

Ex Gratia Update – August 2008

On August 14, 2008, our application to the courts regarding payout of the ex-gratia award was heard by the Supreme Court of Newfoundland and Labrador. We are pleased to advise that the Court has accepted the submission of the five public sector Unions and issued an order to that affect. This is one more hurdle we have overcome, bringing us much closer to issuing payments to eligible members from the ex-gratia fund.

We believe we are still on target to meet our previously stated end-of-the-year timeframe for payouts to members. With this significant step complete, we are continuing to work with Beothuk Data Systems as they address outstanding verifications. These verifications must be complete prior to any payout. We have also retained the services of a financial institution to issue the cheques and our solicitors are currently reviewing the contract with this group.

We have faced many challenges in reaching this point, however we were strong in our belief that due diligence was necessary to ensure the funds were distributed equitably to those and only those who were entitled to payout. Our efforts have been successful thus far, as evidenced by the recent approval of the Court. We are looking forward to concluding the remaining verifications and moving forward with payouts to members.

We would like to thank you for your support and patience throughout the process.