proposed Settlement are fair and reasonable and in the best interests of the Class.

Ms. Eklund and GoodLife believe that the Proposed Settlement is fair, reasonable and in the best interests of the Class. If the Court is satisfied with the fairness of the Proposed Settlement, it will be approved.

Members of the Class and the public may attend the approval motion hearing, but are not required to do so. Class members are entitled, but not obligated, to express their opinions about

the Proposed Settlement and whether or not it should be approved at the motion hearing. If Class members wish to make a written submission to the Court, they must deliver written submissions to Goldblatt Partners LLP (“Class Counsel”), at the address below (see page 4), no later than **June 12, 2018**, so that it can be brought to the attention of the Court and the Parties in advance. Any written submissions must include:

- The Class member’s name;
- A brief statement of the reasons that the Class member supports or opposes the Proposed Settlement; and
- Confirmation of whether the Class member intends to attend the hearing to approve the Proposed Settlement.

Please note that any written submissions will NOT be confidential, and they will be shared with GoodLife and filed publicly with the Court.

TERMS OF THE PROPOSED SETTLEMENT

The detailed terms of the settlement are set out in the settlement agreement between the parties. A copy of it can be found at <http://goldblattpartners.com> or <http://goodlifeclasseaction.com>. A copy can be obtained by contacting Class Counsel (see page 4). This notice contains a summary of some of the terms of the Settlement Agreement. If there is a conflict between this notice and the Settlement Agreement, the terms of the Settlement Agreement shall prevail.

Pursuant to the settlement, GoodLife will pay \$7,500,000 to the members of the Class (the “Settlement Funds”). The Settlement Funds will be distributed to four groups of employees: personal trainers, club opening specialists, fitness advisors, and other members of the Class. Payments to Class Members under the Settlement Agreement are subject to statutory deductions.

Personal Trainers

\$5,500,000 will be distributed to employees who held the role of personal trainers in the Class. The payments are on the basis of a pro rata (equal share) calculation based on the number of each personal trainer’s recorded personal training service hours during the period of October 12, 2014 to December 31, 2017, as compared to the total number of recorded personal training service hours for all of the personal trainers for this period.

Club Opening Specialists

\$150,000 will be distributed to employees who held the role of club opening specialists in the Class based on the total number of full weeks worked from October 12, 2014 to March 30, 2017.

Fitness Advisors

\$800,000 will be distributed to employees who held the role of fitness advisor based on the total number of recorded sales hours worked from October 12, 2014 to February 28, 2018. The payments are on the basis of a pro rata (equal share) calculation based on the number of each fitness advisor's recorded sales hours during the period of October 12, 2014 to February 28, 2018, as compared to the total number of recorded sales hours for all of the fitness advisors for this period.

Other Class Members

\$1,050,000 will be distributed to employees who held other non-managerial club roles in the Class during the period October 12, 2014 to February 28, 2018. The payments are on the basis of a pro rata (equal share) calculation based on the number of recorded hours worked for this period (excluding hours worked as a personal trainer, club opening specialist, or fitness advisor, which are dealt with above), as compared to the total number of recorded hours worked by all other employees who held non-managerial club roles (excluding hours worked as a personal trainer, club opening specialist, or fitness advisor) for this period.

Redistribution of Small Amounts

The Settlement Agreement provides that small amounts (less than \$50) will not be paid and instead will be redistributed into each of the above calculations for the four groups of employees.

Payments within 90 Days

GoodLife will make the payments within 90 days of the approval of the Settlement Agreement by the Court. The payments under the Settlement Agreement will be distributed directly to Class Members by GoodLife. There is no appeal of the administration/distribution of the Settlement Funds. Class Members should ensure that GoodLife has their current contact/ mailing address information for the purpose of sending out the cheques.

LEGAL FEES

Pursuant to the Settlement Agreement, and subject to the Court's approval, GoodLife will pay Class Counsel (the lawyers for the Class Members) legal fees of \$1,000,000 inclusive of taxes and disbursements. This payment is separate and apart from the settlement fund and will not reduce any amount that you are entitled to receive under the settlement fund.

GoodLife will also pay an honorarium to the representative plaintiff in the amount of \$10,000 which recognizes her efforts and time in advancing this class proceeding. This payment is separate and apart from the settlement fund and will not reduce any amount that you are entitled to receive under the settlement fund.

OPT-OUT PROCESS

Members of the Class will be bound by the terms of the Proposed Settlement, if approved by the Court, unless they opt out. This means that, unless you opt out, you will not be able to start or continue with any other claim or legal proceeding against GoodLife in relation to the matters alleged in the class action lawsuit. If a Class member opts out they will NOT be eligible to participate in or receive ANY compensation pursuant to the Proposed Settlement. The deadline to opt out is May 11, 2018.

If you do not want to be part of this settlement you may opt out by filling out the attached “opt out” form and sending it to the following address:

Goldblatt Partners LLP
Attention: Tanya Atherfold-Desilva
20 Dundas Street West, Suite 1039
Toronto, Ontario
M5G 2C2
Tel: 416-979-4233
Fax: 416-591-7333
Email: tatherfold@goldblattpartners.com

It is a term of the proposed settlement that if the number of Class Members that opt out exceeds a threshold provided for in the Settlement Agreement, GoodLife has the discretion to terminate the settlement. If this occurs, GoodLife would not make the payments under the Settlement Agreement and the litigation would continue to proceed in the normal course. Any Class Member who has concerns about the Settlement Agreement, or is considering opting out should contact Class Counsel to discuss their concerns.

MORE INFORMATION AND CLASS COUNSEL

For more information, or if you have any questions, please contact Class Counsel at the address below:

Goldblatt Partners LLP
Attention: Tanya Atherfold-Desilva
20 Dundas Street West, Suite 1039
Toronto, Ontario, M5G 2C2
Tel: 416-979-4233
Fax: 416-591-7333
Email: tatherfold@goldblattpartners.com

THIS NOTICE WAS APPROVED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.

OPT OUT NOTICE

You may opt out of this settlement by mailing this “opt out” form to the following address before May 11, 2018:

Goldblatt Partners LLP
Attention: Tanya Atherfold-Desilva
20 Dundas Street West, Suite 1039
Toronto, Ontario
M5G 2C2
Name: _____
Email: _____
Address: _____
Postal Code: _____
Telephone: _____

By submitting this form, I confirm that I **do not** wish to be a Class Member in the class action lawsuit *Eklund v. GoodLife Fitness Centres Inc.* I understand that by opting out I will not be entitled to the benefits of the Settlement, including any monetary payment. I confirm that having chosen to opt-out of this class, I will receive no further communications from class counsel regarding this class action.