

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) TUESDAY THE 9TH
)
MR. JUSTICE PERELL) DAY OF FEBRUARY, 2021

BETWEEN:

NATALIA KARASIK, RAHUL SURYAWANSHI, and ELIE CHAMI

Plaintiffs

-and-

YAHOO! INC. and YAHOO! CANADA CO.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER
(Settlement Approval and Fee Approval)**

THIS MOTION made by the plaintiffs for an Order: approving the proposed settlement and approving class counsel fees and disbursements, subject to the conditions at paragraph 14.1 of the Settlement Agreement being fulfilled or waived (defined as the “Conditions Precedent” in the Settlement Agreement), was heard on January 8, 2021 at 10:00 a.m. ET at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

ON BEING ADVISED of the defendants’ consent;

AND ON READING the materials filed, including the motion record of the plaintiffs;

AND ON HEARING the submissions of counsel for the plaintiffs and counsel for the defendants, and on hearing the submissions of counsel for the objector Emily

Larocque and reading the objections of those class members who submitted objections in writing:

1. **THIS COURT ORDERS** that this Order incorporates herein, and makes a part hereof, the Settlement Agreement attached hereto as **Schedule “1”**. Unless otherwise provided herein, the definitions set out in the Settlement Agreement apply to this Order.
2. **THIS COURT ORDERS AND DECLARES** that the settlement of this class proceeding in accordance with the Settlement Agreement is fair, reasonable, and in the best interests of the Class and is hereby approved.
3. **THIS COURT ORDERS** that RicePoint Administration Inc. is appointed as the Claims Administrator, with the duties and responsibilities as set out in the Settlement Agreement and in this Order.
4. **THIS COURT ORDERS AND DECLARES** that:
 - a. the Plaintiffs and each Class Member release, waive and forever discharge the Released Parties from his, her, or its Released Claims;
 - b. any benefits offered or obtained pursuant to the Settlement Agreement are in full, complete, and total satisfaction of all of the Released Claims against the Released Parties, the benefits are sufficient and adequate consideration for each and every term of this Release, and this Release shall be irrevocably binding upon Class Members who do not opt-out of the Settlement Class; and
 - c. the Release shall be effective with respect to all Class Members, regardless of whether those Class Members ultimately file a Claim or receive compensation under the Settlement Agreement.

THIS COURT ORDERS AND DECLARES that if a Class Member does not submit a Claim on or before the deadline(s) stipulated to in the Settlement Agreement, the Class Member shall be forever barred from participating in the Settlement Fund but shall, in all other respects, be bound by terms of this Order.

5. **THIS COURT ORDERS AND DECLARES** that a Class Counsel fee is hereby approved in the amount of \$3.0 Million, plus disbursements of \$62,713.09, plus taxes of \$390,000.00.

6. **THIS COURT ORDERS AND DECLARES** that 10% of the Settlement Fund, net of Legal Fees, applicable taxes and Disbursements,(the “net Settlement Fund”) will be payable as a levy to the Law Foundation of Ontario together with its disbursements incurred. For avoidance of doubt, 10% of the net Settlement Fund is calculated as \$1,629,010,20 and its disbursements are \$261,174.30.

7. **THIS COURT ORDERS** that eligibility for out-of-pocket costs related to identity theft, etc. (defined as “Misconduct” in Section 3.3 of the Settlement Agreement) is expanded to include Misconduct that occurred between August 11, 2013 and December 31, 2017.

8. **THIS COURT ORDERS** that, with respect to the definition of “Out-of-Pocket Costs” in Definition ZZ of the Settlement Agreement that part of the definition which reads “...and time spent performing tasks traceable to mitigating the impact of one or more of the Data Breaches...” shall now read “... and time spent performing tasks responding to one or more of the Data Breaches.”

9. **THIS COURT ORDERS** that, with respect to Section 4.2,of the Settlement Agreement the language “wasted time and expense” be corrected to read “wasted time and inconvenience.”

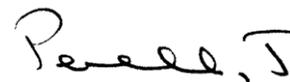
10. **THIS COURT ORDERS** that Class Counsel, the defendants and/or the Claims Administrator may make a motion to the Court for directions necessary to administer the settlement of this Action.

11. **THIS COURT ORDERS AND DECLARES** that no person may bring any action or take any proceeding against the Claims Administrator or any of its employees, agents, partners, associates, representatives, in respect of the implementation of this Order or the administration of the Settlement Agreement, except with leave of this Court.

12. **THIS COURT ORDERS** that any information received by the Claims Administrator in connection with the Settlement Agreement that pertains to a particular Class Member shall be confidential and shall not be disclosed by the Claims Administrator to any other Class Member.

13. **THIS COURT ORDERS AND DECLARES** that, in the event that all conditions set out in paragraphs 14.1(a)-(c) of the Settlement Agreement are fulfilled or waived to the mutual satisfaction of the parties this Action be and is hereby dismissed, with prejudice and without further costs.

14. **THIS COURT ORDERS AND DECLARES** that the orders set out above in paragraphs 2 to 13, above, are subject to the Conditions Precedent being fulfilled or, at the sole discretion of the defendants, waived by the defendants, which Conditions Precedent are for the sole benefit of the defendants.



The Honourable Mr. Justice Perell

Schedule 1

Court File No. CV-16-566248-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

NATALIA KARASIK, RAHUL SURYAWANSHI, and ELLIE CHAMI

Plaintiffs

-and-

YAHOO! INC. and YAHOO! CANADA CO.

Defendants

CV-19-00614734-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

ELIE CHAMI

Plaintiff

And

ALTABA INC., VERIZON COMMUNICATIONS INC., VERIZON MEDIA,
OATH HOLDINGS INC., and OATH (CANADA) CORP.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into in the Karasik Action and Chami Action by and among the named Plaintiffs, Natalia Karasik, Rahul Suryawanshi, and Ellie Chami (the "**Named Plaintiffs**" and "**Plaintiffs**") and the Defendants, Yahoo! Inc. and Yahoo! Canada Co., Altaba Inc. (formerly known as Yahoo! Inc.), Verizon Communications Inc., Verizon Media, Oath Holdings Inc. and Oath (Canada) Corp., by and through their respective counsel.

BACKGROUND

Whereas:

- A. In September 2016 to December 2016, and October 2017, it was announced that the Defendants had been the target of criminal cyberattacks on their computer systems in which the attackers gained unauthorized access to the personal information of Yahoo users and various other individuals (the "**Data Breaches**").
- B. As a result of the Data Breaches, multiple putative class action lawsuits were filed against the Defendants in courts across the country, alleging that the Defendants failed to properly protect personal information in accordance with their duties, had inadequate data security, and delayed notifying potentially impacted individuals of the breaches.
- C. On or about September 26, 2016, an action under the style of cause *Gill v. Yahoo! Canada and Yahoo! Inc.* was filed in Supreme Court of British Columbia at Vancouver with court file number S-168873 (the "**Gill Action**").
- D. On or about December 16, 2016, an action under the style of cause *Natalia Karasik v. Yahoo! Inc. and Yahoo! Canada Co.* was filed in Ontario Superior Court of Justice at Toronto with court file number CV-16-566248-00CP (the "**Karasik Action**").
- E. On or about December 23, 2016, an action under the style of cause *Sidhu et al. v. Yahoo! Canada, Altaba* was filed in Alberta Court of Queen's Bench at Edmonton with court file number 1603-22837 (the "**Sidhu Action**").
- F. On or about January 26, 2017, an action originally under the style of cause *Michel Demers v. Yahoo! Inc. and Yahoo! Canada Co.*, later amended to *Brigitte Bourbonniere v. Yahoo! Inc. and Yahoo! Canada Co.*, was filed in Quebec Superior Court at Montreal with court file numbers 500-06-000841-177 and 500-06-000842-175 respectively (the "**Bourbonniere Action**").
- G. On or about May 16, 2017, an action under the style of cause *Emily Larocque v. Yahoo! Inc. and Yahoo! Canada Co.* was filed in Saskatchewan Court of Queen's Bench at Regina with court file number QBG 1242 of 2017 (the "**Larocque Action**").
- H. On or about February 20, 2019, an action under the style of cause *Chami v. Alibaba*

Inc., et al. was filed in Ontario Superior Court of Justice at Toronto with court file number CV-19-00614734-00CP (the “**Chami Action**”).

- I. On June 9, 2019 the court in the Bourbonniere Action dismissed the plaintiff's motion for authorization.
- J. In the Karasik Action, the Plaintiffs filed a motion to certify the Karasik Action as a class action, the Defendants filed materials opposing that motion and both counsel for the Plaintiffs and Defendants conducted cross-examinations on the supporting affidavits and expert reports tendered in support of their respective positions on the certification motion.
- K. Counsel for the Plaintiffs and Defendants in the Karasik Action conducted extensive arm's-length negotiations, including two day-long mediations, in which Mr. Jed Melnick, who mediated settlement of the parallel action in the United States, and subsequently the Honourable Frank Newbould, Q.C., participated as mediators, regarding the substance and procedure of a possible national class settlement prior to entering into this Settlement Agreement.
- L. On or about January 14, 2020, the Settling Parties agreed to settlement terms.
- M. The Plaintiffs, as well as Class Counsel, believe the Released Claims have merit. The Plaintiffs and Class Counsel, however, recognize and acknowledge the expense and length of continued proceedings that would be necessary to prosecute the Released Claims against the Defendants through trial and appeals, and the importance of providing timely relief to Class Members. The Plaintiffs and Class Counsel also have taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as this litigation, as well as the difficulties and delays inherent in such litigation. The Plaintiffs and Class Counsel are mindful of the inherent problems of proof under, and possible defenses to, the Released Claims. The Plaintiffs and Class Counsel believe that the proposed Settlement confers substantial benefits upon the Class. Based on their evaluation of all of these factors, the Plaintiffs and Class Counsel have determined that the Settlement is in the best interests of the Class.
- N. The Defendants deny any liability to the Plaintiffs and the Class. The Defendants

believe they have meritorious defenses to all of the claims raised in this Litigation. Nevertheless, the Defendants recognize and acknowledge the expense and length of continued proceedings that would be necessary to defend the Litigation through trial and appeals. In agreeing to enter into this Settlement, the Defendants also have taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation.

- O. It is in intention of parties to resolve the disputes and claims which they have between them as set forth below.

AGREED TERMS

IT IS HEREBY AGREED, by and among the Settling Parties that, subject to approval of the Court, the Litigation and the Released Claims shall be fully and finally compromised, settled, and released, and that the Consortium Actions will be dismissed or permanently stayed with prejudice subject to and upon the terms and conditions described below.

I. DEFINITIONS

1. In addition to words and terms defined elsewhere in this Settlement Agreement, the following words and terms shall have the definitions stated in this Section.

- A. "CAD\$" means Canadian dollars, being the lawful currency of Canada.
- B. "USD\$" means United States dollars, being the lawful currency of the United States.
- C. "Action" or "Litigation" means the Consortium Actions.
- D. "Administrative Expenses" means all of the expenses incurred in the administration of this Settlement, including, without limitation, all expenses or costs associated with the Notice Plan and providing Notice to the Settlement Class, locating Settlement Class Members, processing claims, determining the eligibility of any person to be a Settlement Class Member, and administering, calculating and distributing the Net Settlement Fund to Settlement Class Members. Administrative Expenses also include all reasonable third-party fees and expenses incurred by the Claims Administrator in administering the terms of this Agreement.
- E. "Affiliates" means current and former directors, officers, employees, counsel, consultants, agents, insurers, related entities, subsidiaries, parents, predecessors, and successors.
- F. "Agreement" or "Settlement Agreement" means this Settlement Agreement, including its exhibits.
- G. "Altaba" means Altaba Inc. (formerly known as Yahoo! Inc.). Yahoo! Inc. was renamed to Altaba Inc. after the sale of Yahoo's operating business to Verizon

Communications Inc., effective June 13, 2017. Under the terms of an Amended Reorganization Agreement that was executed in connection with the asset sale to Verizon, Oath Holdings Inc. and Altaba each are responsible for 50 percent of any potential post-closing liabilities attributable to the Action.

- H. "Alternative Compensation" means compensation to Settlement Class Members as set forth in section 4 of this Settlement Agreement.
- I. "Alternative Compensation Claim Form" means the form (in paper or on the Settlement Website) developed by the Claims Administrator to submit Category B Claims for Alternative Compensation or, alternatively, Category C Claims for Credit Services, in accordance with the terms of sections 4 and 5 herein.
- J. "Appeal Term" means the time an appeal or other review expires or if any appeal or other review has been filed, the time it takes for the order appealed to be affirmed without material change or the appeal to be dismissed or otherwise disposed of, with no other appeal or other review pending, and the time for further appeals or other review having expired.
- K. "Approval Date" means the date on which the Court issues the Approval Order.
- L. "Approval Hearing" means the hearing to be held by the Court on a date to be scheduled to decide whether to approve the Settlement, whether to approve the fee request of Class Counsel, and any other matters as the Court may deem appropriate.
- M. "Approval Order" means the order of the Court approving the Settlement Agreement and the Settlement contemplated hereunder.
- N. "Business Days" means Monday, Tuesday, Wednesday, Thursday, and Friday, excluding holidays observed in Ontario.
- O. "Canadian Currency Equivalent" means the CAD\$ or Canadian dollars that can be purchased with USD\$ or United States dollars at the prevailing rate of exchange as of the date the Settlement Fund is deposited by the Defendants in accordance with section 2.1 of this Settlement Agreement.

- P. "Category A Claims" means claims described in section 3 of this Settlement Agreement brought in respect of Out-of-Pocket Costs and by Paid Users and Small Business Users that are approved by the Claims Administrator.
- Q. "Category B Claims" means claims described in section 4 of this Settlement Agreement brought for Alternative Compensation that are approved by the Claims Administrator.
- R. "Category C Claims" means claims described in section 5 of this Settlement Agreement brought for Credit Services that are approved by the Claims Administrator.
- S. "Certification Order for Settlement Purposes" means an order by the Court that preliminarily certifies a Settlement Class, approves the forms and procedure for providing Notice and establishes a procedure for Settlement Class Members to object to or opt-out of the Settlement, without material change to the Parties' agreed-upon proposed notice order attached hereto as Exhibit A.
- T. "Chami Action" means the action entitled *Chami v. Alibaba Inc., et al.* filed in Ontario Superior Court of Justice at Toronto Registry with court file number no. CV-19-00614734-00CP).
- U. "Claims Administrator" means the person selected by Class Counsel following a tender process, which person may change with the agreement of counsel for the Parties, or, absent agreement, with the approval of the Court on a showing of good cause.
- V. "Claims Commencement Date" means, unless otherwise agreed by the Settling Parties, the Effective Date.
- W. "Claim Form" means the document a Class Member must submit to the Claims Administrator to seek relief under section 3 (Category A Claims), section 4 (Category B Claims) and section 5 (Category C Claims) of this Settlement Agreement.
- X. "Claims Period" means the period of time that Class Members can submit claims to the Claims Administrator and, unless otherwise agreed between the Settling

Parties, shall commence on the Effective Date and end six (6) months thereafter.

- Y. "Claims Program" means the claims program set out at section 8 of this Settlement Agreement.
- Z. "Class", "Class Members" or "Settlement Class Members" means a member of the Settlement Class.
- AA. "Class Counsel" means Charney Lawyers PC, 151 Bloor Street West, Suite 602, Toronto, Ontario, MSS 1S4.
- BB. "Class Period" means January 1, 2012 through December 31, 2016, inclusive.
- CC. "Conditions Precedent" means the conditions to this Settlement set out in section 14 of this Settlement Agreement.
- DD. "Confidential Opt-Out Threshold" means the threshold agreed to by the Parties, as set out in Schedule X to this Settlement Agreement, which Schedule shall be kept confidential and filed and maintained under seal in any court filings.
- EE. "Consortium Actions" means the Karasik Action, the Gill Action, the Sidhu Action and the Chami Action.
- FF. "Court" means the Ontario Superior Court of Justice.
- GG. "Credit Services" means the credit monitoring services of at least one year described in Section 5 of this Settlement Agreement.
- HH. "Data Breaches" means the data breaches alleged in the Karasik Action.
- II. "Defendants" means Yahoo! Inc., Yahoo! Canada., Altaba Inc. (formerly known as Yahoo! Inc.), Verizon Communications Inc., Verizon Media, Oath Holdings Inc., and Oath (Canada) Corp.
- JJ. "Effective Date" means the first Business Day after the conditions in section 15.1 of this Settlement Agreement have been satisfied, or where provided for, waived by the Defendants.
- KK. "Entity" means any corporation, partnership, limited liability company, association,

trust, or other organization of any type.

- LL. "Escrow Account" means the account maintained by the Claims Administrator as described in section 2.2 of this Settlement Agreement.
- MM. "Gill Action" means the action under the style of cause *Gill v. Yahoo! Canada and Yahoo! Inc.* filed in the Supreme Court of British Columbia at the Vancouver Registry with court file number no. S-168873).
- NN. "Honorariums" means compensation awarded and paid to Settlement Class Representatives in recognition of their role in this litigation, as set forth in section 10 of this Settlement Agreement.
- OO. "Karasik Action" means the action under the style of cause *Natalia Karasik v. Yahoo! Inc. and Yahoo! Canada Co.* filed in Ontario Superior Court of Justice at the Toronto Registry with court file number no. CV-16-566248-00CP).
- PP. "Larocque Action" means the action under the style of cause *Emily Larocque v. Yahoo! Inc. and Yahoo! Canada Co.* filed in Saskatchewan Queen's Bench at the Regina Registry with court file number QBG 1242 of 2017.
- QQ. "Levy" means the 10% Levy under the *Class Proceedings Regulation*, O. Reg. 771/92, and the *Law Society Act*, R.S.O. 1990 c. L.8 which is payable to the Class Proceedings Fund.
- RR. "Named Plaintiffs" means the individuals identified as Plaintiffs in the Karasik Action and Chami Action.
- SS. "Net Settlement Fund" means the amount of funds that remain in the Settlement Fund after funds are paid or allocated for payment from the Settlement Fund in accordance with section 2.2 of this Settlement Agreement.
- TT. "Notice" means notice of the proposed class action settlement to be provided to Settlement Class Members pursuant to the Notice Plan.
- UU. "Notices of the Data Breach" means the notices and commencement dates for Notice as alleged in the Karasik Action, which notices were circulated to Class Members over several weeks.

- VV. "Notice Date" means the first date on which Notice is disseminated to Settlement Class Members.
- WW. "Notice Plan" means the settlement notice program developed by the Claims Administrator in accordance with the terms of section 7 herein and as approved by the Court.
- XX. "Oath" means Oath Inc., Oath Holdings Inc. and Oath (Canada) Corp. (now Verizon Media Canada Corp.), subsidiaries of Verizon Communications Inc. unless specified individually. Under the terms of an Amended Reorganization Agreement that was executed in connection with the asset sale to Verizon, Oath Holdings Inc. and Altaba each are responsible for 50 percent of the potential post-closing liabilities attributable to the Action.
- YY. "Opt-Out Deadline" means ninety (90) days from the Notice Date, the date by which a Class Member's valid opt-out form must be received in hard copy or electronic copy by the Claims Administrator if such Class Member wishes to opt-out of the Settlement.
- ZZ. "Out-of-Pocket Costs" means documented out-of-pocket costs or expenditures that a Settlement Class Member actually incurred due to one or more of the Data Breaches, as set forth in section 3. Out-of-Pocket Costs may include, without limitation: unreimbursed fraud losses or charges; professional fees incurred in connection with identity theft or falsified tax returns; fees or expenses incurred for, or as a result of, credit freezes; the cost of credit monitoring or insurance; and if the Settlement Class Member has actually incurred documented out of pocket cost, time spent performing tasks traceable to mitigating the impact of one or more of the Data Breaches at CAD\$25.00 per hour to a maximum of fifteen hours for each Class Member in the aggregate for all three Data Breaches; and miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges. For Small Business Users, Out-of-Pocket Costs include wages or fees paid for the performance of tasks due to one or more of the Data Breaches.
- AAA. "Out-of-Pocket Claims Form" means the form (in paper or on the Settlement Website) developed by the Claims Administrator to submit Category A Claims for Out-of-Pocket Claims in accordance with the terms of section 3 herein.

- BBB. "Paid User" means Settlement Class Members that paid Yahoo for advertisement free or premium email services during the Class Period.
- CCC. "Paid User Claim Form" means the form (in paper or on the Settlement Website) developed by the Claims Administrator to submit Category A Claims by Paid Users in accordance with the terms of section 3 herein.
- DDD. "Parents" means, with respect to any Entity, any corporation or other entity that owns or controls, directly or indirectly, at least a majority of the securities or other interests that have by their terms ordinary voting power to elect a majority of the board of directors or others performing similar function of such Entity.
- EEE. "Parties" means the Settlement Class Representatives, on behalf of themselves and the Settlement Class, and Defendants.
- FFF. "Person" means an individual or legal entity or their respective successors or assigns.
- GGG. "Release" means the release, waiver and discharge of the Released Parties by the Plaintiffs and each Class Member from their or its Released Claims as set out in this Settlement Agreement.
- HHH. "Released Claims" means any and all claims, demands, actions, causes of action, and suits based in whole or in part on or related to or arising from any of the facts alleged in any of the Consortium Actions, including the Data Breaches, or consequences thereof, or any act, omission or determination of Class Counsel or the Claims Administrator in connection with the administration of this Settlement, and includes all other claims, demands, actions, causes of action of any nature whatsoever, including, but not limited to, any claims for violation of federal, provincial, territorial, or other law (whether in contract, tort, or otherwise, including statutory and injunctive relief, common law, property, warranty, and equitable claims), and also including Unknown Claims that could be asserted by Class Members against the Released Parties in the Litigation, or in any other complaint, action, or litigation in any other court or forum, including, but not limited to, the Larocque Action, based upon or related to or arising from any of the facts alleged in any of the Consortium Actions, including

the Data Breaches, or consequences thereof, or the administration of this Settlement.

- III. "Released Parties" means Yahoo and their current, former, and future affiliates, parents, related entities, successors and subsidiaries, directors, officers, agents, and employees, including without limitation Altaba, Verizon and Oath.
- JJJ. "Settlement" means the settlement of the Consortium Actions by and between the Parties, and the terms thereof as stated in this Settlement Agreement.
- KKK. "Settlement Agreement" means this Settlement Agreement.
- LLL. "Settlement Class" means all Canadian residents with Yahoo accounts at any time during the period January 1, 2012 through December 31, 2016, inclusive.
- MMM. "Settlement Class Member" means a member of the Settlement Class.
- NNN. "Settlement Fund" means the Canadian Currency Equivalent of \$15 million United States Dollars (USD\$15,000,000) paid in accordance with section 2.1 of this Settlement Agreement and any interest on or other income or gains earned while such amount is held in the Trust Account or Escrow Account.
- OOO. "Settlement Website" means the public website that will provide information and key filings regarding the Settlement, including FAQs and other materials educating Class Members on the content of the Settlement and the approval process.
- PPP. "Settling Parties" means the Named Plaintiffs and the Defendants.
- QQQ. "Sidhu Action" means the action under the style of cause *Sidhu et al. v. Yahoo! Canada, Altaba, and Yahoo Holdings* filed in Albert Court of Queen's Bench at the Edmonton Registry with court file number no. 1603-22837).
- RRR. "Small Business User" means Settlement Class Members that paid for Yahoo or Aabaco Small Business services during the Class Period.
- SSS. "Small Business User Claim Form" means the form (in paper or on the Settlement Website) developed by the Claims Administrator to submit Category A Claims by

Small Business Users in accordance with the terms of section 3 herein.

- TTT. "Subsidiaries" means with respect to any Entity, any corporation, limited liability company, partnership or other entity of which such Entity owns or controls, directly or indirectly, at least a majority of the securities or other interests that have by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation, limited liability company, partnership or other entity.
- UUU. "Successor" means, with respect to a natural person, that person's heir, and, with respect to an Entity, any other Entity that through merger, buyout, or any other means, acquires that Entity's duties, rights, obligations, shares, debts, or assets.
- VVV. "Taxes and Tax-Related Expenses" means: (i) any and all applicable taxes, duties and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any, with respect to the income or gains earned by or in respect of the Settlement Fund, including, without limitation, any taxes that may be imposed upon the Defendants or their counsel with respect to any income or gains earned by or in respect of the Settlement Fund for any period while it is held in the Trust Account or Escrow Account; (ii) any other taxes, duties and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) relating to the Settlement Fund that the Claims Administrator determines are or will become due and owing, if any; and (iii) any and all expenses, liabilities and costs incurred in connection with the taxation of the Settlement Fund (including without limitation, expenses of tax attorneys and accountants).
- WWW. "Unknown Claims" means any and all Released Claims that any Class Member does not know to exist against any of the Released Parties and that, if known, might have affected their decision to enter into or to be bound by the terms of this Settlement. The Plaintiffs and Class Members acknowledge that they may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this release, but nevertheless fully, finally, and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, that may exist now, which may have already existed, or which may hereafter exist, based upon the alleged

Data Breaches as described in the Action, without regard to subsequent discovery or existence of such different or additional facts concerning each of the Released Parties. The foregoing waiver includes, without limitation, an express waiver to the fullest extent permitted by law by the Plaintiffs and the Class Members.

- XXX. "U.S. Settlement" means the proposed settlement of the U.S. actions consolidated in *re: Yahoo! Inc. Customer Data Security Breach Litigation*, Case No. 5:16-MD-02752-LHK which settlement was obtained on an interim basis on July 20, 2019 and is scheduled to be finally approved at a hearing scheduled for April 2, 2020.
- YYY. "Verizon" means Verizon Communications Inc.. In June 2017, Yahoo! Inc. and Verizon completed an asset sale transaction wherein Verizon acquired all outstanding shares of Yahoo Holdings Inc., a wholly-owned subsidiary of Yahoo! Inc., which, immediately prior to the consummation of the sale, owned the assets and liabilities associated with Yahoo's operating business. Upon closing the sale of Yahoo's operating business to Verizon, effective June 13, 2017, Yahoo Holdings was transferred to and became a wholly-owned subsidiary of Verizon. Effective January 1, 2018, Yahoo Holdings Inc. was renamed Oath Holdings Inc.
- ZZZ. "Yahoo" means Yahoo! Inc.; Yahoo Holdings Inc., Yahoo! Canada Co., Aabaco Small Business, LLC, and Altaba Inc. (formerly known as Yahoo! Inc.) and their current, former, and future Affiliates, Subsidiaries, and Successors. Accordingly, herein, Yahoo refers to both Oath and Altaba.

II. SETTLEMENT CONSIDERATION

- 2.1 In consideration for the Release provided for by the Settlement and for the dismissal or permanent staying of the Consortium Actions with prejudice, under the terms of this Settlement Agreement, the Defendants will, within ten (10) Business Days of the Settlement Agreement being executed by all Parties, pay the Canadian Currency Equivalent of \$15 million United States Dollars (USD\$15,000,000) (the “**Settlement Funds**”) into an interest-bearing trust account maintained by counsel for the Defendants, which account will provide for an interest rate equal to the best available GIC rate available at a chartered bank for funds locked in until April 1, 2020 and, after that date, an interest rate equal to the then prevailing open rate (the “**Trust Account**”).
- 2.2 Except for the payment in section 17.3, the Defendants will not be required to pay more than the Settlement Fund, all in, under this Settlement and the Settlement Fund is the sole monetary payment the Defendants will make under this Settlement.
- 2.3 Upon the Effective Date, the Settlement Fund will be released to the Claims Administrator to be held in the Escrow Account.
- 2.4 As further described in this Agreement, the Settlement Fund shall be the sole source of monetary funds for the following:
- (a) the Taxes and Tax-Related Expenses described in section 2.9 and 2.10;
 - (b) the Legal Fees and Disbursements described in section 9;
 - (c) the Administrative Expenses for the Settlement Administration described in section 8;
 - (d) the Honorariums described in section 10;
 - (e) the Levy; and
 - (f) the Claims, which will be paid out of the balance of the Settlement Fund remaining upon paying the amounts set out in sections 2.4 (a) to (e) (the “**Net Settlement Fund**”) as follows:

- (a) up to CAD\$4 million to pay claims for:
 - (i) Out-of-Pocket Costs claims as described in section 3;
 - (ii) Paid User claims as described in section 3; and
 - (iii) Small Business User claims as described in section 3;

(collectively, the "**Category A Claims**")

- (b) the balance to pay claims for:
 - (i) Alternative Compensation as described in section 4 (the "**Category B Claims**"); and
 - (j) Credit Services as described in section 5 (the "**Category C Claims**").

2.5 The Settlement Fund will not be released from the Escrow Account, unless: (i) expressly authorized by this Settlement Agreement; and (ii) approved by the Court, except in the event section 15.3 of the Settlement Agreement applies in which case the Settlement Fund will be returned to the Defendants without the need of Court approval in accordance with that section.

2.6 The Claims Administrator, subject to such supervision and direction of the Court and/or counsel as may be necessary or as circumstances may require, shall administer and/or oversee distribution of the Settlement Fund pursuant to this Agreement.

2.7 The Claims Administrator is responsible for communicating with Settlement Class Members regarding the distribution of the Net Settlement Fund and amounts paid under the Settlement.

2.8 All funds held in the Escrow Account relating to the Settlement shall be deemed to be in the custody of the Court upon the Effective Date of the Settlement until such time as the funds shall be distributed to Settlement Class Members or otherwise disbursed pursuant to this Settlement Agreement and/or further order of the Court.

- 2.9 The Parties agree that the Claims Administrator shall be responsible for filing tax returns and any other tax reporting for or in respect of interest earned on the Settlement Fund and paying from the Settlement Fund any Taxes and Tax-Related Expenses owed with respect to the Settlement Fund.
- 2.10 All Taxes and Tax-Related Expenses relating to interest earned on the Settlement Fund shall be paid out of the Settlement Fund and without prior order of the Court shall be paid, for the period the Settlement Fund is held in the Trust Account, by the Defendants and, for the period the Settlement Fund is held in the Escrow Account, the Claims Administrator. Further, the Settlement Fund shall indemnify and hold harmless the Parties and their counsel for Taxes and Tax-Related Expenses (including, without limitation, taxes payable by reason of any such indemnification payments).
- 2.11 The Parties and their respective counsel have made no representation or warranty with respect to the tax treatment by any Settlement Class representative or any Settlement Class Member of any payment or transfer made pursuant to this Agreement or derived from or made pursuant to the Settlement Fund.
- 2.12 Each Settlement Class Representative and Settlement Class Member shall be solely responsible for the tax consequences to him, her, or it of the receipt of funds from the Settlement Fund pursuant to this Agreement.
- 2.13 Defendants and their counsel shall not have any responsibility for or liability whatsoever with respect to: (i) any act, omission, or determination of Class Counsel, the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the formulation, design, or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses incurred in connection with the taxation of the Settlement Fund or the filing of any returns. Defendants also shall have no

obligation to communicate with Settlement Class Members and others regarding amounts paid under the Settlement.

2.14 The Settlement Class Representatives and Class Counsel shall not have any liability whatsoever with respect to: (i) any act, omission or determination of the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the formulation, design, or terms of the disbursement of the Settlement Fund; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Settlement Fund; or (vi) the payment or withholding of any Taxes and Tax-Related Expenses incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

2.15 The Defendants will provide an accounting indicating any interest earned and Tax and Tax-Related Expenses paid during the period the Settlement Fund is held in the Trust Account.

III. CATEGORY A CLAIMS – Out-of-Pocket Costs, Paid Users and Small Business Users

3.1 Settlement Members who have Out-of-Pocket Costs may request payment of their Out-of-Pocket Costs by submitting an Out-of-Pocket Costs Claim Form (either in paper form or on the Settlement Website) to the Claims Administrator accompanied by an attestation for the Out-of-Pocket Costs incurred, and documentation of Out-of-Pocket Costs as to which documentation should naturally exist and has been retained or is readily obtainable, as detailed on the Out-of-Pocket Costs Claim Form.

3.2 The Claims Administrator shall verify that each person who submits an Out-of-Pocket Costs Claim Form is a Settlement Class Member and shall have the sole discretion and authority to determine whether and to what extent an Out-of-Pocket Costs Claim Form reflects valid Out-of-Pocket Costs. To the extent the Claims Administrator determines a claim for Out-of-Pocket Costs is deficient, the Claims Administrator shall, within fifteen (15) days of making such a

determination, notify the Settlement Class Member of the deficiencies and give the Settlement Class Member thirty (30) days to cure the deficiencies. The Claims Administrator shall have the sole discretion and authority to determine whether the Settlement Class Member has cured the deficient claim such that it reflects valid Out-of-Pocket Costs.

- 3.3 Out-of-Pocket Costs for preventative measures, such as obtaining credit monitoring services, insurance or credit freezes, shall be considered to be due to one or more of the Data Breaches if the Settlement Class Member states that they believe the costs were incurred as a result of one or more of the Data Breaches. Out-of-Pocket Costs for unreimbursed losses related to identity theft, falsified tax returns, or other alleged wrongdoing (collectively "Misconduct"), or for attempting to remedy Misconduct, shall be considered to be due to one or more of the Data Breaches if: (i) the Misconduct occurred within four months of Notice of one or more of the Data Breaches; (ii) the Settlement Class Member states that he, she, or it believes the Misconduct is connected to one or more of the Data Breaches; and (iii) the Misconduct involved possible misuse of the type of personal information accessed in one or more of the Data Breaches (*i.e.*, names, email addresses, telephone numbers, birth dates, passwords, and security questions of Yahoo account holders, or from contents of the Class Member's email account, such as financial communications and records containing credit cards, retail accounts, banking, account passwords, tax documents, and social insurance numbers from transactions conducted by email).
- 3.4 All Paid Users shall be eligible to receive an amount of up to 25% of the cost of services paid for between August 1, 2013 and December 31, 2016, upon submission of a valid Paid User Claim (as determined by the Claims Administrator).
- 3.5 The Claims Administrator shall verify that each person who submits a Paid User Claim Form is a Settlement Class Member and a Paid User and shall have the sole discretion and authority to determine whether and to what extent a Paid User Claim Form reflects valid Paid User services. To the extent the Claims Administrator determines a claim for Paid User services is deficient, the Claims

Administrator shall, within fifteen (15) days of making such a determination, notify the Settlement Class Member of the deficiencies and give the Settlement Class Member thirty (30) days to cure the deficiencies. The Claims Administrator shall have the sole discretion and authority to determine whether the Settlement Class Member has cured the deficient claim such that it reflects valid Paid User services.

- 3.6 All Small Business Users shall be eligible to receive an amount of up to 25% of the cost of services paid for between August 1, 2013 and December 31, 2016 upon submission of a valid Small Business User Claim Form (as determined by the Claims Administrator).
- 3.7 The Claims Administrator shall verify that each person who submits a Small Business User Claim Form is a Settlement Class Member and a Small Business User and shall have the sole discretion and authority to determine whether and to what extent a Small Business User Claim Form reflects valid Small Business User services. To the extent the Claims Administrator determines a claim for Small Business User services is deficient, the Claims Administrator shall, within fifteen (15) days of making such a determination, notify the Settlement Class Member of the deficiencies and give the Settlement Class Member thirty (30) days to cure the deficiencies. The Claims Administrator shall have the sole discretion and authority to determine whether the Settlement Class Member has cured the deficient claim such that it reflects valid Small Business User services.
- 3.8 Each Settlement Class Member who submits a Claim Form for valid Out-of-Pocket Costs, Paid User services and Small Business services (as determined by the Claims Administrator) shall receive a payment equal to the lesser of: (i) the amount of the Settlement Class Member's valid Out-of-Pocket Costs and recoverable Paid User services and Small Business services; or (ii) \$25,000.00; provided, however, that the payment may be reduced as provided in section 6.1.

IV. CATEGORY B CLAIMS – Alternative Compensation

- 4.1 Settlement Members who do not request payment of their Out-of-Pocket Costs, and recoverable Paid User services and Small Business services may request

compensation for wasted time and inconvenience responding to one or more of the Data Breaches by submitting an Alternative Compensation Claim Form (either in paper form or on the Settlement Website) to the Claims Administrator accompanied by an attestation in respect of the time spent responding to one or more of the Data Breaches as detailed on the Alternative Compensation Claim Form.

- 4.2 The Claims Administrator shall verify that each person who submits an Alternative Compensation Claim Form is a Settlement Class Member and shall have the sole discretion and authority to determine whether and to what extent an Alternative Compensation Claim Form reflects wasted time and expense responding to one or more of the Data Breaches. To the extent the Claims Administrator determines a claim for Alternative Compensation is deficient, within fifteen (15) days of making such a determination, the Claims Administrator shall notify the Settlement Class Member of the deficiencies and give the Settlement Class Member thirty (30) days to cure the deficiencies. The Claims Administrator shall have the sole discretion and authority to determine whether the Settlement Class Member has cured the deficient claim such that it reflects valid losses actually incurred.
- 4.3 Alternative Compensation Claims shall be eligible to receive CAD\$25 per hour for each hour spent responding to the Data Breaches, not to exceed CAD\$125 for each Data Breach where the Class Member received Notices of the Data Breach upon submission of a valid Alternative Compensation Claim Form (as determined by the Claims Administrator); provided, however, that the payment may be reduced as provided in section 6.2.

V. CATEGORY C CLAIMS – Credit Services

- 5.1 Settlement Members who submit an Alternative Compensation Claim Form and who qualify for Alternative Compensation may elect to waive that compensation in favour of Credit Services, should there be a sufficient residue in the balance of the Net Settlement Fund to fund Credit Services. Credit Services for a term of up to two years have an estimated retail value of CAD\$478.80 per Class Member.

- 5.2 Settlement Members who make this election must request Credit Services by indicating this election on, and submitting, an Alternative Compensation Claim Form (either in paper form or on the Settlement Website) to the Claims Administrator as detailed on the Alternative Compensation Claim Form.
- 5.3 The Claims Administrator shall verify that each person who submits a Alternative Compensation Claim Form electing Credit Services: (i) is a Settlement Class Member; and (ii) otherwise qualifies for Alternative Compensation. Ambiguities or deficiencies on the face of the Alternative Compensation Claim Form shall be resolved by the Claims Administrator. To the extent there is any ambiguity with respect to a Settlement Class Member's election for Credit Services, and the Claims Administrator cannot resolve the ambiguity, the ambiguous Claim Form shall default to a claim for Alternative Compensation. However, for either ambiguities or deficiencies, the Claims Administrator shall first ask the Settlement Class Member to cure the ambiguity or deficiency, and in doing so, may use its discretion to determine the most efficient and effective means of communicating with the Settlement Class Member, whether by email, telephone, or mail. Disputes with respect to any Claim Form shall be resolved by the Claims Administrator.

VI. RESIDUE OF NET SETTLEMENT FUND

- 6.1 In the event that the total of the Category A Claims exceeds CAD\$4 million, any excess funds after Category B Claims have been paid will go to fund Category A Claims. If there remains a shortfall in funds in respect of Category A Claims, then the available funds will be distributed to Category A Claims *on a pro rata basis*. In the event that the total of the Category A Claims is less than CAD\$4 million, the available funds will be distributed to top up any shortfall in funds in respect of Category B Claims, or, if there is no shortfall in Category B Claims, to fund Credit Services, if those services are available.
- 6.2 In the event the total of Category B Claims, excluding those who elect Credit Services (i.e. Category C Claims):
- (a) exceeds the portion of the Net Settlement Fund allocated to Category B Claims, then Category C Claims will be treated as Category B Claims

and the available funds will be distributed to Category B Claims *on a pro rata basis*.

(b) is less than the portion of the Net Settlement Fund allocated to Category B Claims, any excess funds, and any excess as contemplated in section 6.1 in respect of the Category A Claims, will pay for Credit Services. In the event these excess funds are sufficient to purchase Credit Services then Class Counsel will make reasonable efforts to purchase the best product available with the funds available, with a goal of two years of Credit Services. If the surplus is insufficient to purchase Credit Services for Settlement Members who elect Credit Services, all Category C Claims will be treated as Category B Claims and paid accordingly and Credit Services will not be purchased.

6.3 In the event there is a residue which exceeds the total of all Claims as assessed, the residue shall be allocated equally to all Settlement Class Members whose Claims were at least partially approved excluding Claims submitted solely in respect of Paid User services and Business User services.

6.4 The Net Settlement Fund described in section 2.4 of this Settlement Agreement shall be the sole source of monetary funds for the relief set forth in sections 3, 4, 5 and 6 of this Settlement Agreement.

VII. CLASS NOTICE, OPT-OUTS, AND OBJECTIONS

7.1 Notice shall be disseminated pursuant to the Certification Order for Settlement Purposes.

7.2 The Claims Administrator is responsible for distributing and disseminating the Notice in accordance with the Notice Plan, which plan will generally comprise: direct email notice to Settlement Class Members (the "**Direct Email Notice**"); and publication of advertisements with a maximum size of ¼ page in an English-language paper (with national circulation which may or may not include Quebec) and a French-language newspaper (with Quebec circulation) to be selected by Class Counsel.

7.3 Subject to compliance with the privacy laws of Canada, the United States and

any other relevant jurisdiction, the Defendants shall provide the Claims Administrator with the names and last known email addresses of Settlement Class Members, as they can best estimate based on their records, no later than five (5) Business Days after the date on which the Court enters the Certification Order for Settlement Purposes. To the extent that Yahoo has reasonably available names or other identifying information about Settlement Class Members, but not email addresses, those names and other identifying information shall also be provided to the Claims Administrator for use in verifying the identity of Settlement Class Members to whom emailed notice is not sent, but who respond to either publication notice and/or the Settlement Website. For clarity, Defendants shall not, however, be required to issue Notice by physical, as opposed to electronic, mail.

- 7.4 Class Counsel shall provide the Claims Administrator with the Class Counsel registration data including names and last known email addresses of Settlement Class representatives and any other putative Class Member who has reported updated identifying information to Class Counsel, no later than five (5) Business Days after the date on which the Court enters the Certification Order for Settlement Purposes.
- 7.5 Defendants shall provide the Claims Administrator with billing and payment records related to all Paid Users and Small Business Users during the Class Period sufficient to allow the Claims Administrator to determine the amount each Paid User and Small Business User paid to Defendants for their services and the accounts to which those services were rendered.
- 7.6 The Notice shall explain the procedure for Settlement Class Members to opt-out and exclude themselves from the Settlement Class by notifying the Claims Administrator in writing, postmarked no later than the Opt-Out Deadline.
- 7.7 The opt-out form shall include a section:
 - (a) requiring class members to confirm and acknowledge they will be excluded from receiving any compensation from the Settlement and by opting out do not wish to participate as a Settlement Class Member; and

- (b) requiring an explanation for opting out.
- 7.8 Each written request for exclusion must set forth the name of the individual seeking exclusion and can only request exclusion for that one individual.
- 7.9 Individual Settlement Class Members must sign the opt-out form with the signature of a witness, and provide contact information, including address, telephone number, and email. Corporate Settlement Class Members must include the name of the corporation and the name and position of the authorized signing officer and must sign the opt-out form with the signature of a witness, and provide contact information including address, telephone number, and email.
- 7.10 If the reason provided for opting-out suggests to the Claims Administrator that a Settlement Class Member does not understand the opt-out process or the effect of participating in the Settlement (for example the Settlement Class Member states she is opting out because the class member erroneously believes there is a financial cost to participating in the settlement) then the Claims Administrator shall contact the Settlement Class Member and determine whether the member intended to validly opt-out.
- 7.11 The Notice shall explain the procedure for Settlement Class Members to object to the Settlement. Written objections are to be provided no later than ninety (90) days after the Notice Date and filed with the Court five (5) days before the Approval Hearing. The written objection must include the objector's name, a statement indicating the basis for the objector's belief that he, she, or it is a Member of the Settlement Class (to the extent the objector did not receive Notice), and the basis for objecting.

VIII. ADMINISTRATION OF SETTLEMENT – CLAIMS PROGRAM

- 8.1 Class Counsel will retain the Claims Administrator to administer this Settlement and the Claims Program.
- 8.2 The Claims Administrator will not implement the Claims Program in accordance with this Settlement Agreement until the Effective Date. The Defendants shall have the option to withdraw from this Settlement Agreement, and to render it

null and void, if the number of Class Members excluding themselves from the Settlement by opt-ing out before the Opt-Out Deadline exceeds the Confidential Opt-Out Threshold.

- 8.3 The Claims Administrator shall perform the functions specified in this Settlement Agreement and Exhibit A, including, but not limited to, overseeing administration of the Settlement Fund; providing, with the assistance of the Defendants, Notice; effecting publication of Notice and a media plan; establishing and operating the Settlement Website and a toll-free number; administering the Claims processes; and distributing compensation and, if applicable, Credit Services thereunder according to the processes and criteria set forth herein.
- 8.4 The duties of the Claims Administrator, in addition to other responsibilities that are described in this Agreement, include:
- (a) obtaining from Defendants, pursuant to section 7.3, the names and last known email addresses, to the extent reasonably available, of Settlement Class Members;
 - (b) obtaining from Yahoo, pursuant to section 7.3, information to the extent reasonably available, necessary to establish a reasonably practical procedure to verify Settlement Class Members;
 - (c) obtaining from Yahoo, pursuant to section 7.5, information sufficient to establish billing and payment information related to all Paid Users and Small Business Users during the Class Period;
 - (d) effecting the Notice Plan in accordance with the procedures set forth in section 9;
 - (e) establishing and maintaining a post office box for mailed written notifications of exclusion from the Settlement Class;
 - (f) establishing and maintaining the Settlement Website that, among other things, allows Settlement Class Members to submit claims electronically;
 - (g) establishing and maintaining a toll-free telephone line for Settlement

Class Members to call with Settlement-related inquiries, and answering the questions of Settlement Class Members who call with or otherwise communicate such inquiries;

- (h) responding to any mailed or emailed Settlement Class Member inquiries;
- (i) mailing to Settlement Class Members who request it paper copies of the Notice and/or Claim Forms;
- (j) processing all written notifications of exclusion from the Settlement Class;
- (k) providing monthly reports and, no later than ten (10) days after the deadline for Settlement Class Members to exclude themselves from the Settlement, provide a final report to Class Counsel and Defendants' counsel that summarizes the number of written notifications of exclusion received that week, the total number of written notifications of exclusion received to date, and other pertinent information as requested by Class Counsel and Defendants' counsel;
- (l) in advance of the Approval Hearing, preparing affidavits to submit to the Court that: (i) attest to implementation of the Notice Plan in accordance with the Certification Order for Settlement Purposes; and (ii) identify each Settlement Class Member who timely and properly provided written notification of exclusion from the Settlement Class; reviewing, determining the validity of, and processing all claims submitted by Settlement Class Members, pursuant to criteria set forth in sections 3, 4 and 5;
- (m) pursuant to section 3 herein, at the close of the Claims Period, provide monetary payment, either electronically or by Mail, to Settlement Class Members for Out-of-Pocket Costs, Paid User damages, and Small Business User damages;
- (n) pursuant to sections 4 and 5 herein, at close of the Claims Period, provide activation instructions or monetary payment, either electronically

or mail, to Settlement Class Members for (i) Alternative Compensation or, (ii) if it selected by a Settlement Class Member and available, Credit Services;

- (o) providing monthly reports and a final report to Class Counsel and Defendants' counsel that summarize the number and amount of claims since the prior reporting period, the total number and amount of claims received to date, the number and amount of any claims approved and denied since the prior reporting period, the total number and amount of claims approved and denied to date, and other pertinent information as requested by Class Counsel and Defendants' counsel;
- (p) paying from the Escrow Account the amounts described in section 2.2 of this Settlement Agreement; and
- (q) performing any function related to Settlement administration at the agreed-upon instruction of both Class Counsel and Defendants' counsel, including, but not limited to, verifying that cash payments have been distributed in accordance with sections 3, 4 and 5.

8.5 The decisions of the Claims Administrator in respect of claims submitted through the Claims Program, including but not limited to all Category A Claims, Category B Claims and Category C Claims, are final and binding and there shall be no right of appeal or judicial review from the decisions of the Claims Administrator.

IX. CLASS COUNSEL FEES AND DISBURSEMENTS

9.1 Class Counsel will seek in its fee approval materials a fee of 24% of the Settlement Fund, plus HST, reimbursement of all disbursements and HST paid on those disbursements (the "**Legal Fees and Disbursements**") or such other terms as the Court at the approval hearing may direct.

9.2 The Notice to the Settlement Class of the proposed settlement will state that it is proposed that the Legal Fees and Disbursements will be paid to Class Counsel subject to Court approval at the Approval Hearing, and that the Levy, calculated as 10% of the Settlement Fund, net of Legal Fees and Disbursements will be payable to the Law Foundation.

- 9.3 The amounts owing to Class Counsel and the Law Foundation will be paid from the Settlement Fund, after the Effective Date, in trust to Class Counsel and to the Law Foundation.
- 9.4 This section does not apply to the payment to Class Counsel provided for in section 17.3 of the Settlement Agreement, which payment is to be paid in accordance with that section.
- 9.5 The Defendants will forgo the costs award made in their favour in the Karasik Action on September 24, 2019.

X. HONORARIUMS FOR NAMED PLAINTIFFS

- 10.1 As part of their motion seeking final approval of the Settlement at the Approval Hearing, Plaintiffs intend to seek Honorariums for the Named Plaintiffs in the following amounts, subject to Court approval:
- (i) Natalia Karasik - CAD\$7,500;
 - (ii) Rahul Suryawanshi - CAD\$7,500; and
 - (iii) Elie Chami - CAD\$7,500.
- 10.2 The Honorariums approved by the Court will be paid out of the Settlement Fund to Class Counsel in trust in accordance with the Court's order.

XI. SETTLEMENT APPROVAL PROCESS

Certification Order for Settlement Purposes

- 11.1 The Settling Parties will seek from the Court a Certification Order for Settlement Purposes that provides, *inter alia*, for the following with respect to the administration of the Settlement:
- (a) the certification of the *Karasik Action* as a class proceeding, on a preliminary basis, for settlement purposes only, with a class definition for settlement purposes which is as follows:

All Canadian residents with Yahoo

*accounts at any time during the period
January 1, 2012 through December 31,
2016, inclusive:*

- (b) the appointment of the Claims Administrator;
- (c) the approval of the Notice Plan; and
- (d) the scheduling of the Approval Hearing.

11.2 The Settling Parties will book one day in or after May 2020 to apply, by consent, for the Certification Order for Settlement Purposes.

Approval Hearing

11.3 The Settling Parties will bring on the Approval Hearing as soon as is reasonably possible after the Notice period has expired, provided that, before that hearing, the Conditions Precedent in section 14.1 of this Settlement Agreement are satisfied or waived by the Defendants.

11.4 At the Approval Hearing, the Court will decide whether to approve the Settlement and whether to approve the Legal Fees and Disbursements requested of Class Counsel and any other matters as the court may deem appropriate.

XII. RELEASED CLAIMS

Class Members' Claims

12.1 Upon the Effective Date, the Plaintiffs and each Class Member shall be deemed to have, and by operation of the Approval Order shall have, released, waived, and discharged the Released Parties from his, her, or its Released Claims.

Total Satisfaction of Released Claims

12.2 Any benefits offered or obtained pursuant to the Settlement Agreement are in full, complete, and total satisfaction of all of the Released Claims against the Released Parties, the benefits are sufficient and adequate consideration for each and every term of this Release, and this Release shall be irrevocably binding upon Class Members who do not opt-out of the Settlement Class.

Release Not Conditioned on Claim or Payment

- 12.3 The Release shall be effective with respect to all Class Members, regardless of whether those Class Members ultimately file a Claim or receive compensation under this Settlement Agreement.

Basis for Entering Release

- 12.4 Class Counsel acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and that they execute this Settlement Agreement freely, voluntarily, and without being pressured or influenced by, or relying on any statements, representations, promises, or inducements made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

Material Term

- 12.5 The Plaintiffs and Class Counsel hereby agree and acknowledge that section 12 (Released Claims) was separately bargained for and constitutes a key, material term of the Settlement Agreement that shall be reflected in the Approval Order.

XIII. AGREEMENT TO COOPERATE TO EFFECTUATE SETTLEMENT

- 13.1 Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement. The persons signing this Settlement Agreement on behalf of each Party warrants that he/she is authorized to sign this Settlement Agreement on behalf of that Party.
- 13.2 The Parties and their respective counsel will cooperate with each other, act in good faith, and use their best efforts to effect the implementation of the Settlement Agreement, which cooperation will include: cooperation by Class Counsel as reasonably necessary to obtain a permanent stay or dismissal of the Larocque Action; Class Counsel seeking orders dismissing the Consortium Actions and/or consenting to the Defendants' motions to dismiss the Consortium Actions; reasonable assistance by the Defendants to Class Counsel to prepare Court materials for the approval of the Settlement Agreement, including filing

affidavit evidence to support any estimate of Class Members.

- 13.3 In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.
- 13.4 The Parties further agree to make all reasonable efforts to ensure the timely and expeditious administration and implementation of the Settlement Agreement and to minimize the costs and expenses incurred therein.
- 13.5 Following approval by the Court of the Settlement Agreement and the Legal Fees and Disbursements, Class Counsel will provide banking instructions and a Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) (Form W-8BEN-E) to facilitate the payments to Class Counsel as provided for in sections 2.4(b), 9.1, 9.3 and 17.3 of the Settlement Agreement. Following approval by the Court of the Settlement Agreement and the Honorariums, the Named Plaintiffs will provide banking instructions and a Request for Taxpayer Identification Number and Certification (Form W-9) or a Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals) (Form W-8BEN), as applicable, to facilitate the payments of the Honorariums to the Named Plaintiffs as provided for in sections 2.4(d) and 10 of the Settlement Agreement.

XIV. CONDITIONS PRECEDENT

- 14.1 This Settlement Agreement is conditional on:
 - (a) the US Settlement receiving final court approval, regardless of whether that approval is appealed;
 - (b) the Larocque Action being, after the Appeal Period, permanently stayed as a class action (although it may continue as an individual action) or dismissed; and

- (c) the number of Class Members excluding themselves from the Settlement before the Opt-Out Deadline not exceeding the Confidential Opt-Out Threshold.
- 14.2 The Defendants will notify Class Counsel promptly of the outcome of the U.S. Settlement final approval hearing.
- 14.3 The Defendants may, at their sole discretion, waive the Conditions Precedent in paragraphs 14.1(a), 14.1(b) and 14.1(c) of the Settlement Agreement on notice to Class Counsel, which conditions are for the sole benefit of the Defendants.

XV. EFFECTIVE DATE AND TERMINATION

- 15.1 The Effective Date of the Settlement shall be the first Business Day after all of the following conditions have occurred:
- (a) the Defendants and Class Counsel execute this Agreement;
 - (b) the Court enters the Certification Order for Settlement Purposes, without material change to the Parties' agreed-upon proposed Certification Order for Settlement Purposes;
 - (c) Notice is provided to the Settlement Class consistent with the Certification Order for Settlement Purposes;
 - (d) the Court enters the Approval Order, without material change to the Parties' agreed-upon proposed final approval order and judgment attached hereto as Exhibit B;
 - (e) the Approval Order has become final because the Appeal Term has expired; and
 - (f) the Conditions Precedent have been satisfied, or waived by the Defendants in accordance with section 14 of this Settlement Agreement;
 - (g) the Consortium Actions have been dismissed with prejudice or permanently stayed.

- 15.2 In the event that the Court declines to enter the Certification Order for Settlement Purposes, or the conditions in section 15.1 of this Settlement Agreement are not all satisfied, or where provided for, waived by the Defendants, the Defendants may at their sole discretion terminate this Agreement on five (5) Business Days written notice from counsel for the Defendants to Class Counsel.
- 15.3 In the event this Agreement is terminated pursuant to section 15.2, the Settlement Fund together with any interest or other income earned thereon, less any Taxes and Tax-Related Expenses paid or due with respect to such income, will be returned to the Defendants. In the event this Agreement is terminated pursuant to section 15.2, costs incurred to date by the Claims Administrator will be paid by the Defendants.
- 15.4 Except as otherwise provided herein, in the event the Settlement is terminated, the Parties to this Agreement, including Settlement Class Members, shall be deemed to have reverted to their respective status in the Consortium Actions immediately prior to the execution of this Agreement and the execution of any term sheet between the Parties and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Agreement any term sheet and any related orders had not been entered. In addition, the Parties agree that in the event the Settlement is terminated:
- (a) any Court orders preliminarily or finally approving certification of the Settlement Class and any other orders entered pursuant to the Agreement shall be deemed null and void and vacated and shall not be used in or cited by any person or entity in support of claims or defenses or in support or in opposition to a class certification motion; and
 - (b) this Agreement shall become null and void, and the fact of this Settlement and that Defendants did not oppose certification of any class under this Settlement, shall not be used or cited by any person or entity, including in any contested proceeding relating to certification of any proposed class.

XVI. MODIFICATION OF THE AGREEMENT

16.1 The terms and provisions of this Settlement Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that after entry of the Approval Order, the Parties may by written agreement effect such amendments, modifications, or expansions of this Settlement Agreement (including all exhibits hereto) without further notice to the Class or approval by the Court if such changes are consistent with the Court's Approval Order and do not limit the rights of Class Members under this Settlement Agreement.

XVII. DELAWARE PROCEEDINGS

17.1 Altaba has sufficient assets to pay its ½ share of the Settlement Fund, notwithstanding that it will be initiating proceedings under section 280 of the General Corporation Law of the State of Delaware in connection with Altaba's liquidation and dissolution (the "**Delaware Proceedings**"). Subject to obtaining the Representation Order described in section 17.2, Altaba and Class Counsel agree that Altaba shall hold back USD\$50 million (which amount includes Altaba's share of the Settlement Fund) in the Delaware Proceedings to satisfy any claims made in the Consortium Actions, and any national class that is certified as a result of those actions, to cover the circumstances of (i) the Settlement not being approved by the Court or (ii) one or more of the conditions described in section 15.1 of the Settlement Agreement not being met, or where provided for, waived by the Defendants (the "**Holdback Amount**"). Altaba and Class Counsel agree that if the Ontario Court approves the Settlement and Altaba has paid its share of the Settlement, then Altaba will no longer need to hold back the Holdback Amount.

17.2 As soon as reasonably practicable, Class Counsel shall serve and file materials and apply to the Court for a representation order under the *Class Proceedings Act* appointing Class Counsel as representative counsel for the creditors in Canada who have claims in the proposed class actions in the Consortium Actions for the purpose of representing the putative class in the Delaware Proceedings (the "**Representation Order**"). Class Counsel will prepare the Court materials

to obtain the Representation Order. Altaba will reasonable cooperate in obtaining the Representation Order which cooperation will include preparing an affidavit in support of the Representation Order. The parties intend to have such application heard on March 2 or 3, 2020 or as soon thereafter as the Court may accommodate and counsel are available.

- 17.3 Altaba will pay Class Counsel the fixed sum of USD\$60,000 to reimburse Class Counsel's costs in the Delaware Proceedings within ten (10) Business Days of the Settlement Agreement being executed by all Parties (and at the same time the Settlement Funds are paid into the Defendants Trust Account). This amount is in addition to, and not funded by, the Settlement Fund and is in addition to the Legal Fees and Disbursements set out in this Settlement Agreement.

XVIII. MISCELLANEOUS PROVISIONS

Effect of Exhibits

- 18.1 The exhibits to this Settlement Agreement are an integral part of the Settlement and are expressly incorporated and made a part of this Settlement Agreement.

No Admission

- 18.2 This Settlement Agreement is for settlement purposes only. Neither the fact of, nor any provision contained in this Settlement Agreement, nor any action taken hereunder, shall constitute, or be construed as, any admission of the validity of any claim or any fact alleged in the Litigation or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Yahoo or any admissions by Yahoo of any claim or allegation made in any action or proceeding against Yahoo. If this Settlement Agreement is terminated and becomes null and void, the class action portions of this Settlement shall have no further force and effect with respect to any party to the Litigation and shall not be offered in evidence or used in the Litigation or any other proceeding. This Settlement Agreement shall not be offered or be admissible in evidence against Yahoo or cited or referred to in any action or proceeding, except in an action or proceeding brought to enforce its terms. Information provided by Yahoo to the Plaintiffs and Class Counsel in connection with settlement negotiations is for settlement purposes only and shall

not be used or disclosed for any other purpose whatsoever.

Entire Agreement

18.3 This Settlement Agreement represents the entire agreement and understanding among the Settling Parties and supersedes all prior proposals, negotiations, agreements, and understandings relating to the subject matter of this Settlement Agreement. The Settling Parties acknowledge, stipulate, and agree that no covenant, obligation, condition, representation, warranty, inducement, negotiation, or understanding concerning any part or all of the subject matter of this Settlement Agreement has been made or relied on except as expressly set forth in this Settlement Agreement. No modification or waiver of any provisions of this Settlement Agreement shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement of the Settlement Agreement is sought.

Counterparts

18.4 This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original as against any party who has signed it, and all of which shall be deemed a single agreement.

Arm's-Length Negotiations

18.5 The Settling Parties have negotiated all of the terms and conditions of this Settlement Agreement at arm's length. All terms, conditions, and Exhibits in their exact form are material and necessary to this Settlement Agreement and have been relied upon by the Settling Parties in entering into this Settlement Agreement. All Settling Parties have participated in the drafting of this Settlement Agreement and it is not to be construed in favor of or against any of the Settling Parties.

Continuing Jurisdiction

18.6 The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement, including all Class Members, for the purpose of the administration, interpretation and enforcement of this Settlement Agreement.

Confidentiality

18.7 This Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions, and proceedings associated with this Settlement Agreement are to be kept confidential and not disclosed until the Settlement Agreement is filed with the Court on such date as the Parties may agree upon, not to be earlier than May 2020, except for the disclosure of information which is reasonably necessary for a bona fide accounting or tax purpose, or as may be required pursuant to the order or direction of any court, tribunal, regulatory authority or governmental body, or as may be required by law.

Dispute Resolution

18.8 Any dispute between Class Counsel and the Defendants regarding the interpretation of any provision of this Settlement Agreement (other than those which the Settlement Agreement provides shall be resolved otherwise) shall be presented to a mediator to be agreed upon Class Counsel and the Defendants.

Binding Effect of Settlement Agreement

18.9 This Settlement Agreement shall be binding upon and inure to the benefit of the Settling Parties and their representatives, heirs, successors, and assigns.

Nullification

18.10 In the event any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions if the Defendants and Class Counsel, on behalf of the Settling Parties, mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement.

Extensions of Time

18.11 The Settling Parties may agree upon a reasonable extension of time for deadlines and dates reflected in this Settlement Agreement, without further

notice (subject to Court approval as to Court dates).

Service or Notice

18.12 Whenever, under the terms of this Settlement Agreement, a person is required to provide service or written notice to the Defendants or Class Counsel, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other Settling Parties in writing:

Authority to Execute Settlement Agreement

18.13 Each counsel or other person executing this Settlement Agreement or its exhibits on behalf of any party hereto warrants that such person has the authority to do so.

[EXECUTION PAGE FOR A SETTLEMENT AGREEMENT BETWEEN THE PARTIES]

IN WITNESS HEREOF, the Settling Parties have caused this Settlement Agreement to be executed, by their duly authorized lawyers, as of June 9, 2020.

ON BEHALF OF YAHOO! INC. (now ALTABA INC.),
YAHOO! CANADA CO. (now VERIZON MEDIA
CANADA CORP), ALTABA INC., VERIZON MEDIA,
VERIZON COMMUNICATIONS INC., OATH
HOLDINGS INC. AND OATH (CANADA) CORP (now
VERIZON MEDIA CANADA CORP).



Signature of Craig P. Dennis, Q.C.
McEwan Cooper Dennis LLP

ON BEHALF OF THE PLAINTIFFS



Theodore Charney
Charney Lawyers PC

KARASIK et al.
Plaintiffs

v. YAHOO! INC. et al.
Defendants

Court File No. CV-16-566248-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Settlement Approval and Fee Approval)**

CHARNEY LAWYERS PC
151 Bloor Street West, Unit 602
Toronto, ON M5S 1P7

Theodore P. Charney LSO #26853E
Devra Charney LSO #77260B

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Lawyers for the plaintiffs