

Court File No.: CV-24-00725870-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

ANDREA REID

Plaintiff / Moving Party

- and -

**DRI HEALTHCARE TRUST, DRI CAPITAL INC., BEHZAD KHOSROWSHAHI and
CHRIS ANASTASOPOULOS**

Defendants

Proceeding under the *Class Proceedings Act, 1992*

DISTRIBUTION PROTOCOL

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PART I - DEFINITIONS

1. The following definitions apply in this Distribution Protocol:

- (a) **“Acquisition Expense”** means the price paid by the Claimant (including brokerage commissions) to acquire an Eligible Unit.
- (b) **“Administration Expenses”** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiff, Class Counsel or otherwise for the approval, implementation and operation of the Settlement Agreement, including the costs of notices, but excluding Class Counsel Fees and Disbursements.
- (c) **“Administrator”** means Verita Global Inc., or such other third-party professional firm appointed by the Court to administer the Distribution Protocol.
- (d) **“Claim Form”** means a claim in the form provided by the Administrator for compensation from the Net Settlement Amount.
- (e) **“Claimant”** means any person or entity who has submitted a Claim Form.
- (f) **“Claims Bar Deadline”** means the date that is one hundred and eighty (180) days after the date on which any part of the Notice Plan is first completed.
- (g) **“Class”** means other than Excluded Persons, all persons and entities that acquired DRI securities during the Class Period and held such securities (a) through the open of trading on July 8, 2024; or (b) until the end of the Class Period.
- (h) **“Class Counsel”** means Kalloghlian Myers LLP.
- (i) **“Class Counsel Fees and Disbursements”** means the Class Counsel fees plus disbursements plus applicable taxes.
- (j) **“Class Member”** means a member of the Class.
- (k) **“Class Period”** means the period from February 11, 2021 at 9:30 a.m. ET to August 6, 2024 at 5:38 p.m. ET.
- (l) **“Court”** means the Ontario Superior Court of Justice.
- (m) **“Defendants”** means Persis Capital Inc. (formerly, DRI Capital Inc.), DRI Healthcare Trust, Chris Anastopoulos and Behzad Khosrowshahi.
- (n) **“Disposition Proceeds”** means the price received by the Claimant (without deducting any brokerage commissions) on the disposition of an Eligible Unit.

- (o) **“Distribution Protocol”** means this plan for distributing the Net Settlement Amount to eligible Class Members.
- (p) **“DRI”** means DRI Healthcare Trust.
- (q) **“DRI Capital”** means Persis Capital Inc. (formerly, DRI Capital Inc.).
- (r) **“Eligible Units”** means the DRI units acquired by a Class Member during the Class Period and still held as at (a) the open of trading on the Toronto Stock Exchange on July 8, 2024; or (b) the end of the Class Period.
- (s) **“Excluded Claim”** means any of the following: (i) a claim by or on behalf of a person that is not a Class Member; or (ii) a claim by or on behalf of an Excluded Person.
- (t) **“Excluded Persons”** means DRI, DRI Capital and their subsidiaries, affiliates, partners, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns and Behzad Khosrowshahi and Chris Anastasopoulos and any of their respective Family Members and any entity in which any of them has or had during the Class Period any legal or de facto controlling interest.
- (u) **“Family Members”** means an individual’s spouse or common-law partner, parents, children, siblings, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, and any person related by blood, marriage, adoption, or common-law partnership, whether direct or indirect.
- (v) **“FIFO”** means first in first out principles whereby DRI units are deemed to be sold in the same order that they were purchased.
- (w) **“Final Order”** means an order of the Court from which no appeal lies or in respect of which any right of appeal has expired or been exhausted.
- (x) **“First Corrective Disclosure”** means the press release issued by DRI before the opening of the market on July 8, 2024.
- (y) **“First Reference Price”** means \$11.64, being the volume weighted average closing price of DRI units on the Toronto Stock Exchange in the ten (10) trading days commencing July 8, 2024.
- (z) **“Funding Commission”** means the levy payable to the Class Proceedings Fund.
- (aa) **“Net Settlement Amount”** means the Settlement Amount less Class Counsel Fees and Disbursements, Administration Expenses, the Funding Commission, any approved honorarium for the Plaintiff, and any other amounts authorized by the Court.

- (bb) **“Notice Plan”** means the plan for disseminating the short-form, long-form and internet banner notices of the Dismissal Order and Distribution Order (both as defined in the Settlement Agreement).
 - (cc) **“Recognized Loss”** means an eligible Claimant’s notional damages as calculated pursuant to the formulae set forth in this Distribution Protocol, which forms the basis upon which each eligible Claimant’s pro rata share of the Net Settlement Amount is determined.
 - (dd) **“Risk-Adjusted Recognized Loss”** means the Recognized Loss for each category of purchase, after it has been multiplied by the applicable Risk Adjustment.
 - (ee) **“Second Corrective Disclosure”** means the press release issued by DRI after the close of the market on August 6, 2024.
 - (ff) **“Second Reference Price”** means \$12.39, being the volume weighted average closing price of DRI units on the Toronto Stock Exchange in the ten (10) trading days commencing August 7, 2024.
 - (gg) **“Settlement Agreement”** means the Settlement Agreement made as of January 31, 2026 and the Settlement Agreement Addendum made as of May 17, 2026 between the Plaintiff and the Defendants.
 - (hh) **“Settlement Amount”** means C\$8,000,000, plus any accrued interest.
2. The definitions in this Distribution Protocol apply equally to the singular and plural forms of the terms defined.

PART II - OBJECTIVE

3. The objective of this Distribution Protocol is to distribute the Net Settlement Amount among Class Members that submit valid and timely claims.
4. The Net Settlement Amount will be allocated on a pro rata basis among eligible Claimants based on each Claimant's Risk-Adjusted Recognized Loss relative to the total Risk-Adjusted Recognized Loss of all eligible Claimants, subject to the minimum payment threshold set out in Part IV.

PART III - CLAIMS PROCESS

A. Claim Submission

5. The Administrator shall create an online portal for Class Members to submit Claim Forms.
6. Each Claimant must provide in the Claim Form:
 - (a) the Claimant's name, address, and contact information;
 - (b) an attestation that the claim is being made by or on behalf of a Class Member;
 - (c) the dates, quantities, and prices of all acquisitions and dispositions of DRI units during the Class Period and thereafter; and
 - (d) documentation showing the Claimant's acquisitions and dispositions of DRI units during the Class Period and thereafter, including the dates and prices of each transaction, which may include brokerage account statements, trade confirmations, or other records acceptable to the Administrator.
7. If, for any reason, a living Claimant is unable to complete the Claim Form, then it may be completed by the Claimant's personal representative or a member of the Claimant's family.
8. If, for any reason, a Claimant is unable to complete an electronic Claim Form, the Claimant will be permitted to submit a paper Claim Form by mail to the Administrator at an address to be provided on the settlement website.

B. Deadline for Claims

9. Any Class Member that wishes to claim compensation from the Net Settlement Amount shall submit a Claim Form through the Administrator's online portal no later than the Claims Bar Deadline.

10. Notwithstanding the foregoing, the Administrator shall have the discretion to permit otherwise-valid late claims without further order of the Court, but only if doing so will not materially delay the distribution of the Net Settlement Amount.

C. Processing Claim Forms

11. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:
 - (a) the claim is made by or on behalf of a Class Member;
 - (b) the claim is not an Excluded Claim;
 - (c) the Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator; and
 - (d) for a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Claimant has authority to act on behalf of the Class Member or the estate in respect of financial affairs.
12. The Administrator shall take reasonable measures to verify that the Claimants are eligible for compensation and that the information in the Claim Forms is accurate.
13. The Administrator may make inquiries of the Claimants in the event of any concerns, ambiguities, or inconsistencies in the Claim Forms and disallow claims that are not eligible.

PART IV - ALLOCATION AND DISTRIBUTION

14. Only Claimants that the Administrator has determined to be eligible for compensation as set forth herein are entitled to compensation from the Net Settlement Amount.
15. The Administrator shall apply FIFO to determine the acquisition that corresponds to the disposition of a particular DRI unit, including in the calculation of a Claimant's Recognized Loss. Transfers of DRI units between accounts belonging to the same Claimant will not be taken into account in determining a Claimant's Recognized Loss.
16. The date of an acquisition or disposition shall be the trade date of the transaction, as opposed to the settlement date of the transaction or the payment date.

A. Recognized Loss

17. The Administrator shall first determine a Claimant's Recognized Loss. If the Claimant has a Recognized Loss greater than zero, the Administrator will go on to calculate the Claimant's Risk-Adjusted Recognized Loss. A Claimant must have a Risk-Adjusted Recognized Loss greater than zero in order to be eligible to receive a payment from the Net Settlement Amount.
18. The Recognized Loss for Eligible Units shall be calculated as follows:
 - (a) For Eligible Units acquired before the First Corrective Disclosure:
 - (i) for each unit disposed of during the period between the First Corrective Disclosure and July 19, 2024 (ten trading days following the First Corrective Disclosure), the Recognized Loss shall be the Acquisition Expense less the Disposition Proceeds.

- (ii) for each unit disposed of after July 19, 2024, the Recognized Loss shall be the lesser of:
 - (1) the Acquisition Expense less the Disposition Proceeds; and
 - (2) the Acquisition Expense less the First Reference Price.
 - (iii) for each unit not yet disposed of, the Recognized Loss per unit shall be the Acquisition Expense less the First Reference Price.
- (b) For Eligible Units acquired between the First Corrective Disclosure and the Second Corrective Disclosure:
- (i) for each unit disposed of between the Second Corrective Disclosure and August 20, 2024 (ten trading days following the Second Corrective Disclosure), the Recognized Loss per unit shall be the Acquisition Expense less the Disposition Proceeds.
 - (ii) For each unit disposed of after August 20, 2024, the Recognized Loss per unit shall be the lesser of:
 - (1) the Acquisition Expense less the Disposition Proceeds; and
 - (2) the Acquisition Expense less the Second Reference Price.
 - (iii) For each unit not yet disposed of, the Recognized Loss per unit shall be the Acquisition Expense less the Second Reference Price.
- (c) For greater certainty, no Recognized Loss shall be calculated in respect of any DRI unit that is not an Eligible Unit, including:
- (i) any unit disposed of before the First Corrective Disclosure, and
 - (ii) any unit acquired after the First Corrective Disclosure and disposed of before the end of the Class Period.

19. For greater certainty, where the application of the formulae in paragraph 18 yields a Recognized Loss of zero or a negative number, the Recognized Loss for that unit shall be zero and the Claimant shall not be entitled to compensation in respect of that unit.

B. Risk Adjustments

20. The Recognized Loss for each category of purchase shall be multiplied by the applicable Risk Adjustment set out below to obtain the Risk-Adjusted Recognized Loss.

Category	Period	Risk Adjustment
Primary market (IPO)	February 19, 2021	0.10
Secondary market	February 11, 2021 – November 6, 2021	0.10
Secondary market	November 7, 2021 – July 7, 2024	1.00
Secondary market	July 8, 2024 – August 6, 2024	0.50

C. Distribution

21. Each eligible Claimant's share of the Net Settlement Amount (the "Claimant's Share") shall be calculated as follows:

$$\text{Claimant's Share} = (\text{Claimant's Risk-Adjusted Recognized Loss} \div \text{Total Risk-Adjusted Recognized Loss of all eligible Claimants}) \times \text{Net Settlement Amount}$$

22. If a Claimant's Share, as calculated under the preceding paragraph, would be less than fifty dollars (\$50.00), that Claimant shall not receive a distribution, and that Claimant's Risk-Adjusted Recognized Loss shall be excluded from the total Risk-Adjusted Recognized Loss for the purpose of recalculating the remaining Claimants' Shares.

23. The Administrator shall distribute the Claimant's Share by electronic transfer (e-transfer) or cheque, as determined by the Administrator.
24. The costs of the Administrator and ancillary administration expenses shall be paid from the Settlement Amount.

PART V - IRREGULAR CLAIMS

25. The claims process is intended to be expeditious, cost effective, and “user friendly”, and to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimants to be acting honestly and in good faith.
26. If a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
27. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believes that the claim contains unintentional errors which would materially exaggerate the Recognized Loss of the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Recognized Loss is assigned to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss of the Claimant, then the Administrator shall disallow the claim in its entirety.
28. Where a Claim Form is incomplete or contains a deficiency that the Claimant may be able to correct, including missing or insufficient supporting documentation, the Administrator shall notify the Claimant of the deficiency by email. The Claimant shall have thirty (30) days from receipt of such notification to provide the missing information or documentation. If the Claimant fails to respond within the thirty (30) day period, the Administrator may disallow the claim.

29. Where the Administrator disallows a claim, the Administrator shall notify the Claimant of the disallowance by email. The Claimant may request reconsideration within forty-five (45) days of receipt of the notice of disallowance. The determination of the Administrator on reconsideration is final and is not subject to further review by any court or other tribunal.

PART VI - REMAINING UNCLAIMED AMOUNTS

30. If funds remain in the Net Settlement Amount after one (1) month following the last distribution to an eligible Claimant, the Administrator shall redistribute those remaining funds on a pro rata basis among the eligible Claimants who received their initial distribution, subject to the \$50.00 minimum threshold, provided such redistribution is cost-efficient.
31. If, in the opinion of Class Counsel, it is not cost-efficient to further distribute the remaining funds because the remaining amount is insufficient for meaningful pro rata redistribution, the remaining funds shall be distributed cy-près to the Windsor Law School Class Action Clinic.
32. No amount shall be returned to the Defendants.

ANDREA REID

Plaintiff

and

DRI HEALTHCARE TRUST et al.

Defendant

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Proceeding commenced at Toronto

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