

NOTICE OF AUTHORIZATION OF A NATIONAL CLASS ACTION
AND OF A SETTLEMENT APPROVAL HEARING
AUTHORIZED BY THE SUPERIOR COURT OF QUEBEC

If you bought a ticket from Air Canada for a child under 16 years old on the date of the flight for a flight departing from the United Kingdom, you may be a member of a class action.

On May 11, 2021, Mr. Itzkovitz (the “**Representative Plaintiff**”) filed an *Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff* (the “**Application for Authorization**”) against Air Canada regarding the purchase of tickets for travel to or from the United Kingdom with Air Canada and the Air Passenger Duty (the “**APD**”) charged on a ticket for a child under 16 years old on the date of the flight. The Representative Plaintiff alleged that Air Canada unlawfully collected the APD, specifically for passengers under 16 years old for flights to and from the United Kingdom. Air Canada denies these allegations and any wrongdoing, and no court has concluded that there was any wrongdoing by Air Canada.

The parties have reached a settlement before the class action was authorized and without any admission of liability on the part of Air Canada. This settlement is subject to the approval of the Superior Court of Quebec. The settlement approval hearing will take place on **December 16, 2022, at 9:30 a.m.**, in room 2.08 of the Montreal Courthouse.

The judgment authorizing this class action and the proposed settlement may affect your rights, whether you take action or not. Please read this notice carefully.

Your Rights Regarding This Class Action:	
DO NOTHING	If you are a class member and you agree with the purpose of this class action and the proposed settlement, you have nothing to do to participate in this class action if you have already received a notice by email from Air Canada. If you did <u>not</u> receive a notice by email from Air Canada, please contact the Settlement Administrator as indicated below in Section 13.
OPT OUT	If you opt out, you will not receive any payment if the settlement is approved by the Court. This option allows you to pursue your own lawsuit against Air Canada regarding the purchase of a ticket from Air Canada for a child under 16 years old on the date of the flight for a flight departing from the United Kingdom.
OBJECT	If you disagree with the proposed settlement, you can object to it and your objection will be considered by the Court when deciding whether to approve the settlement.

INTERVENE	As a class member, you have the right to intervene in the present class action in the manner provided by law. No class member other than the Representative Plaintiff or an intervenor may be required to pay legal costs arising from the class action.
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These rights – **and the deadline for exercising them** – are explained in this notice.

QUESTIONS?

Contact the Settlement Administrator or Class Counsel at:

Settlement Administrator

Air Passenger Duty
Velvet Payments Inc.
5900 Andover Ave. Suite 1
Montreal, Quebec H4T 1H5
Email: apd@velvetpayments.com
Telephone: 1-888-770-6892

Class Counsel

Mtre. Joey Zukran
LPC Avocat Inc.
276 Saint-Jacques Street, Suite 801
Montreal, Quebec, Canada H2Y 1N3
Telephone: 514 379-1572
Email: jzukran@lpclex.com

Mtre. Michael Vathilakis
Renno Vathilakis Inc.
145 St-Pierre Street, Suite 201
Montreal, Quebec, Canada H2Y 2L6
Telephone: 514 937-1221
Email: mvathilakis@renvath.com

or visit <https://velvetpayments.com/airpassengerduty/> and <https://lpclex.com/airpassengerduty/>

THE CLASS ACTION

1. What is the purpose of this notice?

On May 11, 2021, the Representative Plaintiff filed the Application for Authorization against Air Canada. Since then, the parties have reached a settlement before the class action was authorized.

On September 22, 2022, the Representative Plaintiff presented the Court with an application to authorize the proposed class action for settlement purposes only. On September 29, 2022, the Court authorized the Representative Plaintiff to institute a class action in the judicial District of Montreal on behalf of the class members against Air Canada, for settlement purposes only.

The Court has not taken a position as to the truth or merits of the claims or defences asserted by either side. The allegations made by the Representative Plaintiff have not been proven in Court.

This notice explains how the class action works, who the class members are, and their rights.

2. What is a class action?

It is a legal procedure instituted by an individual called the “Representative Plaintiff” on behalf of everyone with similar claims, called the “class”. A class action allows the Court to rule on the dispute regarding all class members, except for those who choose to opt out.

3. What is this class action about?

The Application for Authorization asserted claims for the alleged unlawful collection of the ADP from class members for flights to and from the United Kingdom, specifically for passengers under 16 years old on the date of the flight.

Air Canada denies any wrongdoing, and no court has concluded there was any wrongdoing by Air Canada.

This class action is an action in damages and injunctive relief.

THE CLASS MEMBERS

4. Who is a class member?

You are a class member if you are a Canadian resident who purchased an economy class ticket from Air Canada during the Class Period (as defined below) for a flight departing from the United Kingdom and who was charged the APD for a passenger under 16 years of age on the date of the flight actually taken.

“Class Period” means:

- (1) For the Alberta residents: February 25, 2019, up to and including the date of May 15, 2021.
- (2) For the British Columbia residents: May 11, 2018, up to and including the date of May 15, 2021.
- (3) For the Manitoba residents: March 1, 2016, up to and including the date of May 15, 2021.
- (4) For the New Brunswick residents: November 11, 2018, up to and including the date of May 15, 2021.
- (5) For the Newfoundland and Labrador residents: November 11, 2018, up to and including the date of May 15, 2021.
- (6) For the Northwest Territories residents: March 1, 2016, up to and including the date of May 15, 2021.
- (7) For the Nova Scotia residents: May 11, 2019, up to and including the date of May 15, 2021.
- (8) For the Nunavut residents: March 1, 2016, up to and including the date of May 15, 2021.
- (9) For the Ontario residents: November 9, 2018, up to and including the date of May 15, 2021.
- (10) For the Prince Edward Island residents: March 1, 2016, up to and including the date of May 15, 2021.
- (11) For the Quebec residents: November 22, 2017, up to and including the date of May 15, 2021.
- (12) For the Saskatchewan residents: May 11, 2019, up to and including the date of May 15, 2021.
- (13) For the Yukon residents: March 1, 2016, up to and including the date of May 15, 2021.

However, those who had their ticket previously refunded or credited by Air Canada **are excluded from the class**.

If you received a notice by email, this means that you are a member of the class action. If you did not receive a notice by email but think that you could be a class member, you can contact the Settlement Administrator at <https://velvetpayments.com/airpassengerduty/> to verify if you are a member of the class action.

5. How do I participate in this class action?

If you are a class member and agree with this class action against Air Canada and the proposed settlement, you have nothing to do to participate in this class action if you have already received

a notice by email from Air Canada. If you did not receive a notice by email from Air Canada, please contact the Settlement Administrator as indicated below in Section 13.

SETTLEMENT AGREEMENT APPROVAL HEARING

6. What is the proposed settlement?

Air Canada agreed to settle the class action in exchange for a full release of the claims against it relating to the purchase of economy-class tickets from Air Canada during the Class Period for a flight departing from the United Kingdom and for which the APD was charged for a passenger under 16 years of age on the date of the flight actually taken.

The Settlement Agreement provides for the following, subject to Court approval:

1. Air Canada will pay to the class members a maximum amount of \$520,301.00.
2. Each class member will be eligible to obtain a **full refund** of the APD charged for each ticket he or she purchased for a passenger under 16 years of age on the date of the flight actually taken, which will be **processed automatically** by Air Canada and made in accordance with the method of payment used by the class member or, when the former is not possible, by cheque mailed to the last known address of the class member.
3. Class Counsel's legal fees and expenses of \$261,000.00 (plus all taxes) will be paid by Air Canada on top of the full refunds being paid to class members.
4. The admissibility for a refund for class members with open tickets that have not yet been flown as of the date on which Air Canada will process the refunds or for class members with travel credits resulting from the cancellation of their flight for which they have not sought a refund will be determined reasonably by Air Canada at the date of the use of the open ticket or the exchange of that credit for a flight, as the case may be.
5. If there is any money remaining after all claims, notice and administration costs and Class Counsel's fees and expenses are paid, the remaining funds will be donated to a charitable organization to be chosen by the parties and approved by the Court (subject to any amounts which must be paid by law to the Quebec *Fond d'aide aux actions collectives*).

The Settlement Agreement and documents pertaining to this class action are available at www.lpclex.com/airpassengerduty.

7. What is the next step regarding the proposed settlement?

The Superior Court of Québec must approve the Settlement Agreement before it can take effect. The Court will review the terms of the Settlement Agreement to ensure that they are fair, reasonable and in the best interests of the class members.

The Final Approval Hearing will take place on **December 16, 2022, at 9:30 a.m.** before the Superior Court of Québec, at the Montreal Courthouse, 1 Notre-Dame Street East, in Montreal, Quebec, in courtroom **2.08**. At this hearing, the Court will hear any objection filed by class members regarding the proposed Settlement Agreement, in accordance with the deadlines and

procedure set forth below. Class members who do not oppose the proposed settlement are not required to attend this hearing or to take any action to indicate that they intend to be bound by it.

OPTING OUT: This is your only chance to opt out from the class action

8. What happens if I opt out?

If you decide to opt out of the class action, you retain your right to institute your own lawsuit against Air Canada regarding the APD and you will not be bound by the judgments rendered by the Court in this class action. Also, you will not be entitled to receive a payment if the settlement is approved by the Court.

9. What happens if I do not opt out or if I do nothing?

If you do not opt out of the class action or if you do nothing, you will be entitled to receive a payment if the settlement is approved by the Court. As such, you give up your right to institute your own lawsuit against Air Canada regarding the APD and will be bound by the judgments rendered by the Court in this class action.

10. How do I opt out?

If you do not wish to be part of this class action, you can opt out by sending to the clerk of the Superior Court of Quebec a signed letter containing the following information:

- The class action file number and name: 500-06-001147-210 (*Itzkovitz v. Air Canada*).
- Your name, current mailing address and email address.
- Your statement: "I am a class member and I wish to opt out of the class action".
- Your signature.

You must send your letter by registered mail, with a copy by email to Class Counsel, by November 30, 2022 at the following addresses:

<u>TO:</u> Clerk of the Superior Court of Québec File: 500-06-001147-210 Montreal Courthouse 1, Notre-Dame East Street, Suite 1.120 Montréal (Québec) H2Y 1B6	<u>WITH COPY TO:</u> Mtre. Joey Zukran LPC Avocat Inc. 276 Saint-Jacques Street, Suite 801 Montreal, Quebec, Canada H2Y 1N3 Email: jzukran@lpclex.com
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OBJECTING TO THE PROPOSED SETTLEMENT

11. What should I do if I disagree with the proposed settlement?

If you disagree with the Settlement Agreement but you do not wish to opt out of the class action, you can object to the Settlement Agreement by delivering a written submission on or before **November 30, 2022**, filed with the Court, Class Counsel and Air Canada's Counsel in accordance with Section 7(a) of the proposed Settlement Agreement and containing the following information:

- A heading referring to this proceeding (*Iitzkovitz v. Air Canada* - 500-06-001147-210).
- Your name, current address, and telephone number and, if represented by counsel, the name of your counsel.
- A statement that you purchased an economy class ticket from Air Canada for a passenger under 16 years of age for a flight departing from the United Kingdom during the Class Period described in the class definition.
- A statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel.
- A statement of the objection and the grounds supporting the objection.
- Copies of any papers, briefs, or other documents upon which the objection is based.
- Your signature.

You must send your letter by registered mail, with a copy by email to Class Counsel and Air Canada’s Counsel, at the following addresses:

<p><u>TO:</u> Clerk of the Superior Court of Québec File: 500-06-001147-210 Montreal Courthouse 1, Notre-Dame East Street, Suite 1.120 Montréal (Québec) H2Y 1B6</p>	<p><u>WITH COPIES TO:</u></p> <p>Mtre. Joey Zukran LPC Avocat Inc. 276 Saint-Jacques Street, Suite 801 Montreal, Quebec, Canada H2Y 1N3 Email: jzukran@lpclex.com</p> <p>Mtre. Michael Vathilakis Renno Vathilakis Inc. 145 St-Pierre Street, Suite 201 Montreal, Quebec, Canada H2Y 2L6 Email: mvathilakis@renvath.com</p> <p>Class Counsel</p>
	<p>Mtre. Simon J. Seida Blake, Cassels & Graydon LLP 1 Place Ville Marie, Suite 3000 Montreal, Quebec, Canada H3B 4N8 simon.seida@blakes.com</p> <p>Air Canada’s Counsel</p>

The Court cannot change the terms of the settlement. Any objections will be used by the Court to consider whether to approve the settlement.

REFUND UNDER THE SETTLEMENT AGREEMENT

12. What happens if the Settlement Agreement is approved by the Court?

If the Settlement Agreement is approved by the Court, each class member will obtain a **full refund** of the APD charged for each ticket he or she purchased for a passenger under 16 years of age on the date of the flight actually taken. The refund will be **processed automatically** by Air Canada and made in accordance with the method of payment used by the class member or, when not possible, by cheque mailed to the last known address of the class member.

13. What happens if I do not automatically receive a refund?

If you are a class member and you did not receive a refund from Air Canada 100 days after the judgment approving the settlement, you can contact the Settlement Administrator at <https://velvetpayments.com/airpassengerduty/> to verify your status as a class member and submit your contact information to receive a cheque from Air Canada. You must do so no more than 145 days after the judgment approving the settlement or you will otherwise lose your right to a refund.

CLASS COUNSEL

14. Who are the lawyers working on this class action?

The law firms LPC Avocat Inc. and Renno Vathilakis Inc. represent the Representative Plaintiff and the class members. You may contact either one of them using the contact information found at the end of this notice.

15. Are there fees for the class members?

You do not have to pay the lawyers working on this class action. Class Counsel have taken this case on a contingency agreement, and their legal fees and disbursements will be paid by Air Canada, subject to Court approval.

If the settlement is approved by the Court, the lawyers representing the Representative Plaintiff and the class members will be paid from the amount provided in the Settlement Agreement. The Court will decide on the reasonableness of the fees and costs requested by Class Counsel.

FOR MORE INFORMATION

If you have questions, you can contact the Class Counsel by mail, email or phone. Your name and any information provided will be kept confidential. **Please do not contact Air Canada, nor any of the judges of the Superior Court of Quebec.**

Class Counsel

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This notice has been approved by the Superior Court of Quebec.