NOTICE OF HEARING FOR APPROVAL OF THE PROPOSED SETTLEMENT IN THE CLASS ACTION RESPECTING THE VIDEOTRON G.P. INTERNET SERVICE INTERRUPTION THAT OCCURRED JULY 18, 2007

Martin Girard and the Group (Petitioners) v. Vidéotron G.P. (Defendant)

(S.C. (district of Montréal): 500-06-000408-076)

Please read this notice carefully, as it may affect your rights.

This notice sets forth the essential elements of the settlement (the "Settlement") that the parties will be proposing to the Court. It specifies the date of hearing set for its approval and refers to certain rights of the Group members. A copy of the agreement in principle that was entered into is available at: *www.bga-law.com/pannevideotron* or at the registry of the Superior Court, district of Montréal.

1. PURPOSE OF THIS NOTICE

On July 14, 2009, a class action was authorized by the Superior Court of Québec against Videotron G.P. (Videotron) on behalf of the persons belonging to the following Group:

"All subscribers to one of Videotron's Internet packages who did not benefit fully from the service for which they paid and/or who suffered adverse effects owing to having been deprived of the service to which they had subscribed, the whole owing to at least one interruption and/or outage of the Internet service that occurred July 18, 2007."

The Petitioners brought the class action in order to seek, among other things, reimbursement of a portion of the monthly fees paid following a six-hour Internet service interruption that occurred on July 18, 2007.

The Group represents approximately 840,000 persons who were the subscribers of a Videotron residential Internet package on July 18, 2007.

Videotron filed a defense in this action and vigorously contested the allegations and merits of the Petitioners' claims.

On October 31, 2014, the parties entered into an agreement in principle the purpose of which was to settle the dispute and to avoid the trial that was scheduled to take place between November 3 to 18, 2014. The agreement in principle and the proposed Settlement were reached without any admission of liability whatsoever and are conditional on the Settlement being approved by the Superior Court of Québec.

2. TERMS AND CONDITIONS OF THE PROPOSED SETTLEMENT

The agreement in principle entered into between the parties provides that, in full and final settlement of all claims associated with the class action, Videotron will pay a lump sum of five hundred and fifty thousand dollars (**\$550,000**) (principal, fees, taxes and interest).

However, considering the balance of convenience between the value of the individual compensation contemplated for each of the 840,000 Group members, which stands at approximately \$0.43 per member, and the impracticable, complex and costly nature of the steps needed to identify the members and liquidate their claim, it was agreed between the parties that no compensation would be paid individually to the Group members.

Consequently, the lump sum of the Settlement, minus the legal fees of Petitioners' counsel, will constitute the Balance. If the Court so authorizes, the Balance will be distributed equally between the *Fonds d'aide aux recours collectifs* (the FARC) and Éducaloi, a non-profit organization dedicated to informing Quebecers about their legal rights and responsibilities.

In summary, if the Settlement is approved by the Court, the lump sum of \$550,000 will be paid in the following manner:

- 1. <u>The amount of **\$180,145.62**</u> will be taken out of the Balance and paid in the form of a donation to Éducaloi.
- 2. <u>The amount of **\$180,145.62**</u> will be taken out of the Balance and paid to the FARC, as provided for by law (art. 1034 C.C.P.) and in the *Regulation respecting the percentage withheld by the Fonds d'aide aux recours collectifs* (s. 1(2)d)).
- 3. <u>The amount of **\$165,000**</u> will be taken out of the lump sum of the Settlement and paid to BGA Avocats LLP, counsel for the Petitioners, in payment of their fees based on the fee agreement entered into between them and the Group's representative, namely 30% of the total amount paid by Videotron under the Settlement, to which shall be added the applicable taxes (namely \$8,250 in GST and \$16,458.75 in QST), for a total of \$189,708.75

Moreover, Videotron will bear all costs of publishing this Notice of Hearing for Approval of the Proposed Settlement in newspapers.

3. APPROVAL OF THE SETTLEMENT

The hearing for the approval of the Settlement will be held on **January 30, 2015** at **8:45 a.m.** in room **2.13 at the Montréal Courthouse** located at 1 Notre-Dame Street East.

At the hearing, the Court will consider the comments on and/or objections to the Settlement that will have been duly submitted by the members.

A Group member who wishes to comment on or object to the approval of the Settlement must do so in writing (by mail, email or fax) and submit that comment or objection to Petitioners' counsel <u>no later than by January 26, 2015 at 5:00 p.m.</u>

All comments or objections must contain the following information:

- a) the name of the person objecting, his or her address, telephone number fax number and email address (where applicable);
- b) a brief statement containing the comments or reasons for the objection;
- c) whether or not they intend to be present at the hearing to approve the Settlement or to be represented by an attorney and, where applicable, the contact information of that attorney (name, address, fax and telephone numbers, email address).

Members who do not object to the approval of the Settlement will be automatically deemed to have accepted the Settlement and do not need to communicate their acceptance to the Court or Petitioners' counsel.

Although they are not required to do so, all Group members may attend the approval hearing or be represented thereat by counsel.

4. EFFECT OF THE SETTLEMENT'S APPROVAL

If the proposed Settlement is approved by the Court, the Group members will be bound by its terms, with the exception of those members who have opted out of the Group or the class action.

This means that any person who does not opt out of the Group or class action may neither bring an action nor any other claim or legal proceeding against Videotron related to the allegations set forth in the proceedings bearing docket number 500-06-000408-076.

5. ADDITIONAL INFORMATION

For more information, please contact the Petitioners' counsel or visit **www.bgalaw.com/pannevideotron**:

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Publication of this notice was authorized by the Superior Court of Québec.