

Aimia Files Suit Against Mittleman Brothers and Sets Record Straight on Real Mittleman Agenda

Action for breach of standstill and other legal obligations initiated to defend the company and all shareholders against Mittleman's self-interested attempts to seize control of company and its assets

MONTREAL, July 22, 2019 /CNW Telbec/ - Loyalty and travel-focused consolidator Aimia Inc. (TSX: AIM) today announced that it has commenced legal action in Toronto before the Ontario Superior Court of Justice against the New York City-based hedge fund Mittleman Brothers, LLC and related parties (collectively, "**Mittleman**") (Docket Number: CV-19-00624108-0000), in the interests of defending the company and shareholders from continued breaches of contract, other unlawful and destructive interference and ongoing, self-interested proposals to seize control of the company and its assets.

The Statement of Claim details how Mittleman, in breach of the letter agreement with Aimia dated March 23, 2018, (the "**Agreement**") and other legal obligations, has (i) coordinated and communicated with certain current and potential investors in the company, as well as Aimia employees, regarding Mittleman's views of and plan to take over Aimia, its substantial cash and non-cash assets and investments and its Board of Directors, (ii) unlawfully induced other shareholders to participate in a withhold campaign at the 2019 annual meeting of shareholders (the "**2019 AGM**") on the basis of incomplete views of the company and Mittleman's own intentions, and (iii) improperly disclosed and received non-public and highly confidential details of board deliberations and internal documents concerning material transactions and core business matters. In addition, the Statement of Claim sheds light on Mittleman's self-interested agenda, evidenced by numerous proposals from Mittleman including to merge Aimia with Mittleman, have Mittleman take control of Aimia's cash and use Aimia's cash to acquire other Mittleman investments.

Remedies sought by Aimia include damages as compensation for prior breaches of law and contract, a declaration that Mittleman has breached the Agreement, and a court order enjoining Mittleman from taking further steps to remove or replace directors duly elected at the 2019 AGM.

Aimia emphasizes that the decision to commence legal action against a significant shareholder was not taken lightly and follows significant deliberation regarding Mittleman's underlying intentions and continued actions and their negative impact on the company and all other shareholders. However, while unfortunate, this course of action is required to protect the rights and interests of the company and all other shareholders. Mittleman's repeated and continued unlawful actions, even after the company sent private notice, have left it with no option but to defend itself and the interests of all shareholders by pursuing all legal remedies available, including through the initiation of legal proceedings.

Bill McEwan, Chairman of the Board of Directors, said:

"It is highly regrettable that the Board has been forced to take this action against Mittleman, despite our good faith in appointing two of their directors last year and entering a standstill agreement. The blatant violations of the agreement and the misrepresentations and misleading statements by Mittleman must be stopped in the interest of all shareholders and to allow the company to continue executing its strategy to create value.

"Aimia's shareholders deserve to know the facts to make informed decisions about their investment. Over the past year or so, in multiple communications to and with this Board, Mittleman has clearly stated its intentions to merge the company with Mittleman's own investment firm, transfer substantial cash assets for Mittleman to manage and ultimately take control of the Board. It has tried to push the company into acquiring or investing in companies with unrelated businesses in which Mittleman has direct interests. At no time has Mittleman actually put forward a serious and credible transaction or other proposal that would benefit or make sense for the company. The Board has rejected these demands, which would have only benefited Mittleman at the expense of Aimia and other Aimia shareholders.

"Mittleman's clear attempt to interfere with the shareholder vote at the 2019 AGM, in direct violation of its obligations to Aimia, was just another attempt to take over the company for their own benefit without offering anything, let alone a premium, to Aimia's

shareholders. Their recent public statements about the company, including misrepresentations about the AGM and board processes, are further evidence of Mittleman's intention to continue interfering in the affairs of the company solely for their own benefit."

Aimia also noted that if Mittleman truly believed that Aimia would be better served under Mittleman's control and direction, then it would make a formal all-cash offer to acquire the whole company for Aimia's fair value, which Mittleman itself recently stated was over \$7.00 per common share, plus a control premium. By Mittleman's own logic, anything less would expropriate value from other shareholders.

Background to the legal proceedings

Aimia maintains an ongoing dialogue with its shareholders and is committed to constructive engagement for the benefit of all shareholders. In March 2018, following discussions with Mittleman on Aimia's strategic direction at the time, the Board agreed to nominate two Mittleman representatives to the Board of Directors, including Philip Mittleman, the Chief Executive Officer & President of Mittleman, pursuant to the Agreement, a customary stand-still, support and confidentiality agreement. Subsequently, on March 28, 2019, the company announced its new strategic business plan, which was approved and supported by the full Board of Directors, including Philip Mittleman.

Since 2018, Aimia has undergone significant positive changes in fundamental aspects of its business, strategy and capital structure. Reflecting a deliberate and previously announced process to re-align the Board with the new strategic direction, the company has also made substantial changes in the Board's composition, with three new independent directors added, including two highly qualified appointees last week, and four others retiring since March.

Over the term of the Agreement and thereafter, based on Mittleman's observed behaviour, correspondence and other data points, Aimia became increasingly concerned that Mittleman was not complying with its obligations under the Agreement and notified Mittleman of same in writing on numerous occasions in 2018 and 2019, including leading up to and immediately following the 2019 AGM.

On July 1, 2019, Aimia sent a private letter to Mittleman outlining the fact that it has substantial evidence that Mittleman has repeatedly breached its contractual and other legal obligations as far back as April 2018, prior to the 2018 annual meeting of shareholders, and continuing up to, with respect to and following the 2019 AGM. In addition to Mittleman not replying to Aimia's letter in any direct or meaningful manner, subsequent and continuing statements and misrepresentations by Mittleman indicate that they intend to continue breaching their obligations owing to the company, with the goal of benefiting Mittleman to the detriment of Aimia and ultimately other shareholders. It is in this context that Aimia concluded that initiating legal proceedings against Mittleman was necessary to protect the rights and interests of the company and all other shareholders.

About Aimia

Aimia Inc. (TSX: AIM) is a loyalty and travel consolidator focused on growing earnings through its existing investments and the targeted deployment of capital in loyalty solutions and other sub-sectors of the rapidly-expanding loyalty and travel markets.

Its investments in travel loyalty include the Club Premier program in Mexico, which it jointly controls with Aeromexico through its investment in PLM, and an investment alongside Air Asia in travel technology company BIGLIFE, the operator of BIG Loyalty.

Aimia also operates a loyalty solutions business, which is a well-recognized, global full-service provider of next-generation loyalty solutions for many of the world's leading brands in the retail, CPG, travel & hospitality, financial services and entertainment verticals.

For more information about Aimia, visit corp.aimia.com.

SOURCE Aimia Inc.

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