

ANNEXE B1

AVIS D'AUDIENCE

Pour approbation de règlement et approbation des honoraires des avocats

**ACTION COLLECTIVE :
*BALABANIAN C. PAYPAL CA LIMITED ET AL.***

**VEUILLEZ LIRE CET AVIS ATTENTIVEMENT, CAR IL POURRAIT AVOIR DES
CONSEQUENCES SUR VOS DROITS.**

QUEL EST L'OBJET DE CET AVIS?

Jennifer Balabanian (la Demanderesse) a déposé une action collective devant la Cour supérieure du Québec à l'encontre de PayPal CA Limited et d'autres sociétés liées (PayPal). Le dossier met en cause les pratiques de conversion de devises de PayPal pour le compte de ses utilisateurs au Québec. Cette action collective est connue sous l'intitulé *Balabanian c. PayPal CA Limited et al.*, Cour supérieure du Québec, dossier No. 500-06-000910-188. Il existe une demande connexe en Ontario au nom des utilisateurs de PayPal au Canada, à l'exclusion des résidents du Québec, qui fait état de réclamations similaires (ensemble, les « Réclamations »).

QUELLES SONT LES ALLÉGATIONS DE LA DEMANDERESSE?

Les allégations de la Demanderesse portent sur les pratiques de conversion de devises des Défenderesses. La Demanderesse allègue que PayPal a facturé aux utilisateurs des frais de conversion de devises plus élevés que ceux auxquels elle avait droit en vertu de ses contrats d'utilisation, pour la période de janvier 2017 à août 2018. La Demanderesse allègue également que PayPal a effectué des conversions de devises en lien avec des achats et des virements alors que PayPal n'était pas spécifiquement autorisée à procéder aux conversions.

QUELLE EST LA RÉPONSE DE PAYPAL QUANT AUX RÉCLAMATIONS?

PayPal nie toute responsabilité et nie la véracité des allégations de la Demanderesse.

QUEL EST LE STATUT DU DOSSIER?

La Demanderesse et PayPal se sont entendues pour régler les Réclamations. Dans le contexte de ce règlement, PayPal a accepté de verser un montant total de 10 millions de dollars. Le règlement est sujet à l'approbation de la Cour.

Le **25 mars 2021**, une audience au cours de laquelle la Cour décidera d'approuver ou non le règlement aura lieu. Il sera également demandé à la Cour d'approuver le paiement des honoraires des avocats des demandeurs à même le montant du règlement.

Dans l'éventualité où le règlement n'était pas approuvé par la Cour, le litige continuera et PayPal s'opposera à l'autorisation de la demande d'action collective. Si l'action collective était autorisée par la Cour, PayPal s'opposera à celle-ci au mérite.

QUELLES SONT LES MODALITÉS DU RÈGLEMENT PROPOSÉ?

Dans le cadre du règlement proposé, PayPal versera un montant de 10 millions de dollars, sans admission de responsabilité. En contrepartie, PayPal obtiendra des quittances de tous les membres du groupe.

Les montants qui seront déduits du montant du règlement sont les honoraires et débours des avocats des demandeurs et les coûts associés à la gestion du règlement. Les avocats de la Demanderesse et du demandeur hors Québec demanderont à recevoir un total de 25 % du montant du règlement à titre d'honoraires. Le montant du règlement restant après ces paiements serait versé aux membres du groupe.

QUI FAIT PARTIE DU GROUPE?

La Cour a autorisé l'action collective aux fins du règlement. Le groupe est défini de manière à inclure :

Toute personne résidant au Québec qui :

- (1) a acheté des biens ou des services en utilisant les services de PayPal CA Limited, PayPal Canada Co., PayPal Inc. et/ou PayPal Holdings Inc. (collectivement « PayPal ») dans une devise autre que celle dans laquelle les biens ou les services ont été mis en vente, et qui a effectué un tel achat le ou avant le 8 août 2018; ou
- (2) détenait un compte PayPal au Canada et qui a retiré des fonds qui ont été convertis en dollars canadiens avant d'être transférés à leur compte bancaire ou carte de crédit, le ou avant le 8 août 2018.

Dans l'éventualité où le règlement n'était pas approuvé, PayPal s'opposera à l'autorisation de la demande d'action collective et le litige continuera.

QUI REÇOIT UN PAIEMENT DANS LE CADRE DU RÈGLEMENT PROPOSÉ?

Ce ne sont pas tous les membres du groupe qui pourront recevoir un paiement dans le cadre du règlement proposé. Si le règlement est approuvé, les honoraires approuvés par la Cour et les coûts associés à la gestion du règlement seront déduits du montant du règlement. Une fois ces montants déduits, le montant restant sera distribué au prorata des membres du groupe qui répondent aux critères du « Groupe actif ».

Le Groupe actif inclut les membres du groupe qui répondent aux cinq critères suivants:

- (1) Ils sont des résidents canadiens ayant acheté des biens ou services entre le 14 janvier 2017 et le 8 août 2018, en utilisant les services de PayPal, dans une devise autre que celle dans laquelle les biens ou services ont été mis en vente;
- (2) Ils sont titulaires d'un compte PayPal;
- (3) Leur compte PayPal était encore ouvert en août 2020;
- (4) Ils ont complété au moins une transaction avec leur compte PayPal entre le 9 août 2019 et le 1^{er} janvier 2021; et
- (5) Leur compte PayPal n'est pas assujéti à des restrictions d'utilisation.

Il est prévu que la distribution au Groupe actif sera d'environ 1,85\$ par personne. Le montant sera déposé directement dans le compte PayPal des membres du Groupe actif.

JE SUIS MEMBRE DU GROUPE, QUELLES SONT MES OPTIONS?

Les membres du groupe n'ont rien à faire pour continuer à en faire partie ou pour recevoir un paiement. Si le règlement est approuvé, les membres du groupe qui rencontrent les critères établis pour le paiement recevront automatiquement un montant dans leur compte PayPal.

Si un membre du groupe désire faire valoir ses prétentions sur le règlement ou se retirer du groupe, ces options sont expliquées ci-dessous.

DE QUELLE FAÇON PUIS-JE FAIRE VALOIR MES PRÉTENTIONS QUANT AU RÈGLEMENT PROPOSÉ?

Si vous êtes membre du groupe et que vous souhaitez faire valoir vos prétentions quant au règlement, vous devez soumettre vos prétentions écrites aux avocats du groupe. Ces prétentions écrites doivent être reçues avant **16 h le 23 février 2021**. Vous pouvez soumettre vos prétentions par courriel, par télécopieur ou par la poste aux coordonnées indiquées ci-dessous. Dans l'éventualité où vous soumettez vos prétentions, les avocats du groupe porteront vos prétentions à l'attention de la Cour. Vous pouvez également participer à l'audience, soit personnellement, soit en faisant appel à votre propre avocat. Toutefois, les honoraires que vous encourez ne pourront être remboursés par les avocats du groupe ou par le fonds de règlement.

Pour faire valoir vos prétentions, vous devez les envoyer par écrit à :

Courriel: info@paypalclassaction.com
Télécopieur: 514-935-2999 – Objet: Prétentions – Action collective PayPal
Poste: Objet : Prétentions – Action collective PayPal
IMK LLP
3500 Boulevard de Maisonneuve O, Suite 1400
Montréal, QC H3Z 3C1

COMMENT PUIS-JE M'EXCLURE DU GROUPE?

Si vous ne désirez pas faire partie du groupe, vous devez vous exclure conformément à l'entente de règlement. Si vous vous excluez, vous n'aurez droit à aucun paiement à partir du fonds de règlement et vous ne serez pas lié par les décisions que la Cour rendra dans cette affaire.

Pour vous exclure, vous devez transmettre au greffier de la Cour supérieure du Québec une demande d'exclusion dûment signée qui contient les renseignements suivants :

1. Le numéro de dossier de l'action collective : *Balabanian c. PayPal CA Limited et al.*, Cour supérieure du Québec, C.S.M. 500-06-000910-188
2. Votre nom;
3. Votre adresse;
4. Votre adresse courriel;
5. Si vous avez un compte PayPal, l'adresse courriel associée à votre compte PayPal;
6. Une déclaration à l'effet que vous souhaitez vous exclure de l'action collective.

La demande d'exclusion doit être transmise au greffier de la Cour supérieure du Québec par courrier recommandé ou certifié avant **16 h le 23 février 2021**, à l'adresse suivante :

Greffes de la Cour supérieure du Québec
Palais de justice de Montréal
1, rue Notre-Dame Est Salle 1.120
Montréal QC H2Y 1B5

Une copie de la demande d'exclusion doit aussi être envoyée aux avocats du groupe avant **16h** le **23 février 2021**, aux coordonnées suivantes :

Courriel: info@paypalclassaction.com
Télécopieur : 514-935-2999– Objet: Exclusion – Action collective PayPal
Poste : Objet : Exclusion – Action collective PayPal
IMK LLP
3500 Boulevard de Maisonneuve O, Suite 1400
Montréal, QC H3Z 3C1

OÙ PUIS-JE OBTENIR PLUS D'INFORMATIONS À PROPOS DE L'ACTION COLLECTIVE ET DU RÈGLEMENT PROPOSÉ ?

De plus amples informations sur le règlement proposé et la réclamation, y compris une copie de de l'entente de règlement, sont disponibles à l'adresse suivante www.actioncollectivereglementpaypal.ca. Vous pouvez également envoyer un courriel aux avocats du groupe à l'adresse info@paypalclassaction.com.

En cas de divergence entre le présent avis et l'entente de règlement, l'entente de règlement prévaut.

Cet avis a été approuvé par la Cour supérieure du Québec.

SCHEDULE B1

NOTICE OF HEARING For Settlement Approval and Counsel Fee Approval

BALABANIAN V. PAYPAL CA LIMITED ET AL. CLASS ACTION

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

WHAT IS THIS NOTICE ABOUT?

Jennifer Balabanian (the Plaintiff) brought a proposed class action in the Québec Superior Court against PayPal CA Limited (and related companies). The case challenges PayPal's currency conversion practices and disclosure on behalf of PayPal users in Québec. This action is known as *Balabanian v. PayPal CA Limited et al.*, Québec Superior Court File No. 500-06-000910-188. There is a companion claim in Ontario on behalf of PayPal users in Canada, excluding Québec residents, that makes similar claims (together, the "Claims").

WHAT DOES THE PLAINTIFF CLAIM?

The Plaintiff's allegations relate to the Defendants' online currency conversion practices. The Plaintiff alleges that PayPal charged users more for currency conversions than it was entitled to under PayPal's user agreements between January 2017 and August 2018. The Plaintiff also alleges that PayPal performed currency conversions in relation to purchases and withdrawals from PayPal accounts when it was not authorized to do so.

WHAT IS PAYPAL'S RESPONSE TO THE CLAIM?

PayPal denies any liability and denies the truth of the Plaintiff's allegations.

WHAT IS HAPPENING IN THE CASE NOW?

The Plaintiff and PayPal have agreed to a proposed settlement of the Claims. As part of the settlement, PayPal has agreed to pay a total of \$10 million. The settlement is subject to approval by the Court.

On **March 25, 2021**, there will be a hearing at which the Court will decide whether to approve the settlement. The Court will also be asked to approve the payment of the Plaintiffs' lawyers' legal fees out of the settlement fund.

If the settlement is not approved by the Court, PayPal will oppose authorization of the claim as a class action and the litigation will continue. If the class is authorized, PayPal will oppose the claim on the merits.

WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

Under the proposed settlement, PayPal will pay \$10 million into a settlement fund. In exchange, the

Claims will both be dismissed and PayPal will receive releases on behalf of all class members.

The amounts to be deducted from the total settlement fund are the legal fees and disbursements for the Plaintiffs' lawyers and the costs associated with administering the settlement. The lawyers for the Plaintiff and for the plaintiff outside Québec will be seeking to be paid a total of 25 % percent of the settlement fund as legal fees for the case. The amount remaining in the fund after those payments would be paid to class members.

WHO IS IN THE CLASS?

The Court has authorized the class pending approval of the settlement. The class is defined to include:

All persons resident in Québec who:

- (1) purchased goods or services using the payments system of PayPal CA Limited, PayPal Canada Co., PayPal Inc. and/or PayPal Holdings Inc. (collectively "PayPal") in a currency other than the currency in which the goods or services were offered for sale, and who made such a purchase on or before August 8, 2018; or
- (2) held an account with PayPal in Canada and who withdrew funds from their account that were converted to Canadian dollars before being transferred to the person's linked bank account or credit card on or before August 8, 2018.

If the settlement is not approved, PayPal will oppose authorization of the claim as a class action and the litigation will continue.

WHO GETS A PAYMENT UNDER THE PROPOSED SETTLEMENT?

Not all class members will be entitled to a payment under the proposed settlement. If the settlement is approved, Court-approved legal fees and administration costs will first be deducted. After those deductions, the amount remaining will be distributed on a *pro rata* basis to class members who meet the criteria of the "Active Group".

The Active Group will include class members who meet the following five criteria:

- (1) who are Canadian residents who purchased goods or services between January 14, 2017 and August 8, 2018, using PayPal in a currency other than the currency in which the goods or services were offered for sale;
- (2) who are PayPal accountholders;
- (3) whose PayPal accounts were still open as of August 2020;
- (4) who completed at least one transaction with their PayPal account between August 9, 2019 and January 1, 2021; and
- (5) whose PayPal accounts are not subject to any restrictions.

It is anticipated that the *pro rata* distribution of the settlement to the Active Group will be in the range of CAD \$1.85 per person, which will be deposited directly into their PayPal account.

I AM A CLASS MEMBER. WHAT ARE MY OPTIONS?

Class members do not need to take any action to remain part of the class. Class members also do not need to take any action to receive a payment. If the settlement is approved and the class member meets the criteria for payment, payments will automatically be put into those class members' PayPal accounts.

If a class member wants to assert their contentions regarding the settlement or opt out of the class, those options are set out below.

HOW DO I ASSERT MY CONTENTIONS REGARDING THE PROPOSED SETTLEMENT?

If you are a class member and want to assert your contentions regarding the settlement, you are required to submit your written contentions to the lawyers for the class so that it is received by **4 p.m.** on **February 23, 2021**. You can submit your contentions by email, fax, or mail at the contact information below. If you submit your contentions, the lawyers for the class will bring it to the attention of the Court. You may also participate in the hearing either personally or by retaining your own lawyer. However, any legal fees you incur will not be paid by the lawyers for the class or from the settlement fund.

To provide your contentions, you must send them in writing to:

Email: info@paypalclassaction.com
Fax: 514-935-2999– attn.: PayPal Class Action Contentions
Mail: Attn: PayPal Class Action Contentions
IMK LLP
3500 Boulevard de Maisonneuve O, Suite 1400
Montréal, QC H3Z 3C1

HOW DO I OPT OUT OF THE CLASS?

If you do not want to be part of the class, you must opt out in accordance with the settlement agreement. If you opt out, you will not be entitled to any payment from the settlement fund and you will not be bound by any decisions the Court makes in the case.

To opt out, you must send the court clerk of the Superior Court of Québec a duly signed request to opt-out of the class action that contains the following information:

1. The court file number of the class action: *Balabanian v. PayPal CA Limited et al.*, C.S.M. 500-06-000910-188
2. Your full name;
3. Your mailing address;
4. Your e-mail;
5. If you are a PayPal accountholder, the e-mail address associated with your PayPal account;
6. A statement that you wish to opt out of the class action.

The opt-out request must be sent to the court clerk of the Superior Court of Quebec by registered or certified mail before **4 p.m.** on **February 23, 2021**, to the following address:

Court Clerk of the Superior Court of Québec
Montréal Courthouse
1 Notre-Dame Street East, Room 1.120
Montréal QC H2Y 1B5

A copy of the opt-out request must also be sent to class counsel before **4 p.m. on February 23, 2021**, to the following coordinates:

Email: info@paypalclassaction.com
Fax: 514-935-2999– attn.: PayPal Class Action Opt Out
Mail: Attn: PayPal Class Action Opt Out
IMK LLP
3500 Boulevard de Maisonneuve O, Suite 1400
Montréal, QC H3Z 3C1

WHERE CAN I GET MORE INFORMATION ABOUT THE CASE AND THE PROPOSED SETTLEMENT?

Further information about the proposed settlement and the claim, including a copy of the settlement agreement, is available at www.paypalclassaction.com. You can also send an email to the lawyers for the class at info@paypalclassaction.com.

If there is a conflict between the provisions of this Notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

This notice has been approved by the Québec Superior Court.

SETTLEMENT AGREEMENT

Made as of ● ●, 2020

Between:

**LEONID KAPLAN
and
JENNIFER BALABANIAN**

(the Plaintiffs)

-and-

**PAYPAL CA LIMITED, PAYPAL CANADA CO., PAYPAL INC. and
PAYPAL HOLDINGS INC.**

(the Defendants)

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RECITALS

- A. WHEREAS the Plaintiff Leonid Kaplan commenced a proposed class action in the Ontario Superior Court of Justice on November 24, 2017 bearing Court file no. CV-17-587236-CP as against the Defendants (the "Ontario Action");
- B. WHEREAS the Plaintiff Jennifer Balabanian commenced a proposed class action in the Quebec Superior Court on February 28, 2018, bearing Court file no. 500-06-000910-188 as against the Defendants (the "Quebec Action");
- C. WHEREAS the Class Actions assert claims against the Defendants on behalf of the proposed Classes in relation to the Defendants' online currency conversion practices.
- D. WHEREAS the Defendants deny all the allegations asserted by the Plaintiffs in the Class Actions, and maintain that they have good and valid defences to the claims asserted therein;
- E. WHEREAS the Parties estimate that at least a further five years of litigation would be required to litigate this matter through contested motions for certification and authorization, and, if the Plaintiffs were successful, documentary productions, examinations for discovery, and a common issues trial (excluding appeals);
- F. WHEREAS the Parties participated in a two-day mediation with Max Mendelsohn on August 19-20, 2020, at the end of which they agreed to a binding agreement in principle to settle the Class Actions, and have continued arm's-length settlement discussions since the mediation to reach this Settlement Agreement;
- G. WHEREAS the Parties have agreed to enter into this Settlement Agreement in order to achieve an early full and final resolution of the Class Actions and to avoid the further expense, inconvenience and burdens of protracted litigation;
- H. WHEREAS the Defendants have agreed that, for the purposes only of effecting this settlement of the Class Actions, they will consent to certification of the Class Actions as class proceedings with the Plaintiffs appointed as the representative plaintiffs and Class Counsel appointed as class counsel;
- I. WHEREAS the Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on Class Counsel's analyses of the facts and law applicable to the Plaintiffs' claims asserted in the Class Actions, and having regard to the burdens and expense of prosecuting the Class Actions, including, in particular, the risks and uncertainties associated with certification and authorization, trials and appeals, and taking into account the likely maximum recovery for the Class weighed against those costs, risks, uncertainties and delays, the Plaintiffs and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Classes;

- J. WHEREAS the Plaintiffs and Class Counsel agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by, or evidence against the Defendants, or evidence of the truth of any of the Plaintiffs' allegations against the Defendants, and the Defendants agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by, or evidence against the Plaintiffs, or evidence of the truth or validity of any of the Defendants' defences or arguments against the Plaintiffs' claims; and
- K. WHEREAS the Parties therefore wish to, and hereby do, finally resolve the Class Actions and all Released Claims, as defined below, subject to the approval of this Settlement Agreement by the Ontario Superior Court of Justice and the Quebec Superior Court;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Class Actions shall be settled on the following terms and conditions:

ARTICLE I - DEFINITIONS

1.1 Definitions

The following terms, as used in this Agreement, including the Recitals, mean:

- (a) **Account** means an interest-bearing trust account with a Canadian financial institution under the control of the Defendants in which the Settlement Fund will be held in trust for the benefit of the Class Members until distributed pursuant to the Distribution Protocol.
- (b) **Active Group** or **Active Group Member** has the meaning provided in the Distribution Protocol (Schedule G);
- (c) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiffs, Class Counsel, the Claims Administrator, or otherwise, for the approval, implementation and operation of this Settlement Agreement including the costs, if any, of distribution of the Settlement Fund and the costs of notices to the Class, except for: (i) internal expenses of the Defendants to identify members of the Active Group and related inquiries and to distribute the Settlement Amount as provided in the Distribution Protocol; (ii) internal expenses of the Defendants to provide information to the Claims Administrator and/or Class Counsel to provide notices to the Class as provided in the Notice Plan; and (iii) Class Counsel Fees.
- (d) **Certification Order** means the anticipated orders of the Courts certifying and authorizing the Class Actions as class proceedings, as provided for as part of the First Order.

- (e) **Claims Administrator** means Epiq Class Actions Services Canada Inc. or such other entity or person appointed by the Court to administer this Settlement.
- (f) **Class** or **Classes** means the members of the classes as defined in the First Order in both the Ontario Action and the Quebec Action, but excludes any person who validly opts out following the First Order in accordance with the process provided under the First Order, and **Class Member** means any one thereof.
- (g) **Class Actions** means the proposed class proceeding commenced by the Plaintiff Leonid Kaplan in the Ontario Superior Court of Justice bearing Court File No. CV-17-587236-CP, and the proposed class proceeding commenced by the Plaintiff Jennifer Balabanian in the Quebec Superior Court bearing Court File No. 500-06-000910-188.
- (h) **Class Counsel** means Paliare Roland Rosenberg Rothstein LLP and IMK LLP.
- (i) **Class Counsel Fees** include the fees, disbursements, costs, interest, HST and other applicable taxes or charges of Class Counsel in respect of the prosecution of the Class Actions as approved by the Courts.
- (j) **Courts** means the Ontario Superior Court of Justice and the Quebec Superior Court, and **Court** means either one thereof.
- (k) **Defence Counsel** means McCarthy Tétrault LLP.
- (l) **Defendants** means PayPal Canada Co., PayPal CA Limited, PayPal Holdings Inc. and PayPal Inc., and **Defendant** means any one thereof.
- (m) **Distribution Protocol** means the plan for distributing the Settlement Fund and accrued interest to the Classes as approved by the Courts.
- (n) **Effective Date** means (i) the date upon which the ability to appeal from the last-rendered anticipated Second Order expires; or (ii) if any appeal is taken from either the Quebec Action or the Ontario Action Second Order, then the Effective Date shall be the date upon which any such appeal is concluded by way of a Final order.
- (o) **Final** when used in relation to a Court order means all rights of appeal from such order or judgment have expired or have been exhausted and that the ultimate court of appeal (or court of last resort) to which an appeal (if any) was taken has upheld such order.
- (p) **First Order** means the draft orders of the Courts, in the Ontario Action and the Quebec Action, granting the following relief: (1) the Courts' approval of the Notice of Hearing; (2) certifying the Ontario Action and authorizing the Quebec Action as class proceedings for the purposes of the settlement; and (3) the appointment of the Claims Administrator, which will be substantially in the form of **Schedule A** and **A1** hereto or as modified by the Courts.

- (q) **Fonds d'aide** means the *Fonds d'aide aux actions collective* created pursuant to the *Act respecting the Fonds d'aide aux actions collectives* (CQLR c F-3.2.0.1.1).
- (r) **Fund** means the Class Proceedings Fund established pursuant to the *Lazv Society Act*, R.S.O. 1990, c. L.8.
- (s) **Notice of Hearing** means the Notice of Hearing for Settlement Approval and Counsel Fee Approval, approved by the Courts, in the Ontario Action and the Quebec Action, to inform the Classes of: (1) the certification of the Ontario Action and the authorization of the Quebec Action as class proceedings for the purposes of the settlement; (2) the process by which Class Members may opt out; (3) the date of the hearing to approve this Settlement Agreement; (4) the key terms of this Settlement Agreement, which will be substantially in the form of **Schedules B** and **B1** hereto or as modified by the Courts; and (5) Class Counsel Fees.
- (t) **Notice of Court Order** means the Notice of Settlement Approval and Class Counsel Fee Approval as approved by the Courts, in the Ontario Action and the Quebec Action, to inform the Class Members of (1) the approval of this Settlement Agreement; (2) the approval of Class Counsel Fees; and (3) the process by which the Settlement Fund will be distributed, which will be substantially in the form of **Schedules C** and **C1** hereto, or as modified by the Courts.
- (u) **Parties**, when capitalized, means the signatories to this Settlement Agreement, being the Plaintiffs and the Defendants, and **Party** means any one thereof.
- (v) **Released Claims** means any and all manner of claims, complaints, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, damages of any kind whenever incurred, declaratory relief, liabilities of any nature whatsoever, including assigned claims, claims for injunction, contribution, indemnity, interest, costs, expenses, class administration expenses (including Administration Expenses), and lawyers' fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity, that the Releasers, or any of them, whether directly or indirectly, ever had, could have had, or now have relating to the Defendants' online currency conversion practices that were the subject matter of allegations in the Class Actions or that could have been the subject matter of allegations by or on behalf of the Releasers, or any of them, in the Class Actions.
- (w) **Releasees** means the Defendants and their respective predecessors, successors, parents, subsidiaries, affiliates and past and current officers, directors, employees, agents, shareholders and beneficiaries of any kind.
- (x) **Releasers** means, jointly and severally, individually and collectively, the Plaintiffs and the Class Members, and their respective successors, heirs, executors, administrators, trustees, assigns, devisees or representatives of any kind.

- (y) **Second Order** means the draft orders of the Courts at **Schedule E** and **E1** approving the terms of this Settlement Agreement.
- (z) **Settlement Agreement** means this agreement, including the recitals and Schedules.
- (aa) **Settlement Amount** means the all-inclusive amount of Ten Million Canadian Dollars (CDN \$10,000,000.00), payable by the Defendants, plus any interest earned on the Settlement Amount after it has been transferred to the Account pursuant to Article IV of this Settlement Agreement pending payment of the Settlement Fund pursuant to the Distribution Protocol and Administrator's Guidelines (**Schedule G**).
- (bb) **Settlement Fund** means the Settlement Amount less the amount approved by the Courts for Class Counsel Fees, any Administrator Expenses (including a reasonable estimate of the Administrator Expenses that will be required to up to the end of the distribution of the Settlement Fund), and the amount paid to the Fund.
- (cc) **Third Order** means the draft orders of the Courts at **Schedule F** and **F1** approving Class Counsel Fees.

ARTICLE II - BEST EFFORTS TO SECURE COURT APPROVAL

2.1 Best Efforts

The Parties shall use their best efforts to effectuate this Settlement Agreement and shall cooperate to seek and obtain the Courts' approval of this Settlement Agreement and all other matters addressed herein.

If the Defendants intend to seek a sealing order in respect of commercially-sensitive information to be included in the materials submitted on any of the motions contemplated under this Settlement Agreement, they will notify the Plaintiffs in advance and deliver a motion record which will include the evidentiary basis for the sealing order. The Plaintiffs will not oppose the order, unless they believe it would result in prejudice to the Class, in which instance they will provide their concerns to Defence Counsel in advance.

The Defendants will cooperate to provide information in a timely manner to Class Counsel that is reasonable and necessary for the Plaintiffs to seek and obtain court approval of this Settlement Agreement.

2.2 Court Approval Required for Enforceable Agreement

With the exception of those Articles expressly stated to survive termination of this Settlement Agreement, this Settlement Agreement shall be of no force or effect unless this Settlement Agreement is approved by the Courts.

ARTICLE III - SETTLEMENT APPROVAL

Subject to the direction of the Courts regarding the approval process, the Parties propose to seek the orders contemplated in this Settlement Agreement as follows. The Parties agree that the motions contemplated in this article may be conducted by videoconference, or by teleconference, as directed by the Courts.

3.1 Motions for Approval of Notice of Hearing

As soon as practicable after this Settlement Agreement is executed, Plaintiffs shall bring motions in both the Ontario Action and the Quebec Action for the Courts' approval of an order substantially in the form of the First Order at **Schedule A** and **A1** (being the draft orders approving the Notice of Hearing, certifying and authorizing the Class Actions as class proceedings, and Appointment of Claims Administrator). The Defendants will consent to these motions.

In the event that this Settlement is not approved by one or both of the Courts, the Plaintiffs will consent to Defendants' motions to decertify the Class Actions.

3.2 Motions for Approval

- (a) As soon as practicable after an order substantially in the form of the First Order is made, and the Notice of Hearing published, the Plaintiffs shall bring motions in both the Ontario Action and the Quebec Action for the Courts' approval of an order substantially in the form of the draft Second Order at **Schedule E** and **E1** (being the draft order approving this Settlement). The Defendants will consent to these motions, and the Fonds d'aide will be served with the motion in connection with the Quebec Action. The Parties waive any rights of appeal if the Second Order is granted by the Courts.
- (b) At the same time as the motions seeking an order substantially in the form of the Second Order at **Schedule E** and **E1**, Class Counsel will bring motions in both the Ontario Action and the Quebec Action for the Courts' approval of an order substantially in the form of the draft Third Order at **Schedule F** and **F1** (being the draft order approving Class Counsel Fees). The Defendants will not oppose these motions. The Parties waive any rights of appeal if the Third Order is granted by the Courts.
- (c) The Plaintiffs will provide draft copies of the motion materials to Defence Counsel before they are finalized. The Parties will work cooperatively to address any confidentiality or other reasonable concern raised by the Defendants prior to filing the motion materials. The Parties agree that the motion materials will include information from the Defendants regarding: the quantum of the Class' overcharge claim consistent with the information provided by the Defendants for the Parties' mediation, the size of the Class, the estimated number of Active Group Members, the reliability of information about PayPal accountholders, and the Defendants' foreign exchange practices.

Settlement Amount, and becomes part of the Settlement Fund, shall be paid out of the Settlement Fund by the Claims Administrator. The Defendants shall provide the Claims Administrator with all information reasonably required in order to fulfill all tax reporting and payment requirements arising from the Settlement Fund in the Account, including any obligation to report taxable income and make tax payments, and the Claims Administrator will make such payments and prepare such reports as required. All taxes (including interest and penalties) due with respect to the income earned on the Settlement Fund shall be paid from the Account and deducted from the Settlement Fund.

- (c) The Defendants shall have no responsibility to make any income tax filings relating to the Settlement Fund and will have no responsibility to pay tax on any income earned by the Settlement Amount after it has been transferred to the Account, or on the Settlement Fund or pay any taxes on the monies in the Account, unless this Settlement Agreement is terminated, in which case the interest earned on the Settlement Amount, including on the Settlement Fund, shall be paid to the Defendants, and in such case, each Defendant shall be responsible for the payment of all taxes on its proportionate share of such interest.

ARTICLE V - DISTRIBUTION OF THE SETTLEMENT FUND

5.1 Distribution Protocol

The Distribution Protocol is part of this Settlement Agreement and will be subject to approval as part of the motions seeking Court approval of the Second Order. The Distribution Protocol is set out at **Schedule G** hereto.

5.2 No responsibility for External Administration Fees

The Defendants acknowledge that they may incur internal expenses to identify the Active Group Members and to distribute the Settlement Fund to Class Members pursuant to the Distribution Protocol and to provide information to the Claims Administrator and Class Counsel to provide notices to Class Members pursuant to the Notice Plan. However, the Defendants will not be required to incur any external Administration Fees in connection with the Distribution Protocol.

5.3 Fonds d'aide

The Parties agree that the Settlement Agreement is subject to the *Act respecting the Fonds d'aide aux actions collectives*, C.Q.L.R., c. F-3.2.0.1.1, the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, C.Q.L.R., c. F-3.2.0.1.1.r.2 and the *Code of Civil Procedure*, C.Q.L.R., c. C-24.01.

5.4 Rendering of Account and Closing Judgment

- (a) The Defendants will provide monthly progress reports to the Claims Administrator by e-mail regarding the number of payments completed in the context of the distribution of the Settlement Fund.

- (b) Within ninety (90) days following the completion of the distribution of the Settlement Fund in accordance with the Distribution Protocol, the Claims Administrator will confirm the following (the “**Rendering of Account**”) in a report:
 - (i) The number of Class Members in the Ontario Action who were paid out of the Settlement Fund;
 - (ii) The amount distributed to Class Members in the Ontario Action;
 - (iii) The number of Class Members in the Quebec Action who were paid out of the Settlement Fund;
 - (iv) The amount distributed to each Class Member in the Quebec Action; and
 - (v) The balance, if any, remaining from the Settlement Fund.
- (c) If any balance pursuant to article 5.4(b)(v) remains, it will be returned to the Account and distributed entirely to the Fonds d’aide in respect of Quebec and to the Law Foundation of Ontario in respect of the rest of Canada. The formula for such payment will be 20% to the Fonds d’aide and 80% to the Law Foundation of Ontario.
- (d) Within 30 days after the Rendering of Account, the Plaintiff with the assistance of the Claims Administrator shall file with the Quebec Court an application to obtain a closing judgment approving the distribution of the Settlement Amount with respect to the Quebec Action. The application will be served on the Defendants and the Fonds d’aide. The Plaintiff with the assistance of the Claims Administrator shall also report back to the Ontario Court with respect to the distribution, if required by the Ontario Court.

ARTICLE VI - TERMINATION OF SETTLEMENT AGREEMENT

6.1 Right of Termination

- (a) The Defendants shall have the option to terminate this Settlement Agreement in the event that:
 - (i) the Plaintiffs breach any material terms of this Settlement Agreement;
 - (ii) A Court declines to issue an order substantially in the form of the Second Order, to approve any material part of the Settlement Agreement, or requires a material change to the Settlement Agreement as a pre-condition to approval;
 - (iii) A Court issues an order substantially in the form of the Second Order, but it does not become Final or is materially altered on appeal; or

- (iv) 10% or more of the Class in the Class Actions (i.e. the Quebec Action and Ontario Action combined) opt out of the Class Actions.
 - (v) Class members representing 10% or more of the volume of transactions of the Class in the Class Actions (i.e. the Quebec Action and Ontario Action combined) opt out of the Class Actions.
- (b) The Plaintiffs and Class Counsel, collectively but not separately, shall have the option to terminate the Settlement Agreement in the event that:
- (i) The Defendants breach any material terms of this Settlement Agreement;
 - (ii) A Court declines to issue an order substantially in the form of the Second Order, or to approve of any material part of the Settlement Agreement or requires a material change to the Settlement Agreement as a pre-condition to approval; or
 - (iii) A Court issues an order substantially in the form of the Second Order, but the Order is materially altered on appeal.
- (c) If the Defendants elect to terminate the Settlement Agreement pursuant to Article 6.1(a), or the Plaintiffs together with Class Counsel elect to terminate the Settlement Agreement pursuant to Article 6.1(b), a written notice of termination shall be provided by the terminating Party(s) to the other Party(s) forthwith, and, in any event, no later than 10 business days after the event upon which the terminating Party relies. Upon delivery of such written notice, this Settlement Agreement shall be terminated and, except as provided for in Articles 6.2 and 6.3, and the related Definitions in Article I, it shall be null and void and have no further force or effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any Released Claims, including but not limited to any motion for certification or authorization of the class or trial on the merits, except with the written consent of all Parties or as otherwise required by a Court.
- (d) Any order, ruling or determination made by a Court with respect to the Class Counsel's Fees shall not be a material modification of this Settlement Agreement and shall not constitute a basis for the termination of this Settlement Agreement.

6.2 If Settlement Agreement is Terminated

If this Settlement Agreement is terminated:

- (a) Any step taken by the Defendants or the Plaintiffs in the Class Actions in relation to this Settlement Agreement shall be without prejudice to any position that the Parties may later take in respect of any procedural or substantive issues in the Class Actions; and

- (b) Any order made by a Court pursuant to this Settlement Agreement shall be set aside or vacated on the consent of the Parties, except to the limited extent of the provisions of the First Order dealing with the publication of the Notice of Hearing, if the Notice of Hearing has already been published.

6.3 Allocation of Monies in the Account Following Termination

If the Settlement Agreement is terminated after the Settlement Amount has been transferred to the Account, the Settlement Amount shall be returned to the Defendants, including accrued interest, but less:

- (a) The amount of any income taxes paid or owing in respect of any interest earned on the Settlement Amount while on deposit in the Account; and
- (b) Any Administration Expenses that have been actually incurred as at the date of termination, including costs associated with any Notices, including translation expenses, and the estimated costs of Administration Expenses to be incurred to provide notice to the Class that the Settlement Agreement has been terminated, if such notice is required by the Courts, as well as costs associated with the Claims Administrator.

ARTICLE VII - RELEASES AND DISMISSALS

7.1 Release of Releasees

Subject to termination of this Settlement Agreement, upon the transfer of the Settlement Amount into the Account pursuant to article 4.1(a), and in consideration of the payment of the Settlement Amount and for other valuable consideration set forth in this Settlement Agreement, the Releasers shall forever and absolutely release the Releasees from the Released Claims.

7.2 No Further Claims

The Releasers shall not now, nor hereafter institute, continue, maintain, or assert, either directly or indirectly, on their own behalf or on behalf of any class or any other person, any Released Claim against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim.

ARTICLE VIII - EFFECT OF SETTLEMENT

8.1 No Admission of Liability

Whether or not this Settlement Agreement is approved or terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions, and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed, or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by any of the Releasees, or of the truth of any claims or allegations contained in the Class Actions or any other allegation made by the Plaintiffs or the Class in any forum or context. The Releasees deny any liability and deny the truth of the allegations made against them. If the Settlement is not approved, they will

defend the Class Actions and oppose certification/authorization of the actions as a class proceeding.

8.2 Agreement Not Evidence

The Parties agree that, whether or not it is approved or terminated, this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions, and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be referred to, offered as evidence, or received in evidence in any pending or future civil, criminal, or administrative action or other proceeding, except in a proceeding to approve or enforce this Settlement Agreement or in connection with the other motions contemplated in this Settlement Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law, or with the written consent of all Parties.

ARTICLE IX- NOTICE TO CLASS

9.1 Notice Required

The Classes shall be given the following notices in both the Ontario Action and the Quebec Action, subject to approval by the Courts:

- (a) Notice of Hearing both in the Ontario Action (**Schedule B**) and in the Quebec Action (**Schedule B1**);
- (b) Notice of Court Order both in the Ontario Action (**Schedule C**) and in the Quebec Action (**Schedule C1**); and
- (c) Notice of termination of this Settlement Agreement if it is terminated pursuant to this Settlement Agreement, or as otherwise ordered by a Court in a form to be agreed upon by the Parties and approved by the Courts or, if the Parties cannot agree on the form of the notice of termination of the Settlement Agreement, then in the form ordered by the Courts.

9.2 Costs of Disseminating Notice

The costs of disseminating each Notice shall be paid from the Settlement Amount, regardless of whether the Settlement is approved by the Courts or the Settlement Agreement is terminated.

9.3 Method of Disseminating Notices

The Notices required under Article 9.1 shall be disseminated pursuant to the Notice Plan attached as **Schedule D** as approved by the Courts or in a manner otherwise ordered by the Courts.

ARTICLE X- CLASS COUNSEL AND ADMINISTRATION FEES

10.1 Counsel Fees

- (a) Class Counsel will seek the Courts' approval of Class Counsel Fees and that the Class Counsel Fees, Administration Expenses, and payment to the Fund shall be paid from the Settlement Amount as outlined in Article 4.1(e). The Defendants will not oppose Class Counsel's motion for approval of the Class Counsel Fees.

10.2 Administration Expenses

The Defendants shall not be liable for any fees, disbursements or taxes of the lawyers, experts, advisors, agents, or representatives of Class Counsel, the Plaintiffs or the Class, in respect of the administration of this settlement, all of which shall be paid from the Settlement Amount, as approved by the Court.

ARTICLE XI- MISCELLANEOUS

11.1 Motions for Directions

- (a) The Plaintiffs, Defendants, or the Claims Administrator may bring motions to the Courts for directions in respect of the implementation and administration of this Settlement Agreement at any time.
- (b) All motions contemplated by this Settlement Agreement shall be on reasonable notice to the Parties.

11.2 Headings, etc.

In this Settlement Agreement:

- (a) The division of the Settlement Agreement into articles and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and
- (b) The terms "this Settlement Agreement", "hereof", "hereunder", "herein", and similar expressions refer to this Settlement Agreement and not to any particular article or other portion of this Settlement Agreement.

11.3 Computation of Time

In the computation of time in this Settlement Agreement, except where a contrary intention appears:

- (a) Where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and

- (b) Only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

11.4 Governing Law

This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and Canada, except that mandatory provisions of Quebec law apply to the Quebec Action.

11.5 Entire Agreement

This Settlement Agreement constitutes the entire agreement among the Parties, and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding or agreement in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Settlement Agreement, unless expressly incorporated herein.

11.6 Amendments

This Settlement Agreement may not be modified or amended except in writing and on consent of the Plaintiffs and the Defendants, subject approval by the Courts where required.

11.7 No Waiver

No waiver of any provision of this Settlement Agreement will be binding unless consented to in writing by the Parties. No waiver of any provision of this Settlement Agreement will constitute a waiver of any other provision.

11.8 Binding Effect

This Settlement Agreement shall be binding upon and inure to the benefit of the Plaintiffs, the Class Members, the Defendants, the Releasors, and the Releasees once it is approved by a Final order of the Courts, except that the Parties are required to perform their obligations under this Settlement Agreement prior to the motions for approval of this Settlement Agreement. Without limiting the generality of the foregoing, each and every covenant and agreement made by the Plaintiffs shall be binding upon all Releasors, once it is approved by Final order of the Courts.

11.9 Counterparts

This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile or PDF signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

11.10 Negotiated Agreement

This Settlement Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any

provision to be construed against the drafter of this Settlement Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of this Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Settlement Agreement.

11.11 Language

The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; *les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.*

11.12 Recitals

The Recitals to this Settlement Agreement are true and form part of the Settlement Agreement.

11.13 Schedules

The Schedules annexed hereto form part of this Settlement Agreement and are, for both the Ontario Action and the Quebec Action:

- (a) **Schedule A** – Draft First Order in the Ontario Action (the draft order approving the Notice of Hearing and certifying the Class Action as a class proceeding).

Schedule A1 – Draft First Order in the Quebec Action (the draft order approving the Notice of Hearing and certifying and authorizing the Class Action as a class proceeding).

- (b) **Schedule B** – Notice of Hearing in the Ontario Action

Schedule B1 – Notice of Hearing in the Quebec Action

- (c) **Schedule C** - Notice of Court Order in the Ontario Action

Schedule C1 - Notice of Court Order in the Quebec Action

- (d) **Schedule D** – Notice Plan

- (e) **Schedule E** - Draft Second Order in the Ontario Action (the draft order approving this Settlement Agreement)

Schedule E1 - Draft Second Order in the Quebec Action (the draft order approving this Settlement Agreement)

- (f) **Schedule F** - Draft Third Order in the Ontario Action (the draft order approving Class Counsel Fees)

Schedule F1 - Draft Third Order in the Quebec Action (the draft order approving Class Counsel Fees)

(g) **Schedule G – Distribution Protocol and Administrator's Guidelines**

11.14 Acknowledgements

Each of the Parties hereby affirms and acknowledges that:

- (a) He, she, or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood the Settlement Agreement;
- (b) The terms of this Settlement Agreement and the effects thereof have been fully explained to him, her, or the Party's representative by his, her or its counsel;
- (c) He, she, or the Party's representative fully understands each term of the Settlement Agreement and its effect; and
- (d) No Party has relied upon any statement, representation, or inducement (whether material, false, negligently made or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement.

11.15 Authorized Signatures

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement.

11.16 Notice

Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representatives for the Party to whom notice is being provided, as identified below:

For the Plaintiffs and for Class Counsel:

IMK LLP

3500 Boulevard de Maisonneuve O
Suite 1400
Westmount, QC H3Z 3C1

David Grossman

Telephone: 514-934-7730
Facsimile: 514-935-2999
Email: dgrossman@imk.ca

- and -

**Paliare Roland Rosenberg Rothstein LLP
Professional Corporation**

155 Wellington St W

35th Floor
Toronto, ON M5V 3H1

Odette Soriano

Telephone: 416-646-4306
Facsimile: 416-646-4301
Email: Odette.soriano@paliareroland.com

For the Defendants and Defence Counsel:

McCarthy Tétrault LLP

Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto ON M5K 1E6

Christine L. Lonsdale

Telephone: 416-601-8019
Facsimile: 416-868-0673
Email: clonsdale@mccarthy.ca

- and -

PayPal Inc.

Attn: Legal Department
2211 North First Street
San Jose, CA 95131

James Lindfelt

Email: jlindfelt@paypal.com

- and -

PayPal Canada Co.

Attn: Legal Department
661 University Avenue, Suite 506
Toronto ON M5G 1M1

Jason Young

Email: jasyoung@paypal.com

Date of Execution

The Parties have executed this Settlement Agreement effective as of the date on the cover page.

Dated at Toronto this 4th day of December, 2020



LEONID KAPLAN

Plaintiff

Dated at Toronto this _____ day of _____, 2020



JENNIFER BALABANIAN

Plaintiff

Dated at Toronto this _____ day of _____, 2020



PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

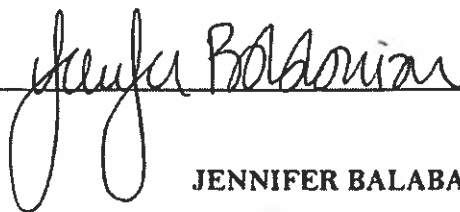
Lawyers for the Plaintiffs, Leonid Kaplan and Jennifer Balabanian

Dated at Toronto this _____ day of _____, 2020

LEONID KAPLAN

Plaintiff

Dated at Toronto this 3 day of December, 2020



JENNIFER BALABANIAN

Plaintiff

Dated at Toronto this _____ day of _____, 2020

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Lawyers for the Plaintiffs, Leonid Kaplan and Jennifer Balabanian

Dated at Montreal this _____ day of _____, 2020

Date of Execution

The Parties have executed this Settlement Agreement effective as of the date on the cover page.

Dated at Toronto this _____ day of _____, 2020

LEONID KAPLAN

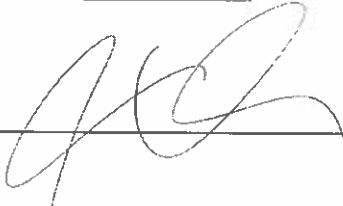
Plaintiff

Dated at Toronto this _____ day of _____, 2020

JENNIFER BALABANIAN

Plaintiff

Dated at Toronto this 3rd day of November, 2020



PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Lawyers for the Plaintiffs, Leonid Kaplan and Jennifer Balabanian

Dated at Montreal this 3 day of December, 2020

IMK LLP

IMK LLP

Lawyers for the Plaintiff, Jennifer Balabanian

Dated at Toronto this ____ day of _____, 2020

Jason Young
Head of Legal & Co Secretary

"I have authority to bind the corporations."

PAYPAL CA LIMITED and PAYPAL CANADA CO.

Defendants

Dated at San Jose, CA this ____ day of _____, 2020

Brian Yamasaki
VP, Corporate Legal and Secretary

"I have authority to bind the corporations."

PAYPAL INC. and PAYPAL HOLDINGS INC.

Defendants

Dated at Montreal this _____ day of _____, 2020

IMK LLP

Lawyers for the Plaintiff, Jennifer Balabanian

12/4/2020

Dated at Toronto this _____ day of _____, 2020

DocuSigned by:
Jason Young
8BF009FB72D54C4

Jason Young
Head of Legal & Co Secretary

"I have authority to bind the corporations."

PAYPAL CA LIMITED and PAYPAL CANADA CO.

Defendants

12/4/2020

Dated at San Jose, CA this _____ day of _____, 2020

DocuSigned by:
Brian Yamasaki
187384C41274482

Brian Yamasaki
VP, Corporate Legal and Secretary

"I have authority to bind the corporations."

PAYPAL INC. and PAYPAL HOLDINGS INC.

Defendants



ANNEXE D

PLAN DE DIFFUSION

A. AVIS D'AUDIENCE

Avis aux Membres du Groupe

1. Les Avocats du Groupe publieront une mise à jour sur leur site web pour cette action collective (www.paypalclassaction.com) afin d'y afficher l'Avis d'Audience (versions anglaise et française) (**Annexes B et B1**).
2. Les Avocats du Groupe fourniront une copie de l'Avis d'Audience (**Annexes B et B1**) par courrier électronique à tous les membres putatifs du Groupe qui les ont contactés.
3. Les Avocats du Groupe publieront un communiqué de presse dont le contenu sera essentiellement similaire aux informations figurant aux **Annexes B et B1**.
4. Les Avocats du Groupe publieront l'Avis d'Audience pour l'Action de l'Ontario (**Annexe B**) sous forme d'annonce dans le National Post, et l'Avis d'Audience pour l'Action du Québec en français (**Annexe B1**) dans La Presse.

B. AVIS DE RÈGLEMENT D'ACTION COLLECTIVE

Liste des Membres du Groupe

5. Les Défendeurs prépareront une liste des noms complets et des adresses électroniques associés aux comptes PayPal des Membres du Groupe qui répondent aux critères du Groupe Actif (la « **Liste des Membres du Groupe Actif** ») tels que définis dans le Protocole de Distribution. Les Défenderesses fourniront la Liste des Membres du Groupe Actif aux Avocats du Groupe et à l'Administrateur des Réclamations dans les 7 jours suivants le Deuxième Jugement (le jugement approuvant la présente Entente de Règlement). AUCUNE OBLIGATIONS DE COMMUNIQUER DIRECTEMENT AVEC LES MEMBRES?

Autres formes de notification

6. Les Avocats du Groupe publieront une mise à jour sur leur site web

pour cette action collective afin de publier l'Avis de règlement d'action collective (**Annexes C et C1**) et l'Entente de Règlement signée.

7. Les Avocats du groupe publieront un communiqué de presse dont le contenu sera substantiellement similaire aux informations figurant aux **Annexes C et C1**.

8. Les Avocats du Groupe publieront l'Avis de Règlement d'action collective pour l'Action de l'Ontario (**Annexe C**) sous forme d'annonce dans le National Post, et l'Avis de Règlement d'action collective pour l'Action du Québec en français (**Annexe C1**) dans La Presse.

Avis de paiement

9. Lorsque PayPal effectuera un paiement à un Membre du Groupe conformément au Protocole de Distribution, PayPal affichera une note sur le compte du Membre du Groupe indiquant que le paiement est effectué dans le cadre d'un règlement d'une action collective.

SCHEDULE D

NOTICE PLAN

A. NOTICE OF HEARING

Notice to Class

1. Class Counsel will post an update to their firm website for this action (www.paypalclassaction.com) posting the Notice of Hearing (English and French versions) (**Schedules B and B1**).
2. Class Counsel will provide a copy of the Notice of Hearing (**Schedules B and B1**) by email to all interested putative Class members who have contacted them.
3. Class Counsel will publish a press release substantially similar in content to the information set out in **Schedules B and B1**.
4. Class Counsel will publish the Notice of Hearing in the Ontario Action (**Schedule B**) as an advertisement in the **National Post**, and the Notice of Hearing in the Quebec Action in French (**Schedule B1**) in **La Presse**.

B. NOTICE OF SETTLEMENT APPROVAL ORDER

Class Members List

5. The Defendants will prepare a list of the full names and e-mail addresses associated with the PayPal accounts of Class members who meet the criteria of the Active Group (the "**Active Group Member List**") as defined in the Distribution Protocol. The Defendants will provide the Active Group Members List to Class Counsel and the Claims Administrator within 7 days of the Second Order (the order approving this Settlement Agreement).

Other Forms of Notice

6. Class Counsel will post an update to their firm websites for this action posting the Notice of Court Order (**Schedules C and C1**) and the executed Settlement Agreement on its website.
7. Class Counsel will publish a press release substantially similar in content to the information set out in **Schedules C and C1**.

8. Class Counsel will publish the Notice of Court Order in the Ontario Action (**Schedule C**) as an advertisement in the **National Post**, and the Notice of Court Order in the Quebec Action in French (**Schedule C1**) in **La Presse**.

Notice of Payments

9. When PayPal makes a payment to a Class Member pursuant to the Distribution Protocol, PayPal will put a notation in the Class Member's account indicating that the payment is made in respect of a class action settlement.

ANNEXE G

PROTOCOLE DE DISTRIBUTION

1. Le Fonds de Règlement sera distribué au prorata aux Membres du Groupe qui répondent aux critères du Groupe Actif énoncés au paragraphe 2.
2. Un Membre du Groupe est un Membre du Groupe Actif s'il satisfait aux cinq critères suivants :
 - a. Une personne résidant au Canada qui a acheté des biens ou des services entre le 14 janvier 2017 et le 8 août 2018, en utilisant le système de paiement des Défenderesses dans une devise autre que celle dans laquelle les biens ou les services ont été mis en vente;
 - b. qui est titulaire d'un compte PayPal;
 - c. dont le compte PayPal était encore ouvert en août 2020;
 - d. qui a effectué au moins une transaction avec son compte PayPal entre le 9 août 2019 et le 1er janvier 2021 ; et
 - e. dont le compte n'est pas restreint à la date du paiement.
3. Les Défenderesses identifieront les Membres du Groupe Actif en utilisant les registres de PayPal et en appliquant les critères du paragraphe 2.
4. Les Défenderesses créeront une liste des Membres du Groupe Actif qui contiendra les informations suivantes :
 - a) Nom complet ; et
 - b) Adresse électronique.
5. La liste des Membres du Groupe Actif sera fournie aux Avocats du Groupe et à l'Administrateur des Réclamations dans les sept (7) jours suivants le Deuxième Jugement (jugement approuvant la présente Entente de Règlement).
6. Chaque Membre du Groupe Actif aura droit à une part égale du Fonds de Règlement (le « montant au prorata »). Le montant au prorata sera déterminé en divisant le Fonds de Règlement par le nombre de Membres du Groupe Actif. Le montant au prorata est actuellement estimé à 1,85 \$ CA.
7. Dans les 14 jours suivant le transfert du Montant du Règlement dans le Compte, PayPal commencera la distribution du Fonds de Règlement en déposant le montant au prorata directement dans les comptes PayPal des Membres du Groupe Actif. PayPal a commencé les préparatifs de ce processus à la date à laquelle les parties ont signé l'Entente de Règlement. PayPal aura recours à une équipe désignée pour

compléter la distribution aussitôt que raisonnablement possible, bien qu'il soit anticipé que cette distribution puisse prendre plusieurs mois.

8. Conformément à l'article 5.4(a) de l'Entente de Règlement, PayPal fournira des rapports mensuels de progression par courriel à l'Administrateur des Réclamations et aux Avocats du Groupe concernant le nombre de paiements effectués et les montants distribués.
9. Il est convenu et entendu que les montants déposés dans les comptes PayPal des Membres du Groupe Actif pourront être utilisés par les Membres du Groupe Actif comme ils le souhaitent et que ces montants ne reviendront pas à PayPal. PayPal s'engage à ne pas introduire ou modifier une politique ou une pratique qui pourrait entraîner la remise des montants à PayPal pendant une période de 36 mois suivant la fin de la distribution.
10. Soixante (60) jours après que le dernier paiement aura été effectué par les Défenderesses aux Membres du Groupe Actif, tout montant restant dans le Fonds de Règlement sera payé comme suit par les Défenderesses :
 - a) 20% au Fonds d'aide des actions collectives du Québec;
 - b) 80% à la Fondation du droit de l'Ontario.
11. Conformément à l'article 5.4(b) de l'Entente de Règlement, dans les quatre-vingt-dix (90) jours suivant la distribution du Fonds de Règlement conformément au Protocole de Distribution, l'Administrateur des Réclamations confirmera ce qui suit (la « Reddition de compte ») dans un rapport :
 - a) Le nombre de Membres du Groupe dans l'Action de l'Ontario qui ont reçu de l'argent du Fonds de Règlement;
 - b) Le montant distribué aux Membres du Groupe dans le cadre de l'Action de l'Ontario;
 - c) Le nombre de Membres du Groupe dans l'Action du Québec qui ont reçu de l'argent du Fonds de Règlement;
 - d) Le montant distribué à chaque Membre du Groupe dans l'action au Québec ; et
 - e) le cas échéant, le solde du Fonds de Règlement.

SCHEDULE G

DISTRIBUTION PROTOCOL

1. The Settlement Fund will be distributed pro rata to Class Members who meet the criteria of the Active Group set out in paragraph 2.
2. A Class Member is a member of the Active Group if they satisfy the following criteria:
 - a. Person who are Canadian residents who purchased goods or services between January 14, 2017 and August 8, 2018, using the Defendants' payment system in a currency other than the currency in which the goods or services were offered for sale;
 - b. who are PayPal accountholders;
 - c. whose account was still open as of August 2020;
 - d. who completed at least one transaction with their PayPal account between August 9, 2019 and January 1, 2021; and
 - e. whose account is not restricted as of the date of payment.
3. The Defendants will identify the members of the Active Group using PayPal's records and applying the criteria in paragraph 2.
4. The Defendants shall create an Active Group Member List which will contain the following information:
 - a. Full name; and
 - b. Email address.
5. The Active Group Member List will be provided to Class Counsel and the Claims Administrator within seven (7) days of the Second Order (the order approving this Settlement Agreement).
6. Each Active Group Member will be entitled to an equal share of the Settlement Fund (the "pro rata amount"). The pro rata amount will be determined by dividing the Settlement Fund by the number of Active Group Members, and is currently estimated to be in the range of CAD \$1.85.
7. Within 14 days after the Settlement Amount is transferred into the Account, PayPal will commence the distribution of the Settlement Fund on a pro rata basis by depositing the Amount directly into Active Group Members' PayPal accounts. PayPal has begun preparations for this process as of the date on which the Parties executed the Settlement Agreement. PayPal will engage a designated team to

complete the distribution as soon as reasonably possible, though it is anticipated that this process will require several months.

8. As per Article 5.4(a) of the Settle Agreement, PayPal will provide monthly progress reports by email to the Claims Administrator and class counsel regarding the number of payments completed and amounts distributed.
9. It is agreed and understood that the Amounts deposited in the Active Group Members' PayPal accounts will be available for the Active Group Member to use as they see fit and will not revert to PayPal. PayPal undertakes to not introduce or modify any policy or practice that could result in reversion of the Amounts to PayPal for a period of 36 months following the completion of the distribution.
10. Sixty (60) days after the last payment has been made by the Defendants to Active Group Members, the Defendants shall pay any amount remaining in the Settlement Fund as follows:
 - a. 20% to the Fonds d'aide;
 - b. 80% to the Law Foundation of Ontario.
11. As per Article 5.4(b) of the Settle Agreement, within ninety (90) days following the distribution of the Settlement Fund in accordance with the Distribution Protocol, the Claims Administrator will confirm the following (the "**Rendering of Account**") in a report:
 - a. The number of Class Members in the Ontario Action who were paid out of the Settlement Fund;
 - b. The amount distributed to Class Members in the Ontario Action;
 - c. The number of Class Members in the Quebec Action who were paid out of the Settlement Fund;
 - d. The amount distributed to each Class Member in the Quebec Action; and
 - e. The balance, if any, remaining from the Settlement Fund.