

LEGAL NOTICE

Did you work for Cineflix in Ontario before September 2, 2021?

You might be entitled to a payment as part of a class action settlement. Please read this notice carefully.

Notice of Class Action Settlement and Claim Discontinuance

A settlement agreement was recently reached in the Cineflix Class Action. You are receiving this letter because we believe you might be entitled to a payment under this settlement.

If your work for Cineflix only took place before October 6, 2016, you are not part of this settlement. The Action on behalf of persons who only worked for Cineflix before October 6, 2016 will be discontinued. Please read section B7 for more information.

Please read this notice carefully for details of the Proposed Settlement.

The Ontario Superior Court authorized this notice. This is not a solicitation from a lawyer.

Proposed Settlement of the Cineflix Class Action

A former Cineflix contractor, Anna Bourque, (the "**Representative Plaintiff**"), sued Cineflix on behalf of Cineflix employees and contractors. The class action lawsuit claimed:

- Cineflix misclassified its workers as "independent contractors" when they were in fact "employees";
- As a result, Cineflix did not compensate these contractors for overtime, public holiday pay, and vacation pay; and,
- Additionally, Cineflix did not compensate its employees for the overtime hours they also worked.

Cineflix has denied all of these allegations. There has been no adjudication on the merits of the claims in the Class Action.

After extensive litigation and settlement discussions, Ms. Bourque and Cineflix have now reached a proposed settlement that provides compensation to eligible persons.

However, in order to finalize the settlement and begin the claims process, a judge of the Superior Court in Toronto must first approve this proposed agreement.

The Court's approval hearing will be held on December 21, 2021. On that day, the Parties will present evidence and argue that the proposed settlement is fair and reasonable. Class Members can participate if they wish. For more information on your right to participate, please read the section "Your Legal Rights and Options in this Proposed Settlement", below.

WHAT THIS NOTICE CONTAINS:

A. BASIC INFORMATION

1. Why did I get this notice?
2. What is a class action?
3. What is this class action about?
4. Has there been a trial?
5. Why is there a proposed settlement?

B. WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

6. Who is included in the proposed settlement?
7. I only worked for Cineflix before October 6, 2016. What does the settlement mean for me?
8. What if I am not sure whether I am included in the proposed settlement?

C. PROPOSED SETTLEMENT

9. What does the proposed settlement provide?
10. What am I giving up in the proposed settlement?
11. May I remove myself from the proposed settlement?

D. HOW TO RECEIVE A PAYMENT?

12. How will I receive a payment?
13. How will payments be calculated?
14. What if I disagree with the decision?
15. What if my claim is denied?

E. THE LAWYERS REPRESENTING YOU

16. Who is Class Counsel?
17. Do I have to pay Class Counsel anything?

F. OBJECTING TO THE PROPOSED SETTLEMENT

18. How do I tell the Court if I support the proposed settlement?
19. How do I tell the Court if I do not like the proposed settlement?

G. THE APPROVAL HEARING

20. When/where will the Court decide whether to approve the proposed settlement?
21. What if I do nothing?

H. GETTING MORE INFORMATION

22. How do I get more information?

A. BASIC INFORMATION

1. Why did I get this notice?

The Ontario Superior Court of Justice authorized this notice to let you know about a proposed settlement.

This notice explains the lawsuit, the proposed settlement, and your legal rights.

2. What is a class action?

In a class action, one or more people called the “representative plaintiff(s)” sue on behalf of people who have similar claims, called the “class” or “class members”.

In a class action, the court can resolve all or some of the class members' claims at the same time. People who meet the definition of a "class member" are automatically included in the claim, unless they choose to "opt out". Opting out is explained in more detail below.

3. What is this class action about?

Anna Bourque (the “Representative Plaintiff”), commenced the lawsuit and is represented by Cavalluzzo LLP (“Class Counsel”). Cineflix is defending the case and is represented by Lenczner Slaght LLP (“Defence Counsel”).

The lawsuit alleges that Cineflix misclassified its contractors in Ontario as independent contractors when they were truly employees and that, as employees, these persons were entitled to receive vacation pay, public holiday pay and overtime pay.

As well, the lawsuit alleges that Cineflix did not pay overtime to its employees.

The lawsuit claims for all lost wages, including public holiday pay, vacation pay, and overtime pay, and all damages, including punitive damages, that flow from Cineflix's failure to properly classify and compensate its workers.

Cineflix has denied all of the allegations advanced in this class action. There has been no adjudication on the merits of the claims in the Class Action.

4. Has there been a trial?

This case has not yet gone to trial. A judge has not made any decision on the merits of this lawsuit.

5. Why is there a proposed settlement?

The Representative Plaintiff and Cineflix have agreed to the proposed settlement.

By agreeing to the proposed settlement, the parties avoid the costs and uncertainty of a trial and the potential delays in obtaining judgment. It also means that the Class Members will not need to testify in court.

The Representative Plaintiff and Class Counsel think the proposed settlement is in the best interests of all Class Members.

B. WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

6. Who is included in the proposed settlement?

The Class Members included in the proposed settlement are:

Any person who worked for Cineflix, whether directly or indirectly through corporations owned and/or controlled by such person, in any legal relationship whatsoever (including as an employee, dependent contractor, independent contractor, or sole proprietor), in Ontario at any time during the Class Period, but excluding those who worked for Cineflix only in one or more of the following roles during the Class Period:

- a) Any job in respect of which an individual's terms of work are covered by a collective agreement;
- b) Any actors or other on-screen talent;
- c) Any jobs of any sort relating to work on scripted productions;
- d) Any corporate staff, such as administrative, professional, accounting and similar staff, whose engagement does not arise in respect of only a specific production or specific productions); and
- e) Any job in which an individual held the job titles of Executive Producer, Line Producer, Producer, Production Manager, or Series Producer, or substantially similar job titles, or primarily performed the job functions associated with such job titles.

You are a Class Member if you meet this definition. The definition excludes persons who only worked at Cineflix before October 6, 2016. If you are someone who only worked at Cineflix before that date, there is important information just for you in the next section.

If you worked for Cineflix between October 6, 2016 and September 1, 2021, but you only worked for Cineflix in one of the excluded roles described in subparagraphs (a) to (e) above, you are not a member of the Class. You were either never included in the case, or the claim on your behalf has been discontinued.

Estates of Class Members may be eligible. A claim must be filed by the Estate Executor for deceased class members.

If the settlement is approved, all Class Members, except those who validly opt out of the settlement, will be bound by the proposed settlement and will be covered by the releases in the proposed settlement.

7. I only worked for Cineflix before October 6, 2016. What does the settlement mean for me?

As part of the settlement, the class action on behalf of persons who only worked at Cineflix before October 6, 2016 will be discontinued. This means that if you are someone who only worked at Cineflix before October 6, 2016, you are not part of the class action settlement, and the settlement will not affect your ability to pursue any cause of action that has been advanced on your behalf in this class action. If you worked before October 6, 2016 but also any day on or after October 6, 2016, you remain part of the class. However, the proposed settlement does not compensate you for the work you did before October 6, 2016.

If you only worked for Cineflix before October 6, 2016 and you would like to start your own legal claim against Cineflix in respect of any causes of action raised in this class action, you should be aware that your claim must be commenced within a specified time period or it might be legally barred. Although the running of any limitation periods applicable to the causes of action advanced in this class action was paused while the class action was ongoing, it will start running again once the action is discontinued. If you would like to pursue legal action against Cineflix, we recommend you take all necessary legal steps—including seeking legal advice—to protect any claim you may have.

8. What if I am not sure whether I am included in the proposed settlement?

If you are not sure whether you are included in the proposed settlement, you may call 1-844-253-7730 or visit www.cavalluzzo.com/cineflixclassaction.

C. PROPOSED SETTLEMENT

8. What does the proposed settlement provide?

If approved, the settlement provides that Class Members are eligible for compensation.

The Proposed Settlement is for a total possible payment of \$1,000,000 or \$2,500,000. Some of these amounts will be paid to Cavalluzzo LLP in legal fees, HST and disbursements. This net amount will be distributed on a pro-rata basis according to the number of Class Members that apply for payment and the number of Class Members who opt out of the Class Action.

The amount paid to each Class Member will also depend on how many days the Class Member worked for Cineflix, the average rate they earned while employed at Cineflix for the period from October 6, 2016 to September 1, 2021, and which Cineflix productions they worked on. If a Class Member worked less than five days in total between October 6, 2016 and September 1, 2021, they will not receive any payment.

A full copy of the proposed Settlement Agreement is available for your review at: <https://www.cavalluzzo.com/cineflixclassaction>. It sets out the formulae that will be applied to each Class Member's claim.

9. What am I giving up in the proposed settlement?

Once the proposed settlement becomes final, you will have given up your right to sue Cineflix for the claims outlined in the Statement of Claim. In other words, you will be “releasing” Cineflix from liability for the claims set out by this Class Action. This means you cannot sue Cineflix for anything in respect of pay for alleged overtime hours worked, public holiday pay, vacation pay for your time worked there up to September 1, 2021.

The proposed Settlement Agreement describes the released claims with specific descriptions, so please read it carefully. If you have any questions about what this means, you may contact Class Counsel or you may engage your own lawyer. If you decide to retain your own lawyer, you are responsible for paying their legal fees.

10. What if I do Not Want to be Bound by the Settlement? Can I Opt Out of the Proposed Settlement?

Yes. If you do not want to be bound by the proposed settlement, you must opt out of the class action by November 27, 2021. If you opt out, you will not be entitled to any compensation under the class action settlement.

If you want to commence your own lawsuit, you must opt out.

If you opt out, you must abide by any applicable limitation periods. We strongly recommend you consult a lawyer before making the decision to opt out.

To opt out of the settlement, you must submit an Opt-Out Form to the Class Counsel. A copy of the Opt-Out Form is available at www.cavalluzzo.com/cineflixclassaction.

D. HOW TO RECEIVE A PAYMENT IF THE PROPOSED SETTLEMENT IS APPROVED

11. How will I receive a payment?

To ask for a payment, all Class Members must complete and submit a Claim Form. Cineflix will assess all claims using a strict formula that the Parties have agreed upon. Eligible Class Members will not need to testify in court. Once the claim is verified, Class Members will receive compensation as soon as reasonably possible.

Before anyone can file a Claim Form or be assessed, the Ontario Superior Court must decide whether to grant final approval of the proposed settlement (see “**The Approval Hearing**” below).

If the settlement is approved, we will provide more information about the claims process, including the Claim Form, in a further notice.

12. How will payments be calculated?

Cineflix, in consultation with Cavalluzzo LLP, will review your Claim Form and determine if you qualify for a payment. If you do, Cineflix, in consultation with Cavalluzzo LLP, will determine the amount of your payment based on the formulae described in the Settlement Agreement.

Importantly, the majority of the settlement is for a fixed amount, meaning that Cineflix does not "save" money by denying claims. The net figure payable to Class Members will depend on: (a) how much of the \$1,000,000 or \$2,500,000 is allocated to pay Class Counsel's legal costs; (b) the number of Class Members who apply for payment; and, (c) for Class Members receiving payment for their employment agreements, the amounts withheld to the CRA.

The full settlement agreement at <https://www.cavalluzzo.com/cineflixclassaction> explains fully how much is being paid and how it is being distributed.

13. What if I disagree with the decision?

If a decision is made that you are not a class member or otherwise entitled to compensation, you can bring a motion to challenge Cineflix's assessment at your own cost.

E. THE LAWYERS REPRESENTING YOU
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15. Who is Class Counsel?

Cavalluzzo LLP represents the Representative Plaintiff and the Class Members. If you want to be represented by or receive advice from another lawyer, you may hire one at your own expense.

16. Do I have to pay Class Counsel anything?

No.

Class Counsel is asking the Court to approve legal fees of up to 30% of the settlement amounts, plus disbursements and applicable taxes. This amount will be paid directly by Cineflix from the total amounts set aside to settle the class action. Class Counsel will not be paid unless the Ontario Superior Court declares that the proposed legal fees are fair and reasonable.

You will not need to pay any legal fees out of your own pocket for services from Class Counsel relating to the Class Action. If a Class Member retains other lawyers or a personal representative, that Class Member is responsible for paying their own lawyer or representative's fees, disbursements, and taxes.

F. PARTICIPATING IN THE PROPOSED SETTLEMENT HEARING

You may participate in the hearing to voice your support for the proposed settlement, you may object to the proposed settlement if you disagree with all or part of it, and you may also voice support or disapproval of the proposed legal fees payments. The Court will consider your views.

Participation in the hearing is optional. You may choose to wait for the outcome of the hearing.

17. How do I tell the Court if I support the proposed settlement?

To express your support for the proposed settlement, the proposed legal fees, or both, you may write a letter that includes the following:

- Your name, address, and telephone number;
- A statement saying that you support the Cineflix Class Action proposed settlement, legal fees, or both;
- The reasons you support the proposed settlement, legal fees, or both, along with any supporting materials; and,
- Your signature.

You may mail or email your letter to:

Cineflix Class Action
c/o Cavalluzzo LLP, 474 Bathurst Street, Suite 300
Toronto, Ontario, M5T 2S6
Email: cineflixclassaction@cavalluzzo.com

18. How do I tell the Court if I do not like the proposed settlement or legal fees?

To object to the proposed settlement, you may either:

- (a) **Make a written objection:** Write a letter or email that includes the following information:
 - Your name, address, and telephone number;
 - A statement saying that you object to the Cineflix Class Action proposed settlement or the legal fees or both;
 - The reasons you object to the proposed settlement, fees, or both, along with any supporting materials; and
 - Your signature.
- (b) **Make an oral objection at the approval hearing:** You must fill out an Objection Form and indicate that you intend to appear at the hearing to object. The approval hearing before the Court is scheduled to be heard in Toronto, Ontario on December 21, 2021 at 10:00 a.m..

All objecting letters or emails, including any Objection Forms, must be sent on or before December 14, 2021 to:

Cineflix Class Action
c/o Cavalluzzo LLP, 474 Bathurst Street, Suite 300
Toronto, Ontario, M5T 2S6
Email: cineflixclassaction@cavalluzzo.com

G. THE APPROVAL HEARING

19. When/where will the Court decide whether to approve the proposed settlement and/or the legal fees?

The Ontario Superior Court will hold an Approval Hearing in Toronto, Ontario on **December 21, 2021 at 10:00 a.m.**

This is a public hearing, and you may attend if you wish. As a Class Member, you may also ask to speak, but you do not have to.

The hearing date could be moved to a different date or time without additional notice. If you plan to attend the hearing, we recommend you check Class Counsel website at www.cavalluzzo.com/cineflixclassaction or call 1-844-253-7730.

At the hearing, the Court will consider whether the proposed settlement is fair, reasonable, and in the best interests of the Class. If there are objections, the Court will listen to the people who submitted an Objection Form and asked to speak at the hearing.

After the hearing, the Court will decide whether to approve the proposed settlement. We cannot guarantee when the Judge will release his decision.

The Court will, at the same, consider whether the proposed legal fees are fair and reasonable.

20. What if I do nothing?

If you do nothing, you are deemed to have accepted the proposed settlement. The approval hearing will proceed and the Court will consider whether the proposed settlement is fair, reasonable, and in the best interests of the Class. You will have no further opportunity to make objections to the Court with respect to the proposed settlement.

H. GETTING MORE INFORMATION

21. How do I get more information?

This notice summarizes the proposed settlement. For full details, a copy of the proposed Settlement Agreement is available at: www.cavalluzzo.com/cineflixclassaction.

If you have any questions, you may send them to:

Cineflix Class Action
Cavalluzzo LLP
474 Bathurst Street, Suite 300
Toronto, Ontario M5T 2S6

or email:

cineflixclassaction@cavalluzzo.com

or call:

1-844-253-7730