

ANNEX B – FIRST NOTICE

NOTICE OF PROPOSED NATIONAL PARTIAL SETTLEMENT OF THE BSE CLASS ACTIONS

This notice may affect your rights. Please read carefully.

PURPOSE OF THIS NOTICE

Class action lawsuits were commenced in April, 2005 in Ontario, Québec, Alberta and Saskatchewan against the government of Canada alleging that it was responsible for allowing the introduction of bovine spongiform encephalopathy (BSE) into the Canadian cattle herd and against Ridley Inc. (the “settling defendant”) alleging that it manufactured infected feed fed to a cow diagnosed with BSE on May 20, 2003. The Québec action was authorized as a class action in June of 2007.

A national Agreement capping the settling defendant’s liability has been reached, subject to obtaining the necessary court approvals. This notice is to inform all Persons who as at May 20, 2003 were resident in Canada (except the province of Québec) and farmed cattle, including but not limited to cow-calf, backgrounder, purebred, veal, feedlot and dairy producers of the Agreement and their rights as class members. Complete information on the Agreement capping the liability of the settling defendant can be found at www.bseclassaction.ca.

The settling defendant denies liability and wrongdoing on its part. The Agreement is a compromise.

CERTIFICATION AND AGREEMENT APPROVAL ORDERS

The Ontario court will be asked to certify the action in Ontario against the settling defendant, appoint class representatives, approve the Agreement and describe the settlement class as: All Persons who as at May 20, 2003 were resident in Canada (except for the province of Québec) and farmed cattle, including but not limited to cow-calf, backgrounder, purebred, veal, feedlot and dairy producers.

As the action in Québec has already been authorized as a class action on behalf of Québec cattle producers, the Québec court will only be asked to approve the Agreement.

If the Agreement is approved, the class action lawsuits will continue to be prosecuted against the government of Canada and will continue to include the settling defendant, but the financial exposure of the settling defendant will be capped. If the Agreement is not approved, the class action lawsuits will continue to be prosecuted against all defendants without any limit on liability.

TERMS OF THE AGREEMENT

The settling defendant will pay the sum of \$6 million in full and final settlement of all claims against the settling defendant including interest and costs. These monies will be used to fund the ongoing class actions against the government of Canada in accordance with the terms of the Agreement. The settling defendant remains in the actions to co-operate as the plaintiffs pursue their claims against the government of Canada. The courts will appoint an Administrator to oversee the use of the settlement funds. The courts will supervise the administration and operation of the distribution of these funds.

The Settlement Fund Trust Instrument setting out the terms and conditions for the funding of the BSE class actions against the government of Canada can be found at www.bseclassaction.ca.

Class Counsel Fees and Administration Expenses

The fees and disbursements (including applicable taxes) of class counsel in the

class actions to the date of the approval by the courts of the Agreement and the costs of administration will be calculated and fixed by the courts and will be paid out of the \$6 million. The amounts sought for class counsel fees, disbursements and taxes to the date of the approval of the Agreement and for administration will not exceed \$1.5 million.

THE AGREEMENT APPROVAL HEARINGS

For the purposes of the Agreement, the Ontario class action includes the claims of all cattle producers in Canada against the settling defendant except those producers residing in the province of Québec. The Québec cattle producers are included in the Québec action.

The Ontario court will decide whether it should approve the Agreement as recommended by the plaintiffs and class counsel. The hearing to decide whether to approve the Agreement will be held at the court house:

In Ontario, on ### 2008 at # a.m. eastern at 361 University Avenue, Toronto; and

Class members who do not oppose the Agreement need not appear at a hearing or take any other action at this time to indicate their desire to participate in the settlement. At each hearing, the court will consider objections to the Agreement by class members, but only if these objections are sent in written form on or before ###, 2008 at 5:00 p.m. eastern to:

**BSE Class Action
Crawford Class Action Services
101 Randall Drive, Unit A
Waterloo, Ontario N2V 1C5
Telephone 1 888 842 1331
Fax 519 578 4016
bse@crawco.ca**

Class members who object to the Agreement shall include in their written objection the following information:

(a) The person's name, address, telephone number, fax number and email address;

(b) A brief statement of the nature of and reasons for the objection; and

(c) Whether the person or a representative intends to appear at the appropriate court hearing in person or by counsel, and if by counsel, the name address, telephone number, fax number and email address of counsel.

ADDITIONAL INFORMATION

If you believe you are a class member, please review or obtain complete copies of the material for the approval hearing, including the Agreement, at the website www.bseclassaction.ca.

QUESTIONS

Questions for class counsel should be directed by telephone or in writing to one of the following class counsel:

Clint Docken, Q.C.
Docken & Co.
640 - 840 6th Ave. S.W.
Calgary, Alberta T2P 3E5
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jwoods@woods.qc.ca

Class members who consider it desirable or necessary to seek the advice and guidance of their own lawyers do so at their own expense.

INTERPRETATION

This notice is a summary of some of the terms of the Agreement. If there is a conflict between the provisions of this notice and the terms of the Agreement, the Agreement shall prevail.

This notice is approved by the Superior Court of Justice for Ontario.

Any questions about the substantive matters in this notice should not be directed to the courts as their administrative structures are not designed to address this type of inquiry.