

NOTICE OF YAHOO DATA BREACH CLASS ACTION AND PROPOSED SETTLEMENT

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

WHAT IS THIS NOTICE ABOUT?

This Notice is directed to all Canadian residents with Yahoo! accounts at any time during the period January 1, 2012 through December 31, 2016, inclusive (the “**Class**” or “**Class Members**”).

This Notice concerns the proposed settlement of a class action lawsuit against Yahoo! Inc. and Yahoo! Canada Co. (the “**Settlement**”). The lawsuit alleges that Yahoo! experienced multiple data breaches between 2013 and 2016 (the “**Data Breaches**”) because it had inadequate data security measures in place to protect account holders’ personal information. The defendants Yahoo! Inc. and Yahoo! Canada Co. (collectively, “**Yahoo**” or the “**Defendants**”) deny that they have violated any laws and deny that they have engaged in any wrongdoing.

THE PROPOSED SETTLEMENT

The parties have entered into a settlement agreement (the “**Settlement Agreement**”). In order for the Settlement to become effective, it must be approved by the Ontario Superior Court of Justice (the “**Court**”). If the Court approves the Settlement Agreement, the Defendants will pay \$20,325,683.58, (the “**Settlement Fund**”) to settle the claims of the Class Members, including the Legal Fees and Disbursements and the Administrative Expenses for the settlement administration, in return for a release and a dismissal of the class actions. If you would like a copy of the Settlement Agreement, it is available at www.yahooprivacybreach.com and yahoclassaction.com, or a copy can be obtained by contacting Class Counsel as listed below.

The Settlement is conditional on the events described at paragraphs 14.1(a)-(c) of the Settlement Agreement. The Defendants do not admit wrongdoing or liability. This Settlement is a compromise of disputed claims.

COMPENSATION FOR CLASS MEMBERS

Class Members shall submit Claim Forms to the Claims Administrator, who will determine the amounts to be distributed to Class Members from the Settlement Fund, in full and final settlement of their claims. The amount remaining from the Settlement Fund, after deductions for legal fees, disbursements, and taxes thereon and administrative expenses for the settlement administration, honorariums for named Plaintiffs and a 10% levy to the Law Foundation of Ontario (the “**Net Settlement Fund**”), shall be distributed as follows:

- (a) Up to \$4 million to pay “**Category A Claims**” for:
 - i. Cash Reimbursement for documented out-of-pocket costs or expenditures, as defined in the Settlement Agreement, that a Class Member actually incurred due to one or more of the Data Breaches, and time spent performing tasks traceable to mitigating the impact of the Data Breaches at \$25.00 per hour, to a maximum of fifteen hours.
 - ii. Cash Reimbursement for up to 25% of the cost of service paid for between August 1, 2013 and December 31, 2016 for Class Members that paid Yahoo for advertisement-free or premium email services.
 - iii. Cash Reimbursement for up to 25% of the cost of services paid for between August 1, 2013 and December 31, 2016 for Class Members that paid for Yahoo or Aabaco Small Business services.

The maximum a Class Member can claim for Category A Claims is \$25,000.

- (b) The balance of the Net Settlement Fund to pay claims for Class Members who do not claim under Category A, including wasted time and inconvenience responding to one or more of the Data Breaches, in the amount of \$25 per hour for each hour spent responding to one or more of the Data Breaches, not to exceed \$125 for each Data Breach where the Class Member received a Notice of the Data Breach (“**Category B Claims**” or “**Alternative Compensation**”); and
- (c) Class Members who qualify for Category B Claims may elect to waive that compensation in favour of credit-monitoring services of at least one year (“**Category C Claims**” or “**Credit Monitoring Services**”).

You cannot make a Claim until after the Settlement is approved. If the Settlement is approved, further notice of the Settlement will NOT be given. You should monitor the Settlement Website and check it regularly at www.yahooprivacybreach.com for the latest information on the status of the Settlement and the details and deadline for making a Claim.

OPTING OUT

If you fall within the Class definition, you are automatically included in the Class, and you will be bound by the Settlement if it is approved by the Court, unless you choose to exclude yourself by opting out. If you opt out, you will not be a Class Member, and you will not be eligible to participate in any settlement approved by the court, but you will retain any rights you may currently have to sue the Defendants over the legal issues in the lawsuit.

If you do not want to be part of the class action lawsuit, you must fully complete and send a copy of the completed Opt-Out Form electronically to yahooaction.com or by email to yahooaction@ricepoint.com, the Claims Administrator appointed by the Court to receive the forms and collect the opt-out information, by Monday, December 21, 2020. A copy of the Opt-Out Form can be found at www.yahooprivacybreach.com and yahooaction.com.

SETTLEMENT APPROVAL HEARING

The Ontario Superior Court of Justice will hold a virtual Settlement Approval Hearing at the courthouse at Osgoode Hall, 130 Queen Street West, Toronto, Ontario on Friday January 8, 2021 at 10:00 a.m. ET to consider whether the proposed Settlement is fair, reasonable and in the best interests of the Class (the “**Settlement Approval Hearing**”). Class Members and members of the public may attend the virtual Settlement Approval Hearing but are not required to do so. The details on how to attend remotely will be posted to www.yahooprivacybreach.com.

As a Class Member, you are entitled, but not obligated, to express your opinions about the proposed Settlement and whether it should be approved. If you wish to make a submission to the Court supporting or objecting to the proposed Settlement, you must send your submissions in writing by email to the Claims Administrator, at yahooaction@ricepoint.com, and ensure they are received no later than Monday, December 21, 2020. The Claims Administrator will provide all submissions to the Court and the Defendants in advance of the Settlement Approval Hearing. Your written submissions should include:

- your name, address and telephone number;
- a brief statement of the reasons that you support or oppose the proposed Settlement terms; and
- whether you plan to attend the Settlement Approval Hearing.

ADMINISTRATION COSTS AND LEGAL FEES

The Plaintiffs entered into contingency fee agreements with Class Counsel, providing that Class Counsel are to be paid only in the event of a successful settlement or judgment. Class Counsel will be asking that the Court approve legal fees of 24% of the Settlement Fund, plus disbursements and applicable taxes, in accordance with the contingency fee agreements. Class Counsel will also be asking that the Court approve an honorarium of \$7,500 to be awarded to each of the three Plaintiffs in recognition of their role in this litigation (the “**Honorariums**”). The Law Foundation of Ontario is also entitled to 10% of the benefits payable to Class Members, net of Class Counsel’s legal fees, disbursements and applicable taxes (the “**Levy**”).

FOR FURTHER INFORMATION

For questions regarding this Notice or the proposed Settlement, please contact Class Counsel as follows:

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Tel: (416) 964-7950

Email: info@charneylawyers.com

Please do not call the Defendants or the Court about this action.

INTERPRETATION

This Notice has been approved by the Court and contains a summary of some of the terms of the proposed Settlement. If there is a conflict between the provisions of this Notice and the Settlement Agreement, the Settlement Agreement shall prevail.

THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.