

E-BOOKS CLASS ACTION

To all persons in Canada who purchased E-Books from April 1, 2010 to September 22, 2014

Notice of Certification/Authorization and Proposed Canadian Settlement

THE LAWSUITS

Class action lawsuits were commenced in Ontario, British Columbia and Quebec ("Actions") against Apple Inc. ("Apple") and various publishers of E-Books (the "Publishers", particularized below) alleging they conspired to fix, maintain, increase or control the price of E-Books sold by them in Canada, contrary to Part VI of the *Competition Act*, the common law and the Civil Code of Quebec (the "Alleged Conspiracy"). The Actions allege that, as a result of the Alleged Conspiracy, the price of E-Books sold in Canada from April 1, 2010 to September 22, 2014 was artificially high, and seek, among other things, reimbursement of the alleged overcharges. The defendants deny those allegations, and the claims have not been proven in Court.

THE PUBLISHERS

The Publishers are Hachette Book Group Canada Ltd, Hachette Book Group Inc., HarperCollins Canada Limited, HarperCollins Publishers LLC, Macmillan Publishers, Inc., Penguin Group (USA) LLC (formerly Penguin Group (USA), INC.), Penguin Canada Books, Inc. and Simon & Schuster Canada, a division of CBS Canada Holdings Co.

THE PROPOSED SETTLEMENT

A settlement was reached with the Publishers (the "Settlement"). Settlement benefits include payment of \$3,175,000 (the "Settlement Proceeds") and cooperation in prosecuting the Actions against Apple. The Settlement must be approved by the Ontario and Quebec Courts ("Courts") to be effective.

CERTIFICATION / AUTHORIZATION

For the purposes of implementing the Settlement, the Actions were certified/authorized as class actions by the Courts in relation only to the Publishers. This means that the determinations made in the Actions will automatically apply to all persons who purchased E-Books in Canada between April 1, 2010 and September 22, 2014, unless they take steps to exclude themselves from the Actions (see below under "Your Options"). Certification / authorization will be set aside if the Settlement is not approved by all the Courts.

SETTLEMENT APPROVAL HEARINGS

The requests to approve the Settlement will take place in **hearings on October 6, 2014 at 10:00 a.m. in Windsor, Ontario and October 14, 2014 at 9:30 a.m. in Montréal, Quebec**. At the same time, the Class Lawyers may seek approval of their contingency agreements with the representative plaintiffs and of a fee percentage to be deducted from the Settlement Proceeds with other court-approved costs.

THE SETTLEMENT AFFECTS YOUR RIGHTS

If the Settlement is approved, it will affect all persons in Canada who purchased E-Books from April 1, 2010 to September 22, 2014 except those who opt out of the Actions, the Defendants and certain related parties ("Settlement Class Members"). Under the Settlement, Settlement Class Members **RELEASE** the Publishers and other related parties from claims regarding the purchase of E-Books in Canada from April 1, 2010 to September 22, 2014, and commit to discontinue or dismiss other proceedings.

WILL I RECEIVE ANY MONEY AT THIS TIME?

The net Settlement Proceeds (after deduction of legal fees and expenses and any other amounts approved by the Courts) will be held in trust for the benefit of Settlement Class Members. No disbursement of money to Settlement Class Members is contemplated at this time. The manner in which the net Settlement Proceeds will be distributed will be determined by the Courts at a later date, in particular because the case is continuing against Apple and the Courts may be asked to permit their use in the continued prosecution of the Actions. If the Courts approve a distribution of the net Settlement Proceeds, another notice will be provided and posted online at www.ebooksettlement.ca explaining who is eligible for direct payment and how those persons can apply to receive payment. In the meantime, all purchasers of E-Books in Canada are encouraged to retain proof of purchase of E-Books.

YOUR OPTIONS

If you want to participate in the Actions and benefit from this Settlement and any later settlements or judgments, you do not need to do anything now. All persons in Canada who purchased E-Books from April 1, 2010 to September 22, 2014 are automatically included. You can provide your name and contact information to the Class Lawyers so we can provide further updates on the Actions to you and let you know once the Courts approve a plan to distribute the net Settlement Proceeds.

If you do not want to participate in the Actions, or participate in the Settlement, you must exclude yourself by completing and sending an Opt Out Form to the Class Lawyers by September 22, 2014 (the “Opt Out Deadline”). Opt Out Forms are available at <www.ebooksettlement.ca> or from the Class Lawyers. If you opt out, you will keep any right to bring your own lawsuit but will not receive the benefit of this or future settlements or any judgments in the Actions. If you do not opt out of the Actions by the Opt Out Deadline, you will be bound by the Settlement and will not be able to opt out of the Actions in the future.

To comment on or object to the Settlement, you must write to one of the Class Lawyers by September 26, 2014. Comments and objections will be provided to the Courts, but the Courts cannot change the terms of the Settlement.

DO I NEED TO PAY ANYTHING?

You do not need to pay anything out of your pocket. The plaintiffs and petitioners entered into contingency agreements with the Class Lawyers providing for payment of up to 1/3 of amounts recovered in the Actions and reimbursement of disbursements incurred to prosecute the Actions. The Courts will determine the amount to be paid to the Class Lawyers from the Settlement Proceeds.

HOW DO I CONTACT THE CLASS LAWYERS?

To ask questions about the Settlement or Actions, or register as an E-Book purchaser, contact:

- For British Columbia residents: Luciana P. Brasil of Branch MacMaster LLP care of uherlev@branmac.com
- For Quebec residents: Normand Painchaud of Sylvestre Fafard Painchaud care of e.josse@sfpavocats.ca
- For all others: Heather Rumble Peterson of Sutts Strosberg LLP care of ebooks@strosbergco.com

This Notice is a summary. For more information about the Settlement or to read the settlement agreement, please visit <www.ebooksettlement.ca> or contact the Class Lawyers.