

**PRE-APPROVAL NOTICE OF CLASS ACTION AUTHORIZATION AND
SETTLEMENT APPROVAL HEARING**

Quebec Superior Court file number: 500-06-000798-161

Read this notice carefully as it may affect your legal rights.

On July 4th, 2016, a Quebec consumer (the “**Representative Plaintiff**”) filed an Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff (the “**Application to Authorize the Bringing of a Class Action**”) against Spotify AB (“**Spotify**”) and twenty-four (24) other Defendants (collectively referred to hereinafter as the “**Defendants**”). Subsequently, the Representative Plaintiff modified her Application to replace Spotify AB with Spotify Canada Inc. (together with Spotify AB “**Spotify**”) as a Defendant. In the Application to Authorize the Bringing of a Class Action, the Representative Plaintiff claims that the Defendants, including Spotify, carried on their business in violation of the *Consumer Protection Act*, CQLR, c. P-40.1 (the “**CPA**”) by requiring consumers who have benefited from a product or service at a reduced price or free of charge for a specific period of time to provide a notice indicating that they do not wish to obtain the goods or services at the regular price. In her proposed class action, the Representative Plaintiff sought compensatory and punitive damages against Spotify pursuant to section 272 CPA. Spotify denies that its business practices contravene the CPA in any way.

This notice is intended for consumers residing in Québec who (i) started a subscription to the Spotify service during the Class Period, (ii) received a free or discounted trial, and (iii) were automatically renewed at the regular price following the end of their free or discounted trial (the “**Class Members**”).

A Settlement has been reached for the benefit of Class Members.

A. WHO IS A SETTLEMENT CLASS MEMBER?

Settlement Class Members are Class Members residing in Québec who (i) started a subscription to the Spotify service during the Class Period, (ii) received a free or discounted trial, (iii) were automatically renewed at the regular price following the end of their free or discounted trial, and (iv) subsequently cancelled their subscription to the Spotify service within one month following the end of their free or discounted trial (the “**Settlement Class**”).

B. WHO IS A ROGERS SETTLEMENT CLASS MEMBER?

Rogers Settlement Class Members are Settlement Class Members residing in Québec who started a subscription to the Spotify service during the Class Period through Rogers Canada Inc. as part of their Share Everything or Share Everything + plans (the “**Rogers Settlement Class**”).

C. WHAT IS THE CLASS PERIOD?

“Class Period” means:

- a) for all Class Members and Settlement Class Members except the Rogers Settlement Class Members, July 4th, 2013 until October 31st, 2017;
- b) for the Rogers Settlement Class Members, July 4th, 2013 until January 31st, 2019.

D. PURPOSE OF THIS NOTICE

The purpose of this notice is to advise you that, without any admission of liability whatsoever, Spotify and the Representative Plaintiff have reached a Settlement Agreement regarding any claims that Class Members have or may have against Spotify arising out of a violation of the CPA alleged in the Application to Authorize the Bringing of a Class Action. Pursuant to the Settlement Agreement, each Settlement Class Member (including Rogers Settlement Class Members) shall automatically receive a free one month period of the Spotify Premium service. Each Settlement Class Member (including Rogers Settlement Class Members) can only be entitled to one free period regardless of the numbers of times that they have subscribed to the Spotify service during the Class Period or the number of times that they have cancelled their subscription to the Spotify service within one month of the end of a free or discounted trial period during the Class Period.

As of November 1, 2017, Spotify will discontinue the practice of combining a free or discounted trial offer with an automatic renewal at the end of the free or discounted trial for Quebec subscribers except for the Rogers Class members. Spotify also commits to discontinue the combination for Quebec Roger Class Members on January 31, 2019. No admission of liability can be inferred from this discontinuance and Spotify remains free to, at any point in the future, introduce or re-introduce any business model or technical solution that it deems compliant with the Quebec legislation.

On October 27, 2017, the parties presented the Court with a joint application to authorize the proposed class action for settlement purposes only. On November 1st, 2017, the Court authorized the Applicant to institute a class action in the judicial District of Montreal on behalf of the Class, for settlement purposes only (the “**Authorization Judgement**”), and identified the following principal issue to be dealt with collectively:

During the Class Period, did Spotify’s alleged practice violate paragraph c of section 230 of the CPA, and, if so, are Class Members entitled to compensation?

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.

If you are a Class Member, you have the right to seek intervenor status in the class action. Class Members cannot be ordered to pay legal costs arising from the class action.

E. CAN I OPT OUT OF THE CLASS?

Yes. If you do not wish to be part of the Class Action against Spotify and bound by the Spotify Settlement Agreement, you may opt out of the Class by April 1st, 2018, as determined by the Court in the Authorization Judgment (the “**Opt-Out Period**”) by informing the court clerk of the Montreal Courthouse of your choice to opt-out of the Class. Your signed request of exclusion must contain all of the following information:

1. The name and Court docket number of this case, which is: *Benabu vs. Vidéotron S.E.N.C., Spotify Canada Inc. et al.* (500-06-000798-161);
2. Your name, address, phone number(s) and email address(es) associated with your Spotify account; and
3. Specific confirmation that you wish to exclude yourself (opt out) of the *Class Action against Spotify* and the *Spotify Settlement Agreement*.

The request for exclusion (opt out) must be sent by registered or certified mail to the Court, with a copy to Class Counsel, at the following addresses:

| | |
|--|--|
| <p><u>TO:</u> Greffe de la Cour supérieure du Québec PALAIS DE JUSTICE DE MONTRÉAL 1 Notre-Dame Street East Room 2.120 Montréal (Québec) H2Y 1B5</p> | <p><u>WITH COPY TO:</u> Mtre Joey Zukran LPC Avocat Inc. 5800, Cavendish Blvd. Suite 411 Côte St-Luc, Québec, H4W 2T5 email: jzukran@lpclex.com fax: (514) 221-4441 Class Counsel</p> |
| | <p>Mtre Martin F. Sheehan Fasken Martineau, s.r.l. 800, Square Victoria #3700 Montreal, Quebec, H4Z 1E9 email: msheehan@fasken.com fax: (514) 397-7600 Counsel for Spotify Canada Inc.</p> |

If you elect to opt-out, you will not be eligible for any of the benefits of the Settlement Agreement.

If you do not timely and properly opt out of the class action within the Opt-Out Period, you will irrevocably be bound by all the terms and conditions of the Settlement Agreement in the event it is approved by the Court.

F. WHAT IS THE DIFFERENCE BETWEEN A SETTLEMENT CLASS MEMBER AND A ROGERS SETTLEMENT CLASS MEMBER

The only differences between a Settlement Class Member and a Rogers Settlement Class Member is the definition of their respective Class Period and the date of the discontinuance of the combination of free or discounted trials with automatic renewal at the end of the trial in Québec.

G. SETTLEMENT APPROVAL HEARING

On April 13, 2018, the Court will hear the parties' application for approval of the Settlement Agreement and an application to approve Class Counsel's fees (the "**Application for Approval**").

The hearing will take place at the Montreal Courthouse located at 1, rue Notre-Dame East, in Montreal, H2Y 1B6, in Room 2.08 starting at 9:00 am. At this hearing, the Court will determine whether the Settlement Agreement is fair and reasonable and is in the best interests of the Class Members. At the same hearing, counsel for the Applicant will ask the Court to approve the payment of Class counsel fees and expenses. Such fees and expenses will not be deducted from the credit offered to Settlement Class Members.

H. OPPOSING THE APPLICATIONS FOR APPROVAL

You may make an objection to the Applications for Approval by attending the hearing if you wish to do so.

I. RELEASE OF CLAIMS AND EFFECT ON OTHER PROCEEDINGS

If the Settlement Agreement receives the Court's approval and if you have not opted-out during the Opt-Out Period, you will be bound by the terms of the Settlement Agreement. You will not be able to bring or maintain any claims that you have or may have against Spotify arising out of, or related, to a violation of the CPA alleged in the Application to Authorize the Bringing of a Class Action.

J. NOTICE FOLLOWING THE SETTLEMENT APPROVAL HEARING

In the event the Settlement Agreement is approved by the Court, a notice will be communicated to you to inform you of the Approval Judgment and the method by which Settlement Class Members may proceed to claim their credit.

K. ADDITIONAL INFORMATION AND QUESTIONS

The complete version of the Settlement Agreement can be found at WWW.LPCLEX.COM. Please be advised that the present notice only contains a summary of the Settlement Agreement. In case of conflict between this notice and the Settlement Agreement, the Settlement Agreement will govern.

THIS NOTICE WAS AUTHORIZED BY THE HONOURABLE STÉPHANE SANSFAÇON, J.C.S.